



Halton District School Board

AUDIT COMMITTEE

Boardroom, J.W. Singleton Education Centre, 2050 Guelph Line, Burlington, Ontario

Tuesday, April 17, 2018

Public Session: 3 p.m.

PUBLIC SESSION AGENDA

1.0 – Opening

- 1.1 Welcome and Call to Order
- 1.2 Declarations of Possible Conflicts of Interest
- 1.3 Approval of the Agenda

2.0 – Ratification / Action**page**

- 2.1 Minutes of the Audit Committee Meetings
 - 2.1.1 Audit Committee Meeting, February 13, 2018 *pages 2-4*
- 2.2 Approval of Business Transacted in Private Session
- 2.3 Action Items
 - 2.3.1 External Audit Plan for 2017/2018 (D. Tonin) *pages 5-18*
 - 2.3.2 Regional Internal Audit Report (J. Baker) *page 19*
 - 2.3.3 Regional Internal Audit Plan for 2018/2019 (J. Baker) *pages 20-23*
 - 2.3.4 Terms of Reference - Board Sponsorships/Partnerships and Donations – Deferred (J. Baker)

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

- 3.1 Information Items (Nil Report)

4.0 – Business Arising**page**

- 4.1 Professional Development – Audit Committee New Member Resources *pages 24-232*

5.0 – Other Business**page****6.0 – Adjournment**

Date of Next Meeting: Suggested - September 18, 2018 at 2:00 PM

This publication is available in accessible formats upon request

**Halton District School Board
Audit Committee Public Session Meeting Minutes
Tuesday, February 13th, 2018**

Attendance:

Trustee Members: A. Harvey Hope, J. Gray

Trustee Guests:

Public Representative: M. Caputi, D. McKerrall

Staff: S. Miller, L. Veerman, C. Salemi, J. Sweetman, H. Camastro, K. Samarin

Regional Internal Audit Team: J. Baker

External Auditor:

Regrets: K. Graves, A. Collard

Agenda Item 1.0

1.1 Call to Order

- The Chair called the meeting to order at 3:22 p.m.

1.2 Declarations of Possible Conflict of Interest

- No conflicts of interest were declared.

1.3 Approval of the Agenda

Motion: D. McKerrall / M. Caputi

Be it resolved that the Agenda for the Public session of the Audit Committee Meeting for February 13, 2018 be approved as distributed.

Carried Unanimously.

Agenda Item 2.0

2.1 Minutes of the Audit Committee Meetings

2.1.1 Audit Committee Meeting, November 7th, 2017

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Motion: D. McKerrall / M. Caputi

Be it resolved that the minutes from the Public Session Audit Committee Meeting held on November 7th, 2017 be approved as distributed. **Carried**

Unanimously.

- Requested change to minutes: p.2, section 2.4.4, last bullet should read: "Regional Internal Audit Manager noted that this is standard audit terminology and a common process however, she will consider revisions to the wording of the terms of reference for future audit projects."
- Page 4, section 3.1.1: Education Development Charge confirmed to be the same amount as the prior year.

2.2 Approval of Business Transacted in Private Session

Motion: M. Caputi / A. Harvey Hope

Be it resolved that the Audit Committee ratify the motions approved in the private session of February 13, 2018. **Carried Unanimously.**

2.3 Action Items:

2.3.1 Appointment of External Auditor for the 2017/18 Financial Statement Audit

- Superintendent of Business Services presented the report and responded to questions.
- Noted that the appointment of the external auditor for the 2018/19 Financial Statement Audit will be presented to the Board prior to the commencement of the audit required to complete the March 31st report.

Motion: A. Harvey Hope / M. Caputi

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 statement audit for the 2017/2018 fiscal year. **Carried Unanimously.**

2.3.2 Regional Internal Audit Mandate and Status Update

- Regional Internal Audit Manager presented the report and responded to questions.

Motion: A. Harvey Hope / D. McKerrall

Be it resolved that the Audit Committee receive the Regional Internal Audit status update and that this report be included in the Audit Committee Summary to the Board of Trustees. **Carried Unanimously.**

- RIAT Manager to provide copy of standardized report template for engagement letters and terms of reference.
- Audit Committee has the ability to provide input into the risk assessment process as part of their approval of the internal audit plan.
- RIAT Manager noted that in addition to the plan presented to the Audit Committee, she may initiate and conduct any other audit or review deemed necessary due to potential illegal acts, fraud, abuse, or misuse of funds. She further indicated that she is not aware of any situation where any RIAT Manager or any of their team was required to conduct such an audit or review. However, if necessary this would be brought forward and the internal audit plan would be amended accordingly.
- RIAT Manager noted that the wording in the Mandate cannot be changed.

- All engagement letters and/or terms of reference should make reference to steps taken to ensure confidentiality and non-disclosure of information.
- All individuals accessing private information to sign a separate HDSB confidentiality agreement.
- Request to have Mandate added to report presented to Board of Trustees.

Motion: M. Caputi / D. McKerrall

Be it resolved that the Audit Committee accept the Regional Internal Audit Mandate and recommends approval by the Board of Trustees. **Carried Unanimously.**

Agenda Item 3.0

3.1 Information Items

Agenda Item 4.0

4.1 Business Arising – Professional Development

- Request for Management to review training previously provided to each member of the Audit Committee.
- Recommendation to provide Audit Committee with a high level orientation when there is a change in Board members and/or at first Audit Committee meeting of the year.
- Request to have Management circulate the training binder provided to the newest member of the Audit Committee to the other Committee members.

Agenda Item 5.0

5.1 Other business

- Next meeting – April 17th

Agenda Item 6.0

6.1 Adjournment

Motion: M. Caputi / D. McKerrall

Be it resolved that the Public Session of the Audit Committee Meeting held on February 13, 2018 be adjourned at 4:15 pm. **Carried Unanimously.**



Halton District School Board 2017 Audit service plan

For the year ending August 31, 2018
To be presented to the Audit Committee
April 17, 2018



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April 11, 2018

Private and confidential

To the Chair and Members of the
Audit Committee of Halton District School Board
Halton District School Board
J.W. Singleton Education Centre
2050 Guelph Line
Burlington ON L7R 3Z2

2018 Audit service plan

Dear Audit Committee members:

We are pleased to provide you with our audit service plan for Halton District School Board and its related entities ("the School Board") for the year ending August 31, 2018. This document describes the key features of our plan including our audit scope and approach, our planned communications with you, our team and an estimate of our fees.

Our commitment to you is straightforward: we will provide you with outstanding professional services delivered by an experienced and dedicated team of specialists. Our professionals will continue providing you with best practices and insights to face the increasingly complex array of issues and challenges encountered by companies like the School Board.

We look forward to discussing our audit service plan with you and answering any questions you may have.

Yours truly,

Chartered Professional Accountants
Licensed Public Accountants

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Our audit explained

Audit scope and terms of engagement

We have been asked to perform an audit of the School Board's consolidated financial statements (the "consolidated financial statements") in accordance with the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("Financial Reporting Framework") as at and for the year ending August 31, 2018. Our audit will be conducted in accordance with Canadian generally accepted auditing standards ("Canadian GAAS").

The terms and conditions of our engagement are described in the master service agreement, which will be sent separately in the near future. Our service agreement should be signed on behalf of the Board and management.

Scope and terms of engagement

Materiality

Audit risks

Materiality

We are responsible for providing reasonable assurance that your Consolidated financial statements as a whole are free from material misstatement.

Materiality levels are determined on the basis of 2% of total expenses.

We will inform the audit committee of all uncorrected misstatements greater than a threshold of 5% of materiality and any misstatements that are, in our judgment, qualitatively material. In accordance with Canadian GAAS, we will ask that any misstatements be corrected.

Audit risks

Through our preliminary risk assessment process, we have identified audit risks. These risks and related audit responses are discussed in the Audit risks section of this report.

Fraud risk

We will develop our audit strategy to address the assessed risks of material misstatement due to fraud. Determining this strategy will involve:

1. Asking people involved in the financial reporting process about inappropriate or unusual activity.
2. Testing a sample of journal entries throughout the period as well as adjustments made at the end of the reporting period.
3. Identifying and obtaining an understanding of the business rationale for significant or unusual transactions that are outside the normal course of business.
4. Evaluating whether your accounting policies may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
5. Evaluating whether the judgements and decisions related to management estimates indicate a possible bias.
6. Incorporating an element of unpredictability in selecting our audit procedures.

We will also ask the audit committee for their views about the risk of fraud, whether they know of any actual or suspected fraud affecting the School Board and their role in the oversight of management's antifraud programs.

If we suspect fraud involving management, we will immediately inform the audit committee of our suspicions and discuss the nature, timing, and extent of audit procedures necessary to complete the audit.

Complete engagement reporting

Audit reporting

Under Canadian GAAS, we are required to communicate certain matters to the audit committee. The primary reports and formal communications through which we will address these matters are:

- This Audit Service Plan
- Year End Communication, and
- Our Auditor's Report on the consolidated financial statements.

Business Insights

We will provide you with insights into the condition of your business and offer meaningful suggestions for improvement.



Audit fees

The quoted fees for the 2018 audits and other related work, excluding applicable taxes, are as follows and are in line with our quotation submitted January 22, 2018:

Audit	Current year	Previous year
School Board's statutory audit (including Pre and Post Audit Committee Reports, school visits and Management Letter)	\$67,500	\$61,000
The Fast Track – Community Centre for Skills, Development and Training audit	\$16,000	\$15,000
Seven month stub period report	\$8,400	\$7,350
Total	\$91,900	\$83,350

Audit risks

During our risk assessment, we identified some audit risks that will require special audit consideration. These risks, together with our planned responses, are described below.

The following tables set out the audit risks that we identified during our preliminary planning activities, including our proposed response to each risk. Our planned audit response is based on our assessment of the likelihood of a risk's occurrence, the significance should a misstatement occur, our determination of materiality and our prior knowledge of the School Board.

Revenue recognition*

Audit risk

Under Canadian GAAS, we are required to evaluate the risk of fraud in revenue recognition. We have evaluated the revenue transactions, and we have concluded that the significant risk is that revenue may have been recorded in the incorrect period.

This represents a fraud risk for the 2018 audit.

Our proposed audit response

- We will test cut-off, completeness and accuracy by obtaining confirmation of the 2018 revenues.
- We will review agreements with third parties.
- We will review grant stipulations.
- We will review related disclosure.

Management override of controls*

Audit risk

Management is in a unique position to override internal controls, which could allow manipulation of the accounting records that could result in consolidated financial statements that are materially misstated.

This represents a fraud risk for the 2018 audit.

Our proposed audit response

- We will discuss fraud with management.
- We will test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- We will evaluate the business rationale for any significant unusual transactions.
- We will determine whether the judgments and decisions related to management estimates indicate a possible bias, which will include performing retrospective analysis of significant accounting estimates.

School Generated Funds and School Council Funds*

Audit risk

There is an increased risk of misstatement of School Generated Funds and School Council Funds due to the large volume of cash collected.
This represents a fraud risk for the 2018 audit.

Our proposed audit response

- We will select a sample of schools to audit and perform substantive tests of details to obtain assurance over assets, liabilities, revenues and expenses.

Accounting for government transfers in accordance with Ministry directives and Ontario government regulations as it relates to capital contributions

Risk identified

Requires certain accounting which has been prescribed by the Ministry and can be complex given the significance of capital transactions and balances at the School Board.

Our proposed audit response

- We will detail test transactions and balances impacted, including tangible capital assets and capital contributions received and recognized, and determine whether the School Board has accounted for these transactions in accordance with regulations and relevant policies.
- We will ensure adequate disclosure of the basis of accounting in the notes to the financial statements.

Accounts payable and accrued liabilities

Risk identified

Accounts payable and accrued liabilities may be understated due to improper cut-off.

Our proposed audit response

- We will test disbursements subsequent to year-end to determine the reasonableness of accounts payable and accrued liabilities.
- We will test the supporting assumptions and underlying data for accruals.
- We will review the outcome of prior year estimates and accruals.

Employee future benefits

Risk identified

Employee future benefits liabilities and expenses may be understated.

Our proposed audit response

- We will review the actuarial report including assumptions and data upon which estimates are based.
- We will ensure proper disclosure in the financial statements.

Payroll

Risk identified

Payroll expense is not accurately recorded.

*significant risk

Our proposed audit response

- We will review and test internal controls related to the payroll cycle.
 - We will detail test payroll transactions for appropriate pay in accordance with employment agreements and other relevant documentation.
-

As we perform our audit procedures, we will inform you of any significant changes to the audit risks discussed above and the reasons for those changes.

Appendix 1 – Communication requirements

Required communication	Reference
Audit service plan	
1. Our responsibilities under Canadian GAAS, including forming and expressing an opinion on the financial statements	CAS ¹ 260.14
2. An overview of the overall audit strategy, addressing: <ul style="list-style-type: none"> a. Timing of the audit b. Significant risks, including fraud risks, locations, and planned responsibilities of other independent public accounting firms or others that perform audit procedures in the audit 	CAS 260.15
3. Significant transactions outside of the normal course of business, including related party transactions	CAS 260 App. 2, CAS 550.27
Enquiries of those charged with governance	
4. How those charged with governance exercise oversight over management's process for identifying and responding to the risk of fraud and the internal control that management has established to mitigate these risks	CAS 240.20
5. Any known suspected or alleged fraud affecting the School Board	CAS 240.21
6. Whether the School Board is in compliance with laws and regulations	CAS 250.14
Year-end communication	
7. Fraud or possible fraud identified through the audit process	CAS 240.40-.42
8. Significant accounting policies, practices, unusual transactions, and our related conclusions	CAS 260.16 a.
9. Alternative treatments for accounting policies and practices that have been discussed with management during the current audit period	CAS 260.16 a.
10. Matters related to going concern	CAS 570.23
11. Management judgments and accounting estimates	CAS 260.16 a.
12. Significant difficulties, if any, encountered during the audit	CAS 260.16 b.

¹ CAS: Canadian Auditing Standards – CAS are issued by the Auditing and Assurance Standards Board of CPA Canada

Required communication	Reference
13. Material written communications between management and us, including management representation letters	CAS 260.16 c.
14. Other matters that are significant to the oversight of the financial reporting process	CAS 260.16d.
15. Modifications to our opinion(s)	CAS 260.A18
16. Our views of significant accounting or auditing matters for which management consulted with other accountants and about which we have concerns	CAS 260.A19
17. Significant matters discussed with management	CAS 260.A.19
18. Matters involving non-compliance with laws and regulations that come to our attention	CAS 250.23
19. Significant deficiencies in internal control, if any, identified by us in the conduct of the audit of the Consolidated financial statements	CAS 265
20. Uncorrected misstatements and disclosure items	CAS 450.12-13
21. Any significant matters arising during the audit in connection with the School Board's related parties	CAS 550.27

Appendix 2 – Group audit and timing

This calendar indicates our various procedures and meetings as planned throughout the year:

Procedures	Timing
Presentation of audit plan to the Audit Committee	April 17, 2018
Seven month stub period report	Week of April 30, 2018
Interim audit	Week of May 28, 2018
School Generated Funds/School Council Funds audit	Tentatively week of September 24, 2018
Fast Track – Community Centre for Skills, Development and Training audit	Tentatively week of September 24, 2018
Year-end audit	Tentatively October 22-November 2, 2018
Meetings with the Audit Committee to:	
Issuance of draft consolidated financial statements to the Audit Committee	Tentatively November 13, 2018
Review the result of our audit and provide audit report	Tentatively November 13, 2018

Appendix 3 – New and revised public sector accounting standards

The following is a summary of certain new Public Sector Accounting Standards, amendments and proposals that will become effective in 2017 and beyond.

To review all recent amendments that will impact your organization in the foreseeable future, we invite you to review our revamped [Standard-setting Activities Digest](#), included in our Centre for Financial Reporting (www.cfr.deloitte.ca).

Public Sector Accounting Standards

Topic	Description	Effective date
Section PS 2200 - Related party disclosures	This Section defines a related party and establishes disclosures required for related party transactions.	This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.
Section PS 3210 – Assets	This Section provides guidance for applying the definition of assets and establishes general disclosure standards for assets; but does not include standards for recognition and disclosure of specific types of assets, which are dealt with in other Handbook Sections.	This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.
Section PS 3320 – Contingent assets	This Section defines and establishes disclosure standards on contingent assets; but does not include disclosure standards for specific types of contingent assets.	This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.
Section PS 3380 – Contractual rights	This Section defines and establishes disclosure standards on contractual rights; but does not include disclosure standards for specific types of contractual rights, and does not include those contractual rights to exchange one asset for another where revenue does not arise.	This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.
Section PS 3420 – Inter-entity transactions	This Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.	This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

Topic	Description	Effective date
Sectionn PS 3430 - Restructuring transactions	This new section was published by PSAB in June 2015. It establishes standards on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.	This section applies to restructuring transactions occurring in fiscal years beginning on or after April 1, 2018. Earlier adoption is permitted.
Section PS 1201 - Financial statement presentation	This new section was published by PSAB in June 2011. It revises and replaces Section PS 1200 Financial statement presentation. It establishes general reporting principles and standards for the disclosure of information in government financial statements.	This Section is effective when Sections PS 2601 and PS 3450 are adopted.
Section PS 2601 - Foreign currency translation	This section revises and replaces PS 2600, Foreign currency translation. It establishes standards on how to account for and report transactions that are denominated in a foreign currency in government financial statements.	This Section is effective for fiscal years beginning on or after April 1, 2019. For government organizations that applied the CPA Canada Handbook – Accounting prior to adopting the CPA Canada Public Sector Accounting Handbook, this Section applies to fiscal years beginning on or after April 1, 2012. Governments and government organizations would also adopt Section PS 3450 at the same time. Earlier adoption is permitted.
Section PS 3041 - Portfolio investments	This section revises and replaces PS 3040, Portfolio investments. It establishes standards on how to account for and report portfolio investments in government financial statements.	This Section is effective when Sections PS 1201, PS 2601 and PS 3450 are adopted.
Section PS 3450 - Financial instruments	This new section was published by PSAB in June 2011. It establishes standards on how to account for and report all types of financial instruments including derivatives.	This section is effective for fiscal years beginning on or after April 1, 2019. For government organizations that applied the CPA Canada Handbook – Accounting prior to adopting the CPA Canada Public Sector Accounting Handbook, this Section applies to fiscal years beginning on or after April 1, 2012. Governments and government organizations would also adopt PS 2601 at the same time. Earlier adoption is permitted.



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MEMO

To: Halton District School Board Audit Committee
From: Jenny Baker, Regional Internal Audit Manager
Date: 17 April 2018
Subject: Regional Internal Audit Status Report – Public Session

This memorandum will serve to update the Audit Committee of the Regional Internal Audit Team's work since February 13, 2018.

A. Audit in Progress

The planning for the Board Sponsorships audit is underway.

B. 2017-2018 Risk Assessment Update and Audit Plan Proposal

Attached for your information is a summary describing the annual risk assessment update and the presentation of the 2018-19 regional internal audit plan for your approval.

C. Other

Annual Independence Assertion

In compliance with S1110 of the International Standards for the Professional Practice of Internal Auditing, I am confirming that the regional internal audit team is organizationally independent and has been allowed to carry out its' responsibilities in an unbiased manner, free from interference in determining the scope of internal audit projects, performing work, and communicating results.

Motion:

Be it resolved that the Audit Committee receive the Internal Audit Status Update and that the report be included in the Audit Committee Summary to the Board of Trustees.



MEMO

TO: Halton District School Board Audit Committee
FROM: Jenny Baker, Regional Internal Audit Manager
DATE: 17 April 2018
SUBJECT: 2018-19 Internal Audit Plan

On March 5th, the Regional Internal Audit Manager facilitated a risk assessment and discussion with the Director and the Admin Council. This session resulted in the development of this audit plan.

Recommendation:

Be it resolved that the Audit Committee recommends that the 2018-19 Regional Internal Audit Plan which includes audits of Enrolment and Continuing Education, and follow-up reviews of the Entity Level Assessment, Information Technology, Back up Disaster and Recovery and Information Technology Vulnerability and Security Assessment be approved by the Board of Trustees.

For 2018-19

1. Continuing Education

Gary Allan High School Continuing Education Programs serves the community by offering a variety of programs from early childhood through to adulthood including:

- International Languages Elementary Program,
- Elementary Summer School, Secondary Summer School,
- eLearning,
- Night School,
- Robotics,
- International Travel, and
- a Skilled Trades Pre-Apprenticeship Program.

Programs are offered in the four communities of Burlington, Oakville, Milton and Halton Hills and each program is designed to provide unique and innovative learning opportunities to all students within the Halton region. The programs at Gary Allan High School serve over 13,000 students each year.

The objective of the audit will be to assess whether the Adult and Continuing Education program is sustainable by determining if the revenue obtained by enrolment covers the full cost to offer the program.

The scope is planned to include:

- An assessment of the effectiveness of the marketing of programs and enrolment forecasting required to compile an appropriate budget, to determine and obtain appropriate staff and resources to deliver the programs;
- An assessment of the process to monitor the effectiveness of program and course delivery within the approved cost structure;
- Whether measures are in place to identify where improvements to student achievement and program success is required.

2. Enrolment

On December 6, 2017 the Office of the Auditor General of Ontario issued its' 2017 Annual Report. The Auditor General cites several overarching governance and control themes identified after completing its' slate of value-for-money audits, including that measures for the accountability and the effectiveness of the use of provincial funding and that spending controls and operational oversight require improvement. In Section 3.08 'Ministry Funding and Oversight of School Boards', the AG proposes that to increase assurance of the reliability of enrolment data used in calculating Grants for Student Needs funding to school boards, the Ministry of Education:

- set specified audit procedures for enrolment audits that include auditing enrolment numbers of student groups used in calculating funding, such as Indigenous students and students receiving special-education programs or services; and
- assess the costs and benefits of requiring school boards to have these audits performed annually by their external auditors.

It has been the responsibility of the Board's internal audit team to perform periodic enrolment audits to validate the accurate reporting of student enrolment. However since the spring 2017 resignation of the Board's internal audit staff, no enrolment audits have been completed. Management proposes enrolment be added to the audit plan as a means to independently assess the accurate calculation of enrolment for funding purposes.

The objective of the enrolment audit (i.e. day school enrolment and ESL) will be to ensure that the schools:

- accurately recorded enrolment according to the Ministry of Education's, *Enrolment Register Instructions for Elementary and Secondary Schools, 2017-*

2018 School Year for one of the two reporting periods (October 31st and March 31st);

- accurately reported enrolment values to the Ministry through OnSIS;
- accurately reported the number of immigrant pupils who entered Canada within the last four years from a qualifying country; and
- retain immigration information in the pupil's OSR file to support the claims.

3. Audit Follow up Reviews

- I. Entity level Assessment
- II. Information Technology, Back up Disaster and Recovery
- III. Information Technology Vulnerability and Security Assessment

For 2019-20 Key Risk Topics Identified by RIAT For Discussion Only

1. Compliance to the Broader Public Sector (BPS) Procurement Directive

The objectives of the audit will be to assess whether HDSB has developed procurement policies and administrative procedures for purchasing which determine how the requirements of the Broader Public Sector Procurement Directive, effective April 1, 2011 have been put into operation; and whether the Board acquires goods and services through an open, fair and transparent process with consideration for quality, cost effectiveness, and timeliness of delivery.

2. Attendance Support Program

It is recognized that rising employee absences impacts student achievement and well-being and operating costs. RIAT proposes to utilize business intelligence software and data visualization to present information about employee absences that assists Board leadership in confirming whether effective mitigation strategies to address absenteeism are in place or can be strengthened.

3. Privacy

Concerns over the privacy of personal private information (PPI) have progressed from limited to pervasive in almost all industries. PPI as a whole is exposed to a variety of vulnerabilities, including loss, misuse and unauthorized distribution. Stakeholders of the Board expect that the privacy of student and staff information is adequately protected.

The objective of the audit will be to provide assurance of the adequacy and effectiveness of information management and privacy practices in place to protect PPI

as it is collected, processed and stored and to support compliance to both Board policy and legislative requirements.

4. Audit Follow up Reviews

- i. Insurance Administration**
- ii. Board Sponsorships**

Audit Committee New Member Orientation and Training Resources

Item	Description	Page
1	Audit Committee Regulation 361/10 https://www.ontario.ca/laws/regulation/100361	2
2	Open vs. Closed Sessions – Audit Committee Meetings	9
3	Recent Ministry Memos: 2017: SB26 Audit Committee Annual Report to the Ministry 2017: SB23 Update on Ministry Support for Audit Committees and Internal Audit 2016: B10 – Increasing Consistency Amongst Regional Internal Audit Teams 2016: SB31 – Update on Regional Internal Audit Consistency Measures 2016: SB14 – Update on Internal Audit Leading Practice Repository 2016: SB05 – Trustee Training Module on IA and the Role of Audit Committees 2015: SB30 – 2014-15 Audit Committee Annual Report to the Ministry 2015: SB19 – Audit Committees and Regional Internal Audit Updates 2014: SB02 – Audit Committees and Internal Audit on School Business Support Branch Website 2010: B45 – Audit Committee Regulation	34
4	Audit Committee Training Slides and Q&A (2015 PD Session) https://sbsb.edu.gov.on.ca/VDIR1/Internal%20Audit/AuditCommittee.aspx?Link=InternalAudit Audit Committee Induction Training (2011 PD Session) Modules, Toolkit and Videotaped Sessions Available https://sbsb.edu.gov.on.ca/VDIR1/Internal%20Audit/AuditCommittee.aspx?Link=InternalAudit	59 See Link
5	Draft Regional Internal Audit Team Mandate (presented February 2018)	126
6	Halton District School Board – 2016/17 Financial Statements https://www.hdsb.ca/our-board/Documents/Financial-Statements-2016-2017.pdf	132
7	Halton District School Board- 2017/18 Operating and Capital Budget https://www.hdsb.ca/our-board/Documents/Budget-2017-2018.pdf	157
8	Halton District School Board Senior Administration and Responsibilities https://www.hdsb.ca/our-board/Pages/Administration-and-Superintendents.aspx	198
9	Halton District School Board Board of Trustees 2014-2018 https://www.hdsb.ca/our-board/Pages/Board-of-Trustees.aspx	205
10	Halton District School Board Audit Committee Public Agendas and Minutes https://www.hdsb.ca/our-board/Pages/Board%20of%20Trustees/Audit-Committee-Agenda-and-Minutes.aspx	See Link
11	Ministry of Education Funding Information http://www.edu.gov.on.ca/eng/funding/index.html Memorandum 2017 B04: Grants for Student Needs for 2017-18 https://efis.fma.csc.gov.on.ca/faab/Memos/B2017/B04_EN.pdf	See Link
12	Other Resources: CPA Website – Guidance and Tools for Audit Committees https://www.cpacanada.ca/en/business-and-accounting-resources/audit-and-assurance/enhancing-audit-quality/guidance-and-tools-for-audit-committees	See Link

Français**Education Act****ONTARIO REGULATION 361/10****AUDIT COMMITTEES**

Consolidation Period: From July 10, 2015 to the e-Laws currency date.

Last amendment: O. Reg. 204/15.

This is the English version of a bilingual regulation.

Interpretation

1. (1) This Regulation applies in respect of audit committees established by district school boards under subsection 253.1 (1) of the Act. O. Reg. 361/10, s. 1 (1).

(2) In this Regulation,

“external auditor” means an auditor appointed by a board under subsection 253 (1) of the Act to perform the duties referred to in subsection 253 (4) of the Act; (“vérificateur externe”)

“internal auditor” means a contractor or employee of a board who examines and evaluates a board’s records and procedures related to the board’s risk management, internal controls and governance processes and makes recommendations on ways to improve the board’s risk management, internal controls and governance processes; (“vérificateur interne”)

“reporting entity” means, with respect to a board, an organization that is required to prepare reports for the purposes of the board regarding the organization’s financial affairs and resources; (“entité comptable”)

“senior business official” means a senior business official described in subsection 3 (2) of Regulation 309 of the Revised Regulations of Ontario, 1990 (Supervisory Officers) made under the Act. (“cadre supérieur de l’administration des affaires”) O. Reg. 361/10, s. 1 (2).

Establishment of audit committee

2. (1) Subject to subsection (3), every board shall establish an audit committee in accordance with this Regulation no later than January 31, 2011. O. Reg. 361/10, s. 2 (1).

(2) The first meeting of an audit committee established under subsection (1) shall be held no later than March 31, 2011. O. Reg. 361/10, s. 2 (2).

(3) A board established after the day this Regulation comes into force shall establish an audit committee in accordance with this Regulation no later than October 1 of the school year following the calendar year in which the board’s members are first elected. O. Reg. 361/10, s. 2 (3).

(4) The first meeting of an audit committee established under subsection (3) shall be held no later than December 1 of the school year following the calendar year in which the board’s members are first elected. O. Reg. 361/10, s. 2 (4).

Composition of audit committee

3. (1) An audit committee of a board shall consist of the following individuals appointed in accordance with the board's by-laws:

1. If the board has fewer than eight board members, the audit committee shall consist of four members, including two board members and two persons who are not board members.
2. If the board has eight or more board members, but less than fifteen, the audit committee shall consist of five members, including three board members and two persons who are not board members.
3. If the board has fifteen or more board members, the audit committee shall consist of seven members, including four board members and three persons who are not board members. O. Reg. 361/10, s. 3 (1).

(2) In the absence of a by-law setting out an appointment process, the board shall appoint the members of the audit committee in accordance with paragraphs 1, 2 and 3 of subsection (1). O. Reg. 361/10, s. 3 (2).

(3) If the number of persons required by paragraphs 1, 2 and 3 of subsection (1) is not appointed to the audit committee, the Minister may appoint a person to each vacant position. O. Reg. 361/10, s. 3 (3).

(4) A person appointed under subsection (3) holds the position until the board appoints another person to the position. O. Reg. 361/10, s. 3 (4).

(5) An appointment made under subsection (3) must comply with paragraphs 1, 2 and 3 of subsection (1) and section 4. O. Reg. 361/10, s. 3 (5).

Eligibility for appointment of persons who are not board members

4. (1) A person who is not a board member is eligible to be appointed to the board's audit committee only if he or she,

- (a) has accounting, financial management or other relevant business experience that would enable him or her to understand the accounting and auditing standards applicable to the board;
- (b) is not an employee or officer of the board or of any other board at the time of his or her appointment;
- (c) does not have a conflict of interest, as described in subsection (2), at the time of his or her appointment; and
- (d) was identified by the selection committee described in section 5 as a potential candidate for appointment to the audit committee. O. Reg. 361/10, s. 4 (1).

(2) 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).

(3) Clause (1) (d) does not apply if the person is appointed by the Minister under subsection 3 (3). O. Reg. 361/10, s. 4 (3).

Selection committee

5. (1) Each board shall have a selection committee for the purpose of identifying persons who are not board members as potential candidates for appointment to the board's audit committee. O. Reg. 361/10, s. 5 (1).

(2) The selection committee shall be composed of,

- (a) the board's director of education;
- (b) a senior business official of the board; and
- (c) the chair of the board or a board member designated by the chair. O. Reg. 361/10, s. 5 (2).

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.

(2) If at any meeting of the audit committee the chair is not present, the members present may elect a chair for that meeting. O. Reg. 361/10, s. 6 (2).

Term of appointment

7. (1) The term of office of a member of the audit committee who is a board member shall be determined by the board but shall not exceed four years. O. Reg. 361/10, s. 7 (1).

(2) The term of office of a member of the audit committee who is not a board member shall be determined by the board but shall not exceed three years. O. Reg. 361/10, s. 7 (2).

(3) Subject to subsection (4), a member of the audit committee may be reappointed. O. Reg. 361/10, s. 7 (3).

(4) An individual who is not a board member may not be appointed to the audit committee more than twice unless,

(a) the board advertised the position for at least 30 days; and

(b) after the 30 days, the selection committee did not identify any potential candidates. O. Reg. 361/10, s. 7 (4).

(5) When the term of a member of the audit committee expires, he or she continues to be a member until a successor is appointed or the member is reappointed. O. Reg. 361/10, s. 7 (5).

Vacancies

8. (1) A member who is a board member vacates his or her position on the audit committee if,

(a) he or she is convicted of an indictable offence; or

(b) he or she is absent from two consecutive regular meetings of the committee and the committee has not authorized those absences by a resolution at the first regular meeting of the committee that follows the second absence. O. Reg. 361/10, s. 8 (1).

(2) A member who is not a board member vacates his or her position on the audit committee if,

(a) he or she is convicted of an indictable offence;

(b) he or she is absent from two consecutive regular meetings of the committee and the committee has not authorized those absences by a resolution at the first regular meeting of the committee that follows the second absence;

(c) he or she becomes an employee or officer of the board or of any other board; or

(d) it is discovered that he or she had a conflict of interest as described in subsection 4 (2) at the time of his or her appointment and failed to disclose it. O. Reg. 361/10, s. 8 (2).

(3) Despite any by-law of a board, if a position on the audit committee becomes vacant, the position shall be filled as soon as possible in accordance with this Regulation. O. Reg. 361/10, s. 8 (3).

(4) A person who is appointed to fill a vacancy shall hold the position for the remainder of the term of the member whose position became vacant. O. Reg. 361/10, s. 8 (4).

Duties of an audit committee

9. (1) An audit committee of a board has the following duties related to the board's financial reporting process:

1. To review with the director of education, a senior business official and the external auditor the board's financial statements, with regard to the following:

i. Relevant accounting and reporting practices and issues.

ii. Complex or unusual financial and commercial transactions of the board.

iii. Material judgments and accounting estimates of the board.

iv. Any departures from the accounting principles published from time to time by the Canadian Institute of Chartered Accountants that are applicable to the board.

2. To review with the director of education, a senior business official and the external auditor, before the results of an annual external audit are submitted to the board,

i. the results of the annual external audit,

ii. any difficulties encountered in the course of the external auditor's work, including any restrictions or limitations on the scope of the external auditor's work or on the external auditor's access to required information,

iii. any significant changes the external auditor made to the audit plan in response to issues that were identified during the audit, and

iv. any significant disagreements between the external auditor and the director of education or a senior business official and how those disagreements were resolved.

3. To review the board's annual financial statements and consider whether they are complete, are consistent with any information known to the audit committee members and reflect accounting principles applicable to the board.
4. To recommend, if the audit committee considers it appropriate to do so, that the board approve the annual audited financial statements.
5. To review with the director of education, a senior business official and the external auditor all matters that the external auditor is required to communicate to the audit committee under generally accepted auditing standards.
6. To review with the external auditor material written communications between the external auditor and the director of education or a senior business official.
7. To ask the external auditor about whether the financial statements of the board's reporting entities, if any, have been consolidated with the board's financial statements.
8. To ask the external auditor about any other relevant issues. O. Reg. 361/10, s. 9 (1).

(2) An audit committee of a board has the following duties related to the board's internal controls:

1. To review the overall effectiveness of the board's internal controls.
2. To review the scope of the internal and external auditor's reviews of the board's internal controls, any significant findings and recommendations by the internal and external auditors and the responses of the board's staff to those findings and recommendations.
3. To discuss with the board's officials the board's significant financial risks and the measures the officials have taken to monitor and manage these risks. O. Reg. 361/10, s. 9 (2).

(3) An audit committee of a board has the following duties related to the board's internal auditor:

1. To review the internal auditor's mandate, activities, staffing and organizational structure with the director of education, a senior business official and the internal auditor.
2. To make recommendations to the board on the content of annual or multi-year internal audit plans and on all proposed major changes to plans.
3. To ensure there are no unjustified restrictions or limitations on the scope of the annual internal audit.
4. To review at least once in each fiscal year the performance of the internal auditor and provide the board with comments regarding his or her performance.
5. To review the effectiveness of the internal auditor, including the internal auditor's compliance with the document *International Standards for the Professional Practice of Internal Auditing*, as amended from time to time, published by The Institute of Internal Auditors and available on its website.
6. To meet on a regular basis with the internal auditor to discuss any matters that the audit committee or internal auditor believes should be discussed.
7. To review with the director of education, a senior business official and the internal auditor,
 - i. significant findings and recommendations by the internal auditor during the fiscal year and the responses of the board's staff to those findings and recommendations,
 - ii. any difficulties encountered in the course of the internal auditor's work, including any restrictions or limitations on the scope of the internal auditor's work or on the internal auditor's access to required information, and
 - iii. any significant changes the internal auditor made to the audit plan in response to issues that were identified during the audit. O. Reg. 361/10, s. 9 (3).

(4) 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.
2. To review the external auditor's audit plan, including,
 - i. the external auditor's engagement letter,
 - ii. how work will be co-ordinated with the internal auditor to ensure complete coverage, the reduction of redundant efforts and the effective use of auditing resources, and
 - iii. the use of independent public accountants other than the external auditor of the board.
- 2.1 To make recommendations to the board on the content of the external auditor's audit plan and on all proposed major changes to the plan.
3. To review and confirm the independence of the external auditor.
4. To meet on a regular basis with the external auditor to discuss any matters that the audit committee or the external auditor believes should be discussed.
5. To resolve any disagreements between the director of education, a senior business official and the external auditor about financial reporting.
6. To recommend to the board a policy designating services that the external auditor may perform for the board and, if the board adopts the policy, to oversee its implementation. O. Reg. 361/10, s. 9 (4); O. Reg. 204/15, s. 2.

(5) An audit committee of a board has the following duties related to the board's compliance matters:

1. To review the effectiveness of the board's system for monitoring compliance with legislative requirements and with the board's policies and procedures, and where there have been instances of non-compliance, to review any investigation or action taken by the board's director of education, supervisory officers or other persons employed in management positions to address the non-compliance.
2. To review any significant findings of regulatory entities, and any observations of the internal or external auditor related to those findings.
3. To review the board's process for communicating any codes of conduct that apply to board members or staff of the board to those individuals and the board's process for administering those codes of conduct.
4. To obtain regular updates from the director of education, supervisory officers and legal counsel regarding compliance matters.
5. To obtain confirmation by the board's director of education and supervisory officers that all statutory requirements have been met. O. Reg. 361/10, s. 9 (5).

(6) An audit committee of a board has the following duties related to the board's risk management:

1. To ask the board's director of education, a senior business official, the internal auditor and the external auditor about significant risks, to review the board's policies for risk assessment and risk management and to assess the steps the director of education and a senior business official have taken to manage such risks, including the adequacy of insurance for those risks.
2. To perform other activities related to the oversight of the board's risk management issues or financial matters, as requested by the board.
3. To initiate and oversee investigations into auditing matters, internal financial controls and allegations of inappropriate or illegal financial dealing. O. Reg. 361/10, s. 9 (6).

(7) An audit committee of a board shall report to the board annually, and at any other time that the board may require, on the committee's performance of its duties. O. Reg. 361/10, s. 9 (7).

(8) An audit committee shall make all reasonable efforts to ensure that a copy of this Regulation is posted on the board's website. O. Reg. 361/10, s. 9 (8).

Powers of an audit committee

10. In carrying out its functions and duties, an audit committee of a board has the power to,
- (a) with the prior approval of the board, retain counsel, accountants or other professionals to advise or assist the committee;
 - (b) meet with or require the attendance of board members, the board's staff, internal or external auditor or legal counsel or representatives from a reporting entity of the board at meetings of the committee, and require such persons or entities to provide any information and explanation that may be requested;
 - (c) where the committee determines it is appropriate, meet with the board's external or internal auditor, or with any staff of the board, without the presence of other board staff or board members, other than board members who are members of the committee;
 - (d) require the board's internal or external auditor to provide reports to the committee; and
 - (e) have access to all records of the board that were examined by the internal or external auditor. O. Reg. 361/10, s. 10.

Meetings

11. (1) An audit committee of a board shall meet at least three times in each fiscal year at the call of the chair of the committee, and at such other times as the chair considers advisable. O. Reg. 361/10, s. 11 (1).
- (2) The first meeting of the audit committee in each fiscal year after the 2011 year shall take place no later than September 30. O. Reg. 361/10, s. 11 (2).
- (3) Each member of the audit committee has one vote. O. Reg. 361/10, s. 11 (3).
- (4) The audit committee shall make decisions by resolution. O. Reg. 361/10, s. 11 (4).
- (5) In the event of a tie vote, the chair is entitled to cast a second vote. O. Reg. 361/10, s. 11 (5).
- (6) A majority of the members of the audit committee that includes at least one member who is not a board member constitutes a quorum for meetings of the committee. O. Reg. 361/10, s. 11 (6).
- (7) The chair of the audit committee shall ensure that minutes are taken at each meeting and provided to the members of the committee before the next meeting. O. Reg. 361/10, s. 11 (7).
- (8) Despite subsection (1), an audit committee of a board is required to meet only twice during the 2010-2011 fiscal year. O. Reg. 361/10, s. 11 (8).

Codes of Conduct

12. Any code of conduct of the board that applies to board members also applies to members of the audit committee who are not board members in relation to their functions, powers and duties as members of the committee. O. Reg. 361/10, s. 12.

Remuneration and compensation

13. (1) A person shall not receive any remuneration for serving as a member of the audit committee. O. Reg. 361/10, s. 13 (1).
- (2) Subsection (1) does not preclude payment of an honorarium under section 191 of the Act that takes into account the attendance of a board member at an audit committee meeting. O. Reg. 361/10, s. 13 (2).
- (3) A board shall establish policies respecting the reimbursement of members of its audit committee for expenses incurred as members of the committee. O. Reg. 361/10, s. 13 (3).
- (4) A board shall reimburse members of its audit committee for expenses incurred as members of the committee in accordance with the policies referred to in subsection (3). O. Reg. 361/10, s. 13 (4).

Declaration of conflicts

14. (1) Every member of an audit committee shall, when he or she is appointed to the committee for the first time and at the first meeting of the committee in each fiscal year, submit a written declaration to the chair of the committee declaring whether he or she has a conflict of interest as described in subsection 4 (2). O. Reg. 361/10, s. 14 (1).
- (2) A member of an audit committee who becomes aware after his or her appointment that he or she has a conflict of interest, as described in subsection 4 (2), shall immediately disclose the conflict in writing to the chair. O. Reg. 361/10, s. 14 (2).

(3) If a member or his or her parent, child or spouse could derive any financial benefit relating to an item on the agenda for a meeting, the member shall declare the potential benefit at the start of the meeting and withdraw from the meeting during the discussion of the matter and shall not vote on the matter. O. Reg. 361/10, s. 14 (3).

(4) If no quorum exists for the purpose of voting on a matter only because a member is not permitted to be present at the meeting by reason of subsection (3), the remaining members shall be deemed to constitute a quorum for the purposes of the vote. O. Reg. 361/10, s. 14 (4).

(5) If a potential benefit is declared under subsection (3), a detailed description of the potential benefit declared shall be recorded in the minutes of the meeting. O. Reg. 361/10, s. 14 (5).

Reporting

15. (1) An audit committee of a board shall submit to the board on or before a date specified by the board an annual report that includes,

- (a) any annual or multi-year audit plan of the board's internal auditor;
- (b) a description of any changes made to a plan referred to in clause (a) since the last report of the committee;
- (c) a summary of the work performed by the internal auditor since the last annual report of the committee, together with a summary of the work the auditor expected to perform during the period, as indicated in the plan referred to in clause (a);
- (d) a summary of risks identified and findings made by the internal auditor; and
- (e) a summary of any enrolment audits planned by the internal auditor. O. Reg. 361/10, s. 15 (1); O. Reg. 204/15, s. 3 (1).

(2) A board who receives a report under subsection (1) shall submit the information described in clauses (1) (c) and (e) to the Minister in each fiscal year on or before a date specified by the Minister. O. Reg. 204/15, s. 3 (2).

(3) An audit committee of a board shall submit a report to the board in each fiscal year on or before a date specified by the board, and at any other time as may be requested by the board, that includes,

- (a) a summary of the work performed by the committee since the last report;
- (b) an assessment by the committee of the board's progress in addressing any findings and recommendations that have been made by the internal or external auditor;
- (c) a summary of the matters addressed by the committee at its meetings;
- (d) the attendance record of members of the committee; and
- (e) any other matter that the committee considers relevant. O. Reg. 361/10, s. 15 (3).

16. OMITTED (PROVIDES FOR COMING INTO FORCE OF PROVISIONS OF THIS REGULATION). O. Reg. 361/10, s. 16.

Français



Ontario Association of School Business Officials Open vs. closed sessions of audit committee meetings



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Executive summary

Boards of trustees are elected by municipal residents to govern and oversee the operations of school boards on behalf of various stakeholders, and consequently, are expected to act in the best interest of all stakeholders. School board operations are largely funded through provincial grants giving all taxpayers in the Province of Ontario the right to knowledge of how their tax dollars are being utilized.

An audit committee is a subcommittee of the Board of Trustees which has been established through Provincial regulation, mandated to fulfill specific tasks on behalf of the Board of Trustees. The regulation requires that the committee include non-trustee external members who are selected based on their expertise to assist the Board of Trustees in providing oversight in the fulfillment of tasks defined in Ontario Regulation 361/10.

Ontario Regulation 361/10 delineates the duties of the audit committee of a district school board. Specifically the audit committee has oversight responsibility for:

- The financial reporting process
- Internal controls
- External audit
- Internal audit
- Compliance and risk management

Current legislation, specifically Subsection 207(2) of the Education Act, outlines topics that can be discussed in a closed meeting; otherwise, meetings should be held in an open session to ensure transparency to the public. Subsection 207(2) of the Education Act is applicable to the Board of Trustees and any committees of the Board of Trustees.

In developing this report, we have examined the role of the audit committee, the unique pressure of a public sector audit committee in balancing transparency and risk, the importance of open and candid communication, the Ombudsman's view on closed sessions, and other relevant public sector legislation.

In developing this report and determining our recommendations, it was important to note that while public sector governing bodies must demonstrate transparency, which extends to the audit committee, it shouldn't be at the expense of the effectiveness of the committee.

This report summarizes knowledge obtained from our research and leverages knowledge from our Subject Matter Experts within Deloitte who have experience in broader public sector organizations and developing audit committee best practices. Our research has shown there is a lack of consistency in legislation with respect of the requirement of open and closed sessions as it relates to committees of a board for a public sector organization.

It is important to note that the recommendations in this report are for audit committees of Ontario School Boards and that these recommendations may not be appropriate for other committees or for Board of Trustee meetings. It may be necessary to seek a legal opinion if further guidance beyond this report is required.

Our report and recommendations are based on the existing legislation and regulations in place as of September 1, 2015, which require that audit committee meetings be held in an open setting, with the option to move to a closed, or in camera session under certain circumstances. Our report does not consider or recommend any changes to the existing legislation. Based on the current legislative environment and our understanding of the education sector in Ontario, we make the following recommendations:

Recommendation #1 – Trustee attendance at audit committee meetings: Trustees who are not members of the audit committee should be permitted to attend open and closed audit committee meetings in the capacity of an observer. Observers are typically not allowed to participate in meetings unless they are invited to participate in the meeting by the chair of the committee. However under no circumstances would a non-committee member be allowed to vote on recommendations of the audit committee. The public should have access to the minutes from any open session, while Trustees who are not on the committee should have access to the minutes of any closed and open session.

Recommendation #2 – In-Camera Meetings: Guidance from the Ministry should clarify that audit committees have the ability to go in-camera (discuss topics without the presence of staff, including the Director of Education), which is acceptable under paragraph 10(c) of Regulation 361/10. In-camera meetings should not involve any decision making, and would typically just involve discussion with the appropriate party. Examples of in-camera sessions would be when the committee meets in-camera with the internal or external auditor.

Distinguishing the different types of meetings

Open	Closed	In-camera
Open sessions provide transparency to the stakeholder. Invitation to this portion of the audit committee meetings is not exclusive to anyone; however, participation will remain limited to the audit committee members and individuals invited to participate (i.e. RIAT, external auditor) to ensure topical and effective conversations. In these meetings, the transparency allows the audit committee to be directly accountable to the taxpayers and increases public confidence in the decision making, as they are in attendance and fully aware of the process.	Closed sessions have a more restrictive audience in the sense that invitation is only extended to audit committee members, Board of Trustees, relevant management and designated participants to report on certain matters and answer questions (i.e., internal or external auditor, legal counsel or representatives from a reporting entity). These sessions allow for sensitive topics and related recommendations to be discussed with all the facts and information prior to exposing the issues to the public.	In-camera sessions allow the audit committee to receive feedback from designated participants without the presence of other parties. These sessions allow participants to openly engage in issues with the appropriate parties and encourages more open and robust discussions. It is up to the committee to determine which parties they would like to meet with and whether other parties should be present.

Recommendation #3 – Communicating Closed Sessions: Audit committees should make publicly available a formal agenda for the open meeting that has been created and distributed in advance of the meeting. For closed sessions, the audit committee should state at the meeting the reasons as to why the committee would need to move into a closed session. Reports to the audit committee in an open session should be accessible to the public, while closed session reports should only be made available to the committee members, relevant management personnel, and the Board of Trustees.

Recommendation #4 – Decision making in a closed session: Recommendations made by the audit committee to the Board of Trustees should be made in an open session. Any decision making that occurs in a closed meeting could be perceived by the public as decision making with a lack of transparency and accountability. If it is not possible to make a decision in an open session (due to privacy or other closed session requirements), the audit committee should confirm how they meet the closed meeting requirements of 207(2) of the Education Act. When reporting to the Board of Trustees, the summary provided to the Board of Trustees should be in sufficient detail to understand the decisions and recommendations that came out of the closed meeting.

Recommendation #5 – Access to minutes: During the closed session, minutes should be taken in the same detail as minutes taken at the open session (focusing on decisions that are made by the committee or recommendations to the Board of Trustees). Members of the Board of Trustees should have access to all minutes, whether open or closed, whereas the public should only have access to open meeting minutes. In Camera minutes should be taken in the rare circumstances that those parts of the meeting involve decision making, and in-camera minutes would be restricted to those required to review closed session meeting minutes in accordance with their mandate (i.e. external auditors in accordance with generally accepted auditing standards, and others such as legal counsel).

Recommendation #6 – Circumstances that can lead to the closure of an audit committee meeting: The Education Act outlines the circumstances in which an audit committee can be closed. Regulation 361/10 provides the authority for an audit committee to go in-camera, and also provides the duties of an audit committee. It is not the duties of an audit committee which would force the audit committee to move into a closed session or an in-camera session, but rather the nature of the topics being discussed. Judgement will be required to identify when those topics arise. Our recommendations have identified that certain parties should have access to information in certain situations. The following table summarizes the accessibility of certain information that is provided for the Audit Committee and which other parties should have access to this information.

Information item	Available to public	Available to all trustees	Available to audit committee members
Agenda for open audit committee meetings	Yes	Yes	Yes
Agenda for closed audit committee meetings	No	Yes	Yes
Reports to be discussed in open sessions	Yes	Yes	Yes
Reports to be discussed in closed sessions	No	Yes	Yes
Minutes of open session	Yes	Yes	Yes
Minutes of closed session	No	Yes	Yes
Minutes of in-camera sessions	No	No	Yes

Role of the audit committee

In a world where the financial reporting and regulatory environment is increasingly complex, oversight of organizations and their internal controls is a top of mind issue for stakeholders.

The Board of Trustees is responsible for overall governance of a school board. With such vital responsibilities, the Board of Trustees can be most effective by allocating certain responsibilities to committees that comprise of individuals with the proper skillset to delve into the duties in a thorough manner. When a committee is effective in helping its Board of Trustees discharge its responsibilities, the Board of Trustees is aware of the significant issues that are dealt with by the committee, understand the process on how the committee was involved, and ultimately accepts the committee's position if necessary.

The role of the audit committee of a District School Board is prescribed by Ontario Regulation 361/10. Audit committee membership should include individuals with diverse backgrounds and skills to effectively represent the Board of Trustees and provide appropriate oversight over a variety of issues, including risk management, internal controls and financial reporting. External members of an audit committee should be financially sophisticated through their experience and education.

Ontario Regulation 361/10 prescribes the duties of the audit committee established by school boards as follows:

The audit committee has oversight responsibility for:

- The financial reporting process
- Internal controls
- External audit
- Internal audit
- Compliance and risk management.

Current legislation requires that audit committees assess whether these topics should be discussed in an open or a closed meeting, and also allows for audit committees to go in-camera if required. Audit committees must focus on their duties, while balancing between transparency to the stakeholders and minimizing the risk to the school board resulting from certain subject matter discussions being open to the public.

Given the specific duties of the audit committee as established by regulation, the audit committee must gather candid information on potentially sensitive topics and thoroughly investigate any issues raised or potential weaknesses in management controls. Sensitive topics, such as fraud or internal control deficiencies, will be an area of discussion and assessment amongst the audit committee members. It is the responsibility of the audit committee to scrutinize in-depth the information presented and provide advice and oversight over actions required to resolve and address any issues identified in the meeting.

The audit committee plays an important role in corporate governance in that they enable a governing body to carry out its responsibilities in an efficient and effective manner with a subset of individuals who have relevant areas of expertise. In the public sector, audit committees are accountable to their governing body, and help the governing body demonstrate that there is accountability and oversight of financial reporting and risk management. Audit committees must carry out their duties with a mindset of what is in the best interest to the public.

Balancing transparency and risk

It is particularly challenging for audit committees to focus on and appropriately fulfill their duties, while balancing between transparency to stakeholders and the potential risk of exposing sensitive issues. This is a unique pressure to Public Sector governing bodies and can be difficult to manage. This section of the report examines the significance of transparency and how audit committees can manage risks associated with open sessions.

Significance of transparency

A key factor of effective governance in the public sector is transparency; organizations need to be accountable to all stakeholders including taxpayers that effectively fund a significant portion of the operations. Through transparent and accountable measures, the public is able to evaluate how public funds are being used in the operation of school boards. Having information provided on a timely basis is important not only to management decision making, but to those charged with governance and ultimately the public. By providing regular reporting on the status of issues at a particular school board, the Board of Trustees and the public will be able to understand the status of the audit committee's work and how they are meeting their responsibilities.

Transparency is the channel in which the public is able to hold elected trustees accountable for their decisions. In the public sector, the public develops expectations of those in governance positions to perform responsibilities on behalf of the taxpayer, and in turn rely on business being conducted in a transparent manner. The transparency in which a Board of Trustees conducts its business is vital to taxpayers and other stakeholders in understanding the performance of elected trustees.



In the presence of opaque processes, business decisions and tax-dollar spending are more susceptible to unaccountability and hence, may not provide the public with assurance around the efficiency and effectiveness of the school board's operations. Governance and oversight practices should push the frontiers of transparency. It is through transparent measures that a trusting relationship can be built between the taxpayer and those in governance at the school boards.

In considering whether school board audit committee should be opened or closed, we have assessed the duties of the audit committee and the potential risks to a school board from conducting meetings in an open setting that could be attended by the public. We have identified some of the risks that could occur or be heightened when meetings are opened to the public that should be considered by audit committee members and how these risks could impact the effectiveness of the audit committee.

Audit committee effectiveness

Audit committees have a mandate which needs to be fulfilled and they need to be effective in how they meet their mandate in order to provide the most value to the Board of Trustees. While transparency is what the audit committee should strive for, it shouldn't be at the expense of the effectiveness of the committee.

Open audit committee sessions may be susceptible to disruption from special interest groups, the general public, and other parties. While it is important that the public is heard on issues, an audit committee meeting can be derailed if the appropriate mechanisms are not in place to allow for the appropriate conversations to occur so that the committee can achieve its mandate.

The effectiveness of an audit committee meeting depends on other factors, such as the quality of information produced by management, the effectiveness of presentations, and the ability of audit committee members to ask questions. Effectiveness can be impacted depending on whether the discussions are held in an open or closed session. The following operational risks are potentially heightened when audit committee meetings are open to the public and would therefore impact the effectiveness of the audit committee:

Reputational risk

School boards are largely funded through government funding. As a result, the public's perception of the school boards acts as a direct measure of reputational risk.

In cases where control deficiencies or perceived risks are identified, they will be brought to the attention of the audit committee at the meeting with the internal or external auditor. If said meeting is in an open session, the audit committee and the public will learn about the issues together at the same time. The audit committee will not have had the chance to use their expertise to exercise its governance responsibilities over management.

The public and media will have a different definition of materiality and priority sequencing than the audit committee. The audit committee will prioritize resolution of any issues based on their expertise and financial background; whereas, the public/media may have a dissimilar view of priorities and materiality. This difference in views may contribute to questions raised regarding the Board's ability to deliver on its roles and responsibilities effectively and the media attention may hinder the audit committee from effectively carrying out their roles based on their professional judgement.

The provisions in the Education Act allow for closed meetings when there are risks around privacy, commercially sensitive information in a transaction, and risk to the security of the property of the board. Ultimately however, the provisions cannot and will never be able to cover the perception of the public on the reputation of the school board.

Fraud risk

The role of the audit committee is to provide oversight over the work of the internal auditors, external auditors and Regional Internal Audit Team (RIAT), to ensure that management is effective with their controls and their risk management strategy. As part of that process, the audit committee must consider the risk of fraud as well as the current controls and policies in place to monitor and manage significant risks to the business. The ability to have an open and candid discussion with the internal auditor and external auditor around the risk of fraud can be very limiting in a public setting because statements made may be taken out of context, and because an open discussion on these matters would actually highlight the control weaknesses to the public. As such, in order to manage additional risk, and maximize the effectiveness of the committee, a closed session would be preferable when discussing fraud risks, audit findings, and internal control weaknesses.

Legal risk

Legal counsel may be brought into audit committee meetings to report on compliance with legal or regulatory matters, including the status of any litigation and potential outcomes. Non-compliance with legal or regulatory matters could significantly impact the financial situation of the school boards. The public should be aware of anything that could potentially have a financial impact on the school boards; however, this comes at the cost of exposing the school board's legal strategy in any litigations, their assessment of potential outcomes or willingness to settle. By sharing this information with the public, the other side of the litigation has access to this information and hence, weakens the school board's legal case.

This risk is mitigated through current provisions for closed sessions under Section 207(2) of the Education Act, which suggests that legal matters should be discussed in a closed session. When audit committee meetings are held in an open session, this risk is increased or elevated because it is dependent on committee members appropriately identifying which legal matters should be discussed in a closed or open session.

Privacy risk

The discussions within audit committee meetings will be in great detail; in cases where an investigation is launched, personal information may be discussed during the meeting such as names and information of individuals involved. While current legislation does require that privacy be maintained, there is the possibility that the public could infer from the information provided (correctly or incorrectly) information that would be sensitive to an individual.

Subsection 207(2)(b) of the Education Act specifically precludes “disclosure of intimate, personal or financial information in respect of a member of the board or committee, an employee or prospective employee of the board or a pupil or his or her parent or guardian” from being discussed in a meeting open to the public.

By holding meetings in an open session, this risk is heightened as it is dependent on audit committee members identifying that the issue being discussed would violate the Education Act.

Open and candid communication

The effectiveness of an audit committee is contingent upon open and candid communication between all relevant parties. Professional advisors such as external auditors, internal auditors, and legal counsel assist audit committees with reporting on the various functions within the organization.

Relationship with Board of Trustees

As part of the governance process, the audit committee is a statutory committee of the Board of Trustees. The audit committee acts upon its assigned tasks and reports to the Board of Trustees on the status of their duties as per Section 9 (7) of Ontario Regulation 361/10. As many of the duties of the audit committee can only be carried out through a working relationship with, and management of, the professional advisors who execute the work, audit committees must also report on the progress and status of the professional advisors' work to the Board of Trustees. Therefore audit committees are required to be transparent to the Board of Trustees.

Relationship with external parties

To carry out the audit committee's duties, legislation requires certain parties to assist the audit committee in carrying out their responsibilities. These parties can range from internal auditors who advise on management's internal controls and processes in place; external auditors who perform the annual external audit on the financial statements; and legal counsel who provide insight into litigation risks or ongoing litigations.

Presentations from the aforementioned parties may contain sensitive topics such as controls and risks that need to be discussed in a more restrictive audience setting.

An open and effective relationship between professional advisors and the audit committee can be fostered through substantive conversations in which both parties are engaged. An audit committee has a skill set that is directed towards financial literacy and risk and should include members who understand the implications of any issues or findings raised by the respective professional advisors. As financially aware individuals, the audit committee will also raise the appropriate questions and concerns to discuss among the professional advisors. Therefore, in order to have the appropriate communications with external parties, the audit committee needs to determine the correct setting for the discussion (open, closed, or in-camera).

Relationship with stakeholders

The audit committee is accountable to the Board of Trustees, who are ultimately accountable to stakeholders of the school board. Stakeholders have a right to hold the school boards accountable for their actions and this is achieved through transparency in open records and attendance at meetings.

The Municipal Freedom of Information and Protection of Privacy Act ("MFIPPA") dictates the level of access rights to information under the control of institutions, such as records and personal information. Under MFIPPA, school boards have an obligation to disclose records to the public if it is in the public interest to do so and does not violate personal information.

The audit committee has a fiduciary responsibility to represent and protect the property of the school board (Section 207(2) of the Education Act). These responsibilities have to be carried out while managing risk exposure, because allowing sensitive subject matters to surface at inappropriate times may put the security of school board property at risk. Since the audit committee is a subsection of the Board of Trustees it is important for the non-audit committee trustees to have access to the information that the committee is considering so that they can stay informed and monitor developments. This access supports the accountability relationship that is required between the Board of Trustees and the audit committee.

Ombudsman of Ontario reports

The Office of the Ombudsman of Ontario (“Ombudsman”) acts as an independent and impartial Officer of the Provincial Legislature and has a mandate to oversee government services and ensure accountability to the public. The Ombudsman will investigate any complaints received that fall under the Ombudsman’s jurisdiction. Currently, the Ombudsman has jurisdiction over Provincial ministries, crown corporations, tribunals, agencies, boards and commissions; and more recently, commencing on September 1, 2015, jurisdiction now includes Ontario school boards. With this extension to the jurisdiction of the Ombudsman, it is important to understand the views of the Ombudsman with regards to open vs. closed sessions within governance meetings.

Ontario’s Sunshine Law

The Ombudsman’s Sunshine Law was created in the form of amendments to the Municipal Act. The amendments that were made to the Act specifically aim to address accountability and transparency in the public sector, allowing for public observation whether it is governance meetings or records. The premise behind the amendments was to enforce openness in activities where business information is deliberated and decisions are made that could impact tax-funded operations under the jurisdiction of the Ombudsman.

As the Municipal Act governs accountability towards the public, there is an emphasis on closed sessions of Municipalities and their committees and ensuring any topics discussed in closed sessions are pursuant to the respective section of the legislative act that allow meetings to be closed.

The Municipal Act understands that “while transparency [...] should be maximized as far as possible, [...] there may be certain situations in which the privacy of an individual should be respected, or where open meetings would not serve the public interest, or the interests of the municipality”¹. Upon the decision to close sessions of a meeting, specific procedures should be followed such as stating by resolution in open session the general nature of matters to be closed and reason for closure. Additionally, voting is only permitted in a closed session if it is for a “procedural matter or for giving directions or instructions to officers, employees, agents of the [organization], or person under contract”². “All resolutions, decisions and other proceedings that take place must be recorded without comment, whether the meeting is open or closed”³.



¹ “Must all meetings be open to the public?” in The Sunshine Law Handbook, 3rd Edition, January 2015. The Office of the Ombudsman of Ontario

² “Can votes be taken during a closed meeting?” in The Sunshine Law Handbook, 3rd Edition, January 2015. The Office of the Ombudsman of Ontario

³ “Must a record be kept of the closed meeting?” in The Sunshine Law Handbook, 3rd Edition, January 2015. The Office of the Ombudsman of Ontario

In open sessions where the public are invited to attend, the public are only granted with the right to observe and not the right to participate.

Prior investigations

Various municipal meeting investigations

The common trend noted in many of the investigations of the closed municipal meetings was public concern regarding integrity of discussions within closed sessions that guide decisions to be made. The investigations noted that when meetings are closed and discussions are held within this closed environment, this reduces transparency and accountability in decisions as the public are not aware of the process and considerations made in the decision.

Some investigations required the Ombudsman to determine whether informal gatherings by all members of a municipal council or committee actually constituted a meeting of said council or committee. The risk with all members of a municipal council or committee gathering together is that municipal business could be conducted in a manner that is not open and transparent to the public.

Another issue that some municipalities face is when the membership of a committee consists of the same membership of the municipal council. In those circumstances, it would be more difficult to determine or distinguish conduct that is being conducted by the committee vs the council. When membership of an audit committee is the same as the governing body, the rules around opening and closing an audit committee should be the same as it is for council.

LHIN investigation (July 2010)

An investigation was launched on the Local Health Integration Network (“LHIN”) as there was concern regarding the community engagement in its decision-making process that had a direct impact on local residents. The main issue is that the LHIN “fail[ed] to follow an open and transparent process, [which] threatens to erode public confidence in decision-making relating to the local health system”⁴.

Decisions were made in meetings that were held in private. The investigation noted that by making decisions in private, this reduces the transparency and confidence in the decisions made, as the public are not aware of the thought process.

Potential implications to school boards in Ontario

In establishing best practices for audit committee meetings, the principles surrounding the Ombudsman’s investigations should be considered as they highlight the concerns around transparency, regardless of whether the action was intentional or not.

Public confidence over the integrity and accountability of the execution of duties of the audit committee is closely aligned with transparency in the processes of the duties performed. As such, if discussions are moved to a closed session, there should be clear and timely documentation disclosed that explains the reason of moving to closed session. Additionally, a summary of discussions held or decisions made should be disclosed with as much detail as possible after the closed meeting. A transparent governance and decision process will reduce public concern as they are more mindful of the process.

If membership of an audit committee is identical to that of the Board of Trustees, then the assignment of duties has not effectively been passed on to a subset of the Board of Trustees, and therefore less discussion will occur at the board level around items discussed at the audit committee. In situations where this does arise, audit committee meetings should be treated no differently than a meeting of the Board of Trustees.

⁴ “Overview” in The LHIN Spin, July 2010. The Office of the Ombudsman of Ontario

Ontario public sector legislation review

Transparency to the taxpayers is a common theme in organizations within the public sector. As such, it is beneficial to understand how other legislation in Ontario prescribe the conduct of audit committee meetings, specifically in dealing with open vs. closed sessions. The following section takes a look at the closed meeting requirements in the Education Act and how it compares to other legislation in Ontario.

EDUCATION ACT SECTION 207

Open meetings of boards

207. (1) Subject to subsections (2) and (2.1), the meetings of a board and the meetings of a committee of the board, including a committee of the whole board, shall be open to the public, and no person shall be excluded from a meeting that is open to the public except for improper conduct. R.S.O. 1990, c. E.2, s. 207 (1); 2014, c. 13, Sched. 9, s. 19 (1).

Closing of certain committee meetings

(2) A meeting of a committee of a board, including a committee of the whole board, may be closed to the public when the subject-matter under consideration involves,

- (a) the security of the property of the board;
- (b) the disclosure of intimate, personal or financial information in respect of a member of the board or committee, an employee or prospective employee of the board or a pupil or his or her parent or guardian;
- (c) the acquisition or disposal of a school site;
- (d) decisions in respect of negotiations with employees of the board; or
- (e) litigation affecting the board. R.S.O. 1990, c. E.2, s. 207 (2).

Closing of meetings re certain investigations

(2.1) A meeting of a board or of a committee of a board, including a committee of the whole board, shall be closed to the public when the subject-matter under consideration involves an ongoing investigation under the *Ombudsman Act* respecting the board. 2014, c. 13, Sched. 9, s. 19 (2).

Exclusion of persons

(3) The presiding officer may expel or exclude from any meeting any person who has been guilty of improper conduct at the meeting. R.S.O. 1990, c. E.2, s. 207 (3).

Inspections of books and accounts

(4) Any person may, at all reasonable hours, at the head office of the board inspect the minute book, the audited annual financial report and the current accounts of a board, and, upon the written request of any person and upon the payment to the board at the rate of 25 cents for every 100 words or at such lower rate as the board may fix, the secretary shall furnish copies of them or extracts therefrom certified under the secretary's hand. R.S.O. 1990, c. E.2, s. 207 (4).

The Education Act specifies certain instances in which audit committee meetings should be closed, however applying these requirements to the specific duties in legislation can be challenging. The inconsistency between the Education Act and other practices and legislation in Ontario indicates that there is inconsistency across the Province as to when meetings should be closed to the public.

Higher education

The Ministry of Training, Colleges and Universities follows Ontario Regulation 34/03 with regards to corporate governance. The following is an excerpt from the Act that delineates conduct of meetings in open vs. closed session:

ONTARIO REGULATION 34/03 – SECTION 5

Ontario Colleges of Applied Arts and Technology Act, 2002

(5) Subject to subsections (6) and (7), all meetings of a board of governors shall be open to the public and prior notice of the meeting shall be given to the members of the board of governors and to the public in such manner as the board of governors by by-law shall determine, and no person shall be excluded from a meeting except for improper conduct as determined by the board of governors. O. Reg. 34/03, s. 5 (5).

(6) Where a matter determined by a board of governors to be confidential to the college in accordance with criteria established by by-law is to be considered, the part of the meeting concerning such confidential matter may be closed to the public. O. Reg. 34/03, s. 5 (6).

(7) Where a matter of a personal nature concerning an individual may be considered at a meeting, the part of the meeting concerning such individual shall be closed to the public unless such individual requests and the board of governors agrees that that part of the meeting be open to the public. O. Reg. 34/03, s. 5 (7).

Ontario Regulation 34/03 allows for more judgement in determining when a meeting should be closed, allowing for matters that are confidential to the college to be discussed in a closed setting.

Example of an Ontario University

Universities in Ontario do not follow Ontario Regulation 34/03 and have established their own governance practices which follow some of the better practices from the private sector. In the governance practices at University of Toronto, the audit committee Terms of Reference state that “the Committee usually meets in closed session. Where matters before the Committee are of a particularly confidential or sensitive nature, the Committee may move in camera”⁵.

The audit committee acts as a standing committee to the governing council. Meetings of the governing council are open to the public, and transparency to the governance process and the respective standing committees is demonstrated through these meetings. Additionally, agenda and reports for the closed audit committee meetings are made public. By posting the agenda, the public is aware of the discussions held, without exposing sensitive topics such as perceived risks.

This is considered to be a leading practice in governance around audit committees as it allows for the audit committee to conduct its work for the board, and allows for the board and the public to hear about the audit committee’s work in an open session.

⁵ “6.1 Meetings” in Terms of Reference – Audit Committee, November 2013. University of Toronto

Municipalities

The following is an excerpt from the Municipal Act that outlines conduct of meetings in open vs. closed session for municipalities:

MUNICIPAL ACT, 2001

S.O. 2001, CHAPTER 25

Meetings open to public

239. (1) Except as provided in this section, all meetings shall be open to the public. 2001, c. 25, s. 239 (1)

Exceptions

- (2) A meeting or part of a meeting may be closed to the public if the subject matter being considered is,
- (a) the security of the property of the municipality or local board
 - (b) personal matters about an identifiable individual, including municipal or local board employees
 - (c) a proposed or pending acquisition or disposition of land by the municipality or local board
 - (d) labour relations or employee negotiations
 - (e) litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board
 - (f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose
 - (g) a matter in respect of which a council, board, committee or other body may hold a closed meeting under another Act. 2001, c. 25, s. 239 (2).

Other criteria

- (3) A meeting shall be closed to the public if the subject matter relates to the consideration of a request under the Municipal Freedom of Information and Protection of Privacy Act if the council, board, commission or other body is the head of an institution for the purposes of that Act. 2001, c. 25, s. 239 (3).

The Municipal Act lays out the terms of exceptions to public meetings. Subsection 239(2) (a-e) of the Municipal Act is comparable to exceptions in the subsection 207(2) of the Education Act.

Audit committee meetings for the City of Toronto are open to the public. If topics are moved to a closed setting, a motion must be adopted that sets out “the nature of the subject to be discussed and the statutory reason for closing the session”⁶. The public meeting minutes include the topics discussed, reports received and actions made during any closed sessions.

The section of the Municipal Act that covers meetings does not distinguish between meetings of council vs meetings of a committee of council. In practice, committees of council are held in open sessions until topics that are covered in section 239 of the Municipal Act arise, in which case the meeting moves into a closed session.

⁶ City of Toronto. (2015). *Open and closed meetings of City Council, its Committees and local Boards*. Retrieved from <http://www.toronto.ca/legdocs/open-closed-meetings/index.htm>

Healthcare

The Local Health System Integration Act lays the premise for board and committee meetings across health care systems in Ontario.

LOCAL HEALTH SYSTEM INTEGRATION ACT, 2006

S.o. 2006, chapter 4

Public meetings

- (4) All meetings of the board of directors of a local health integration network and its committees shall be open to the public. 2006, c. 4, s. 9 (4).

Exceptions

- (5) Despite subsection (4), a local health integration network may exclude the public from any part of a meeting if,
- (a) financial, personal or other matters may be disclosed of such a nature that the desirability of avoiding public disclosure of them in the interest of any person affected or in the public interest outweighs the desirability of adhering to the principle that meetings be open to the public
 - (b) matters of public security will be discussed
 - (c) the security of the members or property of the network will be discussed
 - (d) personal health information, as defined in section 4 of the Personal Health Information Protection Act, 2004, will be discussed
 - (e) a person involved in a civil or criminal proceeding may be prejudiced;
 - (f) the safety of a person may be jeopardized
 - (g) personnel matters involving an identifiable individual, including an employee of the network, will be discussed
 - (h) negotiations or anticipated negotiations between the network and a person, bargaining agent or party to a proceeding or an anticipated proceeding relating to labour relations or a person's employment by the network will be discussed
 - (i) litigation or contemplated litigation affecting the network will be discussed, or any legal advice provided to the network will be discussed, or any other matter subject to solicitor-client privilege will be discussed
 - (j) matters prescribed for the purposes of this clause will be discussed, or
 - (k) the network will deliberate whether to exclude the public from a meeting, and the deliberation will consider whether one or more of clauses (a) through (j) are applicable to the meeting or part of the meeting. 2006, c. 4, s. 9 (5).

The Local Health System Integration Act has many similarities to the Education Act in terms of exceptions to public meetings. Subsection 9(5) (b-c), (g) and (j) of the Local Health System Integration Act are comparable to exceptions in subsection 207(2) of the Education Act.

Audit committee meetings are made public and upon moving into a closed session, the applicable subsection 9(5) that allows for the topic to move into a closed session is disclosed and a form of common motion must be passed before the discussion in closed session can be held. In the public meeting minutes, the individuals that can attend the closed session are noted, as well as the topics discussed at the closed session (i.e., Board Chair expense review, Risk Report).

The Local Health System Integration Act is clear that both board of director meetings and audit committee meetings should be held in public.

Recommendations

Striking the right balance

The need for transparency and accountability towards the public is a fundamental principle in Public Sector governance. It is through transparent and accountable methods that the public is able to better understand and gain confidence over business decisions and how their tax dollars are effectively being spent to run the operations of the school boards. Weighing both sides of the scale, however we believe that the specific duties of the audit committee are best accomplished in closed session where committee members are able to openly discuss matters – many of which will be sensitive in nature.

Sufficient transparency can and should be achieved in summary reports of audit committee meeting which are presented at open board of trustee meetings.

Our recommendations on best practices for open and closed sessions for audit committees are as follows:

Trustees who are not members of the Audit Committee should be permitted to attend both open and closed sessions of the Audit Committee. A non-committee member Trustee who attends a committee meeting should only be permitted to observe unless they are invited to participate by the committee. Any documents that are provided to the audit committee related to both open and closed sessions should also be made available to the non-committee trustees. The chair of the audit committee should have discretion in determining which guests to the meeting should be allowed to present and discuss matters with the committee.

The public should have access to the minutes from any open session, while Trustees who are not on the committee should have access to the minutes of any closed and open session.

Recommendation #1 - Trustee attendance at audit committee meetings:

Trustees who are not members of the audit committee should be permitted to attend open and closed audit committee meetings in the capacity of an observer. Observers are typically not allowed to participate in meetings unless they are invited to participate in the meeting by the chair of the committee. However under no circumstances would a non-committee member be allowed to vote on recommendations of the audit committee. The public should have access to the minutes from any open session, while Trustees who are not on the committee should have access to the minutes of any closed and open session.

In-camera meetings

The main focus of this report is whether committee meetings should be open or closed, however, we believe that a distinction about in-camera sessions is appropriate. The Education Act allows for meetings to be held in an Open or Closed session, however Regulation 361/10 is where the ability to go in-camera resides. In-camera meetings are a best practice for audit committees in order to have sensitive conversations in the absence of staff and other parties. Non-audit committee members would typically not attend in-camera meetings unless requested to attend by the committee. A best practice of audit committees, for example, is to meet with the external auditor in-camera to understand how prepared management was for the audit, and whether there are any particular concerns that the auditor feels would be too sensitive to discuss in front of management. While auditors usually feel comfortable sharing any issue that they observe with management, an in-camera session is a best practice because it promotes an independent relationship between external parties who have a direct reporting relationship to the audit committee.

The determination to go in-camera can be done from either a closed session of the committee or an open session of the committee.

Purpose and benefit of different audience types

Open	Closed	In-camera
Open sessions provide transparency to the stakeholder. Invitation to this portion of the audit committee meetings is not exclusive to anyone; however, participation will remain limited to the audit committee members and individuals invited to participate (i.e., RIAT, external auditor) to ensure topical and effective conversations. In these meetings, the transparency allows the audit committee to be directly accountable to the taxpayers and increases public confidence in the decision making, as they are in attendance and fully aware of the process.	Closed sessions have a more restrictive audience in the sense that invitation is only extended to audit committee members, Board of Trustees, relevant management and designated participants to report on certain matters and answer questions (i.e., internal or external auditor, legal counsel or representatives from a reporting entity). These sessions allow for sensitive topics and related recommendations to be discussed with all the facts and information prior to exposing the issues to the public...	In-camera sessions allow the audit committee to receive feedback from designated participants without the presence of other parties. These sessions allow participants to openly engage in issues with the appropriate parties and encourages more open and robust discussions. It is up to the committee to determine which parties they would like to meet with and whether other parties should be present.

Recommendation #2 – In-camera sessions

Guidance from the Ministry should clarify that audit committees have the ability to go In-Camera (discuss topics without the presence of staff, including the Director of Education), and is acceptable under paragraph 10(c) of Regulation 361/10. In-Camera meetings should not involve any decision making, and would typically just involve discussion with the appropriate party. Examples of in-camera sessions would be when the committee meets with the internal or external auditor to discuss any matters of particular concern to the committee.

Communicating closed sessions

Audit committees should make publicly available a formal agenda that has been created and distributed in advance of the meeting. The agenda should outline topics for discussion in the open session. For closed sessions, the audit committee should state at the meeting the reasons as to why the committee would need to move into a closed session referencing the appropriate paragraph of 207(2) of the Education Act which permits the respective topic(s) to be held in closed session.

Any reports presented during the audit committee meeting should be made available to the Board of Trustees, regardless of whether the meeting was held in an open or closed session. If the reports were presented during the closed session of the audit committee, the Board of Trustees should keep that information closed as well.

Recommendation #3 – Communications of closed sessions

Audit committees should make publicly available a formal agenda for the open meeting that has been created and distributed in advance of the meeting. For closed sessions, the audit committee should state at the meeting the reasons as to why the committee would need to move into a closed session. Reports to the audit committee in an open session should be accessible to the public, while closed session reports should only be made available to the committee members, relevant management personnel, and the Board of Trustees.

Conducting meetings in a closed session

There have been several instances in the public sector in Ontario where the Ombudsman has pointed out that the practice of going into and out of a closed session was not done effectively. Best practices to consider when going in and out of open and closed sessions would include:

1. Clearly state at the meeting and in the minutes the reason for moving to a closed session and how that is acceptable under legislation
2. After the closed session, ensure that the public that is present has been invited back into the meeting room
3. Clearly state whether any decisions were made in the closed meeting, and if so, what those decisions were.

Recommendation #4 – Decision making in closed sessions

Recommendations made by the audit committee to the Board of Trustees should be made in an open session. Any decision making that occurs in a closed meeting could be perceived by the public as decision making with a lack of transparency and accountability. If it is not possible to make a decision in an open session (due to privacy or other closed session requirements), the audit committee should confirm how they meet the closed meeting requirements of 207(2) of the Education Act. When reporting to the Board of Trustees, the summary provided to the Board of Trustees should be in sufficient detail to understand the decisions and recommendations that came out of the closed meeting.

Minutes of closed and in-camera meetings

When audit committee meetings are closed or even in-camera, minutes of those meetings should be kept so that those who are present can refer back to the decisions reached if needed. The issue with closed and in-camera meeting minutes should not be about whether meeting minutes are kept, but more about how to control the distribution of those minutes. Once a meeting is closed, the access to those minutes should be restricted to the committee members, the Board of Trustees, and relevant staff. Minutes for closed sessions should be limited as the committee would be limited in the decisions that should be made. In-camera minutes should remain privileged to those who were in attendance at those meetings and certain other individuals, required to review them as part of their mandate (i.e. external auditors). Generally a staff minute taker of the committee would remain with the committee while the sensitive discussions are taking place. If an issue is too sensitive for even a staff member to remain to take notes, the chair of the committee could summarize the decision for the staff member after the committee comes out of the in-camera session.

Recommendation #5 – Access to minutes

During the closed session, minutes should be taken in the same detail as minutes taken at the open session (focusing on decisions that are made by the committee or recommendations to the Board of Trustees). Members of the Board of Trustees should have access to all minutes, whether open or closed, whereas the public should only have access to open meeting minutes. In Camera minutes should be taken in the rare circumstances that those parts of the meeting involve decision making, and in-camera minutes would be restricted to those required to review closed session meeting minutes in accordance with their mandate (i.e. external auditors in accordance with generally accepted auditing standards, and others such as legal counsel).

Guidance on when to close audit committee meetings

As a best practice, audit committee meetings should be closed to the public because of the amount of sensitive information that can be discussed. In the private sector, where transparency to the public is not as prevalent, audit committee meetings are always closed. While this is not necessarily an option for all public sector organizations, the transparency of the audit committee decision making process can be accomplished if there is effective reporting to the Board of Trustees that appropriately summarizes the decisions and thoughts of the audit committee.

Current legislation does not permit for audit committee meetings to be closed on a permanent basis. The determination of whether an item should be discussed in a closed or open session is ultimately based on the nature of the topic being discussed. Regulation 361/10 prescribes the duties of an audit committee and as the committee carries out each of these they will need to assess whether the topics that arise from carrying out those duties require the meetings to be closed. Appendix A of this report provides some considerations for audit committees on whether the meetings should be conducted in an open or closed session.

Recommendation #6 – Guidance on closing audit committee meetings

The Education Act outlines the circumstances in which an audit committee can be closed. Regulation 361/10 provides the authority for an audit committee to go in-camera, and also provides the duties of an audit committee. It is not the duties of an audit committee which would force the audit committee to move into a closed session or an in-camera session, but rather the nature of the topics being discussed. Judgement will be required to identify when those topics arise.

Accessibility of information

Our recommendations have identified that certain parties should have access to information in certain situations. The following table summarizes the accessibility of certain information that is provided for the Audit Committee and which other parties should have access to this information.

Information item	Available to public	Available to all trustees	Available to audit committee members
Agenda for open audit committee meetings	Yes	Yes	Yes
Agenda for closed audit committee meetings	No	Yes	Yes
Reports to be discussed in open sessions	Yes	Yes	Yes
Reports to be discussed in closed sessions	No	Yes	Yes
Minutes of open session	Yes	Yes	Yes
Minutes of closed session	No	Yes	Yes
Minutes of in-camera sessions	No	No	Yes

Appendix A – Duties of the Audit Committee

The following appendix examines the duties of an audit committee as described in regulation 361/10 and considers whether these duties could potentially lead to a discussion of topics that would result in a closed meeting under the Education Act. We have analysed the duties and provide a recommendation as to what duties would be appropriate to include in an open session. There are other duties which we could confirm should most likely occur in a closed session because they would often result in a conversation that would meet the closed session requirements under the Education Act. All other duties, the nature of whether it should be open or closed depends on the nature of the topic being discussed. The ultimate decision of whether a meeting should be open or closed does come from the nature of the topic being discussed, which this report does not and cannot contemplate. Users are cautioned not to use this report as a sole source for determining whether a meeting should be opened or closed.

Items for consideration for Open Sessions

Duties as per Regulation 361/10

- Review of the board's financial statements, including:
 - Relevant accounting and reporting practices and issues
 - Departures from CPA Canada's accounting principles, as applicable
 - Completeness
 - Consistent with known information
 - Reflect applicable accounting principles
- Resolution to recommend approval of the audited financial statements
- Review the mandate of internal audit
- Review the activities of internal audit
- Review the staffing and organizational structure of internal audit
- Discussion of and resolution to recommend approval on a policy designating services that the external auditor may perform for the board and, if the board adopts the policy, to oversee its implementation
- Coordination of efforts between internal and external audit
- Review of processes for communicating and administering codes of conduct
- Election of audit committee chair
- Authorization of two consecutive absences for audit committee members
- Declaration of conflicts of interest
- Annual audit committee report to the board of trustees

Items for consideration for Closed Sessions

Duties as per Regulation 361/10	Explanatory Comments
<ul style="list-style-type: none"> Review of the external audit results 	<ul style="list-style-type: none"> External audit results will have communication requirements around fraud and internal controls. This could affect the security of the property of the board.
<ul style="list-style-type: none"> Review of any difficulties encountered by the external auditor 	<ul style="list-style-type: none"> This is usually noted in the audit results report from the auditor which should be discussed in a closed session.
<ul style="list-style-type: none"> Review of significant changes the external auditor made to the audit plan in response to issues identified in the audit 	<ul style="list-style-type: none"> This is usually noted in the audit results report from the auditor which should be discussed in a closed session.
<ul style="list-style-type: none"> Review of significant disagreements between the external auditor and the director/senior business official and how these were resolved 	<ul style="list-style-type: none"> This is usually noted in the audit results report from the auditor which should be discussed in a closed session. An in-camera session may be appropriate as well.
<ul style="list-style-type: none"> Review of all matters the external auditor is required to communicate to the audit committee under generally accepted auditing standards 	<ul style="list-style-type: none"> This is usually noted in the audit results report from the auditor which should be discussed in a closed session.
<ul style="list-style-type: none"> Review of material written communications between the external auditor and director/senior business official 	<ul style="list-style-type: none"> This is usually noted in the audit results report from the auditor which should be discussed in a closed session.
<ul style="list-style-type: none"> Discussion with the external auditor about whether the financial statements of the board's reporting entities, if any, have been consolidated with the board's financial statements 	<ul style="list-style-type: none"> This is usually noted in the audit results report from the auditor which should be discussed in a closed session.
<ul style="list-style-type: none"> Discussion with the external auditor on any other relevant issues 	<ul style="list-style-type: none"> This is usually noted in the audit results report from the auditor which should be discussed in a closed session.
<ul style="list-style-type: none"> Discussion of the board's significant financial risks and the measures taken to monitor and manage these risks 	<ul style="list-style-type: none"> Significant financial risks can affect the security of the property of the board and may contain information on transactions involving schools.
<ul style="list-style-type: none"> Review of the effectiveness of the board's system for monitoring compliance with policies, procedures and legislative requirements 	<ul style="list-style-type: none"> This discussion would often be a closed session due to the sensitivity of the items being discussed and the potential impact on the security of the property of the board.
<ul style="list-style-type: none"> Review of internal audit's effectiveness, including compliance with professional standards 	<ul style="list-style-type: none"> The discussion would likely entail information about the performance of an individual, which would be considered private under the Education Act.
<ul style="list-style-type: none"> Regional internal audit manager/regional internal audit team performance review 	<ul style="list-style-type: none"> The discussion would likely entail information about the performance of an individual, which would be considered private under the Education Act.
<ul style="list-style-type: none"> External Auditor Performance Review 	<ul style="list-style-type: none"> Assessing performance of a vendor should be done in a closed session due to the sensitivity of the topic.
<ul style="list-style-type: none"> Review of any investigation or action taken to address any instances of non-compliance 	<ul style="list-style-type: none"> This discussion would often be a closed session due to the sensitivity of the items being discussed and the potential impact on litigation affecting the board.
<ul style="list-style-type: none"> Obtain updates from senior management and legal counsel regarding compliance matters 	<ul style="list-style-type: none"> Matters that involve litigation should be disclosed in a closed session
<ul style="list-style-type: none"> Obtain from senior management confirmation of compliance with statutory requirements (e.g. compliance report) and related discussion 	<ul style="list-style-type: none"> Instances of non-compliance could result in litigation against the board
<ul style="list-style-type: none"> Annual Audit Committee Report to the Board of Trustees 	<ul style="list-style-type: none"> This report would summarize all of the committee's work, some which would have been conducted in a closed session.

Duties as per Regulation 361/10	Explanatory Comments
<ul style="list-style-type: none"> Audit committee self-assessment 	<ul style="list-style-type: none"> In order to encourage open and honest feedback, this session should either be done in a closed session or in an in-camera session.
<ul style="list-style-type: none"> Discussion of the board's significant risks with the director, Senior Business Official, Regional Internal Audit Manager/internal auditor, external auditor 	<ul style="list-style-type: none"> Significant risks would expose the security of the property of the board

Other duties

The other duties from Regulation 361/10 may or may not result in a discussion that would warrant a closed meeting. It will be up to the chair and those preparing for the meeting to conclude on whether a closed meeting would be appropriate based on the topic being discussed.

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**2017: SB26**

MEMORANDUM TO: Senior Business Officials

FROM: Cheri Hayward
Director
School Business Support Branch

DATE: September 7, 2017

SUBJECT: 2016-17 Audit Committee Annual Report to the
Ministry

The purpose of this memorandum is to provide you with details concerning the reporting requirements outlined in Ontario Regulation 361/10, "Audit Committees", as applicable to the 2016-17 fiscal year.

Under the Regulation, there is a requirement to report to the Ministry of Education in each fiscal year on or before a date specified by the Minister. The intent of this reporting is twofold:

- A list of the work performed by the regional internal auditors in the fiscal year informs the ministry on the use of the internal audit funding allocation and confirms that each board has received a minimum of two engagements from the auditors (or a comprehensive engagement covering at least two processes); and
- A list of planned enrolment audits for upcoming fiscal years allows better coordination of enrolment audits performed by the Ministry of Education and the regional internal audit teams.

A suggested template for the report to the ministry is included in Appendix C of the [Guideline on Audit Committee Reporting](#). Some amendments have been made to the template since last year:

- As the internal audit funding allocation supports only the regional internal audit function, the report should only list the work undertaken by regional internal auditors.

- Where a comprehensive engagement covers multiple processes, each process should be listed.
- For any engagement started but not completed by the end of the year, the status of the engagement should be reported.

Please do not send the audit committee's full Annual Report to the Board of Trustees (Appendix B of the guideline), as it contains more information than the ministry requires.

The audit committee should present the report for the 2016-17 fiscal year, signed by the audit committee chair, to the Board of Trustees no later than November 30, 2017. The Board of Trustees should submit the report to the ministry by January 15, 2018. The audit committee does not need to hold a formal meeting to develop this report.

Signed reports should be submitted by email to annette.amin@ontario.ca or by mail to:

Annette Amin
School Business Support Branch
2 Carlton Street
Suite 710
Toronto, ON M5B 1J3

For any questions relating to the audit committee annual report, please contact me by email at cheri.hayward@ontario.ca or by phone at (416) 327-7503.

I encourage you to share this memo with your audit committee members.

Original signed by

Cheri Hayward
Director
School Business Support Branch

cc: Directors of Education
Regional Internal Audit Managers
Dan Duszczyszyn, Regional Internal Audit Coordinator

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**2017: SB23**

MEMORANDUM TO: Senior Business Officials
Regional Internal Audit Managers

FROM: Cheri Hayward
Director
School Business Support Branch

DATE: **September 1, 2017**

SUBJECT: **Update on Ministry Support for Audit Committees and
Internal Audit**

I would like to inform you about a temporary change in ministry support for the audit committees and internal audit initiative.

Paula Hatt, Senior Analyst, Audit is currently on a leave of absence. To cover the main functions of the position during this leave, Andrea Eltherington, Senior Regional Internal Auditor, West of Central Region has agreed to a part-time secondment with the ministry. Andrea will be supporting the ministry from September 2017 to the end of March 2018, assisting the School Business Support Branch for an average of two days per week. She will spend the remainder of the time in her internal audit home position.

Andrea is an experienced internal auditor with close to 7 years of sector experience. Her experience with both internal audit and school board audit committees will ensure that the sector continues to receive the necessary support on these initiatives.

Every effort will be taken to ensure there is no conflict of interest encountered as Andrea undertakes this dual role.

Andrea can be reached at 416-326-1170 or by email at Andrea.Eltherington@ontario.ca.

I would like to thank Andrea for agreeing to fill this role, as well as the West of Central Regional Internal Audit Team and Waterloo Region District School Board for supporting this opportunity.

Original signed by

Cheri Hayward
Director
School Business Support Branch

cc: Dan Duszczyszyn, Regional Internal Audit Coordinator

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**2016: B10**

MEMORANDUM TO: Directors of Education
Senior Business Officials

FROM: Gabriel F. Sékaly
Assistant Deputy Minister
Financial Policy and Business Division

DATE: May 26, 2016

SUBJECT: Increasing Consistency Amongst Regional Internal
Audit Teams

The purpose of this memorandum is to provide an overview of some new requirements for the regional internal audit initiative being implemented over the next several months, as well as the related expectations of school board management and Regional Internal Audit Managers (RIAM).

Regional Internal Audit Teams (RIAT) provide the sector with assurance and other value-added services. Due to the structure of the regional internal audit initiative, teams operate autonomously, which has led to the use of different approaches, tools and templates in each region. However, as regional internal audit is a province-wide initiative, we have heard that there is an appetite toward more standardization.

RIATs are currently identifying leading practices from each team that can be leveraged to increase consistency. New practices, such as the performance review process, will also be implemented through a standard approach. These practices will allow boards to see a similar level of service across RIATs, while still accommodating regional needs. The changes will also contribute to continuous improvement across all RIATs.

This memorandum outlines requirements that will be implemented in the next school year to increase consistency. Additional changes will be communicated as they arise.

Engagements per Year

Based on the Audit Committee Annual Report to the Ministry, the number of audit and other engagements undertaken at each school board varies greatly across the province.

Some boards have had one or more years with no work undertaken by the RIAT. Given the focus on transparency and accountability, it is critical that each board benefits from the annual funding provided by the Ministry to support the regional internal audit function. To increase consistency throughout the sector, each school board should receive a minimum of two engagements a year from the RIAT starting in 2016-17.

Engagements include both internal audits and consulting engagements and can be executed by team members or specialists, depending on the capacity of the RIAT.

RIAMs should ensure the 2016-17 internal audit plans reflect this new requirement. The cooperation of school boards, particularly the staff of the processes audited, is essential to the completion of the audit plan and timely reporting to the audit committee.

The Ministry will confirm compliance with this requirement through review of the annual report to the Ministry, which lists the work performed by the RIAT during the year.

Engagement Follow-up Activities

As required by internal audit standards, auditors should periodically undertake follow-up work to validate whether school board management has effectively implemented action plans developed to address audit findings (and findings of consulting engagements to the extent agreed upon with management). Follow-up activities also include monitoring of overdue findings.

While most RIATs engage in follow-up activities, this is not always the case due to competing priorities. Going forward, all RIATs are expected to undertake follow-up activities on findings from all completed engagements, as appropriate. A standard report will be developed to allow RIAMs to track findings.

Follow-up activities are in addition to the two engagements per board.

Internal Audit Report

Each RIAT is currently using a different internal audit report template and style, often customizing the report to the preferences of individual audit committees. This is a time-consuming process resulting in audit reports that look different and contain varying levels of detail. As regional internal audit is a province-wide initiative, a report that is issued in one board should have the same overall look and feel of a report that is issued in another board. This is consistent with professional service firms who use a standard internal audit report template, regardless of the client.

This year's School Board Internal Audit Conference, to be held in June, will include a session covering internal audit report writing best practices. A standard regional internal audit report template will be developed after the conference that incorporates these best practices.

The new report template will be implemented for all regional internal audit engagements starting in 2016-17. I encourage senior management and the audit committee of each school board to support the standardized report template.

RIAT Performance Review

Part of the mandate of the Regional Internal Audit Coordinator, Dan Duszczyzyn, is to assist internal audit host boards with the RIAM performance review process.

The unique structure of regional internal audit makes a formal performance review particularly important. RIAMs are employees of the host board, but have a functional reporting relationship to the audit committees of all boards in the region. In addition, internal auditors work with multiple departments in each school board. This creates a challenge in obtaining feedback on performance from those dealing directly with the auditors.

Dan is currently developing a formal performance evaluation framework for all RIAMs, to obtain feedback annually from each audit committee and senior business official in the region. This framework should be implemented by the end of the fiscal year. School boards are expected to complete feedback forms when provided.

Another key aspect of the performance review process is the RIAT post audit feedback survey, which has been standardized and will be implemented effective immediately. The purpose of this survey is to obtain timely feedback on auditor performance. At the completion of each audit, the RIAM will invite the head of the process audited and other key staff to take an online survey. Please consider completing the survey in order to receive the best possible service from your RIAT.

I encourage you to share this memo with your audit committee members.

If you have any questions or require additional information, please contact Paula Hatt, Senior Analyst, Audit at paula.hatt@ontario.ca or 416-326-1170.

Original signed by:

Gabriel F. Sékaly
Assistant Deputy Minister
Financial Policy and Business Division

cc: Regional Internal Audit Managers
Dan Duszczyzyn, Regional Internal Audit Coordinator

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**2016: SB31**

MEMORANDUM TO: Directors of Education
Senior Business Officials

FROM: Cheri Hayward
Director
School Business Support Branch

DATE: **September 26, 2016**

SUBJECT: **Update on Regional Internal Audit Consistency Measures**

The purpose of this memorandum is to provide an update on measures being taken to promote more consistency amongst Regional Internal Audit Teams (RIAT), as outlined in 2016: B10.

Regional Internal Audit Performance Review

The regional internal audit performance review process and tools are now available. The annual evaluation of regional internal audit, as represented by the Region Internal Audit Manager (RIAM), consists of evaluation forms completed by the following:

- Each audit committee in the region
- Each senior business official in the region
- A self-assessment by the RIAM

Each category of respondent has a different form to complete. Forms are compiled by the host board senior business official and used to provide an overall evaluation.

The Regional Internal Audit Evaluation Process Guideline has been updated to outline this process in greater detail. The guideline also outlines the performance review process for other regional internal audit staff, which includes a post-audit client satisfaction survey. The guideline is effective September 1, 2016, with the first

evaluations taking place in September 2017 based on 2016-17 objectives and actual performance.

The guideline, evaluation forms and client satisfaction survey are available on the SBSB [website](#).

I would like to thank Dan Duszczyzyn, Regional Internal Audit Coordinator (RIAC), for leading the development of the evaluation documents, as well as the host board senior business officials and RIAMs for providing feedback.

Regional Internal Audit Mandate

As part of the effort to increase consistency, the regional internal audit mandate was updated by the RIAMs. The internal audit mandate formally defines the purpose, authority and responsibility of the regional internal audit function.

This is the first provincial update to the mandate since it was released in 2010 and was made in response to subsequent changes issued by the Institute of Internal Auditors.

All school boards in the province should adopt the updated version of the mandate in 2016-17. Further, the mandate should be presented to the audit committee annually and re-signed in any year there is a change in the signatories so that all parties are aware of and approve the mandate.

The updated mandate can be found on the SBSB [website](#).

Regional Internal Audit Coordinator

I am pleased to announce that Dan Duszczyzyn's contract with the Council of Ontario Directors of Education (CODE) has been extended until June 30, 2017. This extension to the RIAC role reflects Dan's success in addressing some of the concerns with the regional internal audit structure and allows him to continue to assist in efforts to increase consistency. Further, it also demonstrates CODE's endorsement of Dan's role and the regional internal audit initiative.

Notable RIAC accomplishments to date include the performance review process; increasing the auditors' sector knowledge through the annual professional development conference and other formal and informal training opportunities; coordinating the RIAT branding initiative; and attending the audit committee training in 2015.

Key responsibilities under the contract extension are as follows:

- Organize meetings to bring the RIAMs together to continue standardization efforts;
- Facilitate knowledge sharing between auditors;

- Coordinate the development of a regional internal audit quality assurance and improvement program;
- Organize the annual internal audit professional development conference;
- Provide support and advice to the RIATs; and
- Mediate any disputes related to internal audit.

Contacts

If you have any questions regarding the performance review process or require assistance in implementing this process, please contact Dan Duszczyzyn by phone at 519-835-0212 or by email at danduszczyzyn@gmail.com.

For all other questions relating to regional internal audit, please contact Paula Hatt, Senior Analyst, Audit at paula.hatt@ontario.ca or 416-326-1170.

I encourage you to share this memo with your audit committee members.

Original signed by

Cheri Hayward
Director
School Business Support Branch

cc: Regional Internal Audit Managers
Dan Duszczyzyn, Regional Internal Audit Coordinator

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**2016: SB14**

MEMORANDUM TO: Senior Business Officials
Regional Internal Audit Managers

FROM: Cheri Hayward
Director
School Business Support Branch

DATE: April 29, 2016

SUBJECT: Update on the Internal Audit Leading Practice
Repository

In 2015: SB20, volunteers were requested to join a committee tasked with developing a tool to share with the sector leading practices identified through internal audits. This memorandum is intended to provide an update on the project.

I would like to thank all volunteers for their participation in the committee. These volunteers represent 15 boards (senior business officials, finance managers and board internal auditors), 6 regional internal audit teams (RIAT) and the Regional Internal Audit Coordinator. This reflects a strong desire in the sector for sharing leading practices.

Pilot

The repository will be piloted with the leading practices of a single process from the standard audit universe. The committee has selected the payroll process.

The pilot will be available to the sector by September 2016. To participate, payroll leading practices should be submitted by August 1, 2016 using the process specified below.

Once the pilot is successfully implemented, the repository will be expanded to include all processes in the school board audit universe.

Submission Process

A standard template should be used to document leading practices, which will be provided to senior business officials (SBO) and regional internal audit managers (RIAM) when available.

The process to submit a leading practice for inclusion in the repository is as follows:

- Internal auditors (regional or board) will populate the template. Each leading practice identified should be included in a separate document. As agreed upon by COSBO, information to be captured includes the school board's name.
- The relevant board's SBO must approve each leading practice.
- All approved documents will be sent to the Ministry, translated into English (if required) and forwarded to a professional writer who will review each leading practice for clarity. Please send your approved documents to Paula Hatt, Senior Analyst, Audit at paula.hatt@ontario.ca.
- Reviewed documents will be translated and converted to PDF, with both English and French versions posted to the repository.

The repository will be hosted on a password protected website. Further details will be shared when available. Access will be provided to all SBOs and RIAMs. SBO approval will be required for board internal auditors and finance managers to gain access.

Eligible Leading Practices

All leading practices identified through internal audits undertaken by RIATs or board internal auditors are eligible to be included in the repository, including exemplary practices and recommendations or action plans made in response to findings. All completed templates approved and submitted will be included in the repository.

To keep the repository current, it will include practices from audits completed in 2014-15 and beyond. Specific practices from earlier years may be selected if all relevant parties agree.

I encourage you to support the repository by sharing your board's leading practices. Participation is critical in creating a tool that meets the sector's needs.

For any questions relating to the repository, please contact Paula Hatt at paula.hatt@ontario.ca or 416-326-1170.

Original signed by

Cheri Hayward
Director
School Business Support Branch

cc: Dan Duszcyszyn, Regional Internal Audit Coordinator

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**2016: SB05**

MEMORANDUM TO: Directors of Education
Senior Business Officials

FROM: Cheri Hayward
Director
School Business Support Branch

DATE: March 1, 2016

SUBJECT: Trustee Training Module on Internal Audit and The
Role of Audit Committees

The purpose of the memorandum is to announce the release of an online training module on “Internal Audit and The Role of Audit Committees” as part of the Good Governance for School Boards: Trustee Professional Development Program.

This module, available in both English and French, captures the key messages from the training on audit committees and internal audit that took place across the province in early 2015. It was developed by Ontario Education Services Corporation (OESC) and can be found on the OESC’s [website](#) as module #19.

The module is comprised of informational slides, as well as testimonials from the presidents of the four trustee associations and two superintendents of business highlighting personal experience with their own board’s audit committee and regional internal auditors.

The material is provided in three parts:

- Part A: Introduction
- Part B: The Internal Audit Function
- Part C: Audit Committees

This information provides audit committee members and school board management who work with their audit committee with an additional resource. It offers an introduction for those who are new to their role and a refresher on roles and responsibilities for those who have received previous training. As the website is public-facing, external audit committee members will also have access.

We encourage you to share this training opportunity with your audit committee members.

For any questions relating to the training module, please contact Paula Hatt, Senior Analyst, Audit at paula.hatt@ontario.ca or 416-326-1170.

Original signed by

Cheri Hayward
Director
School Business Support Branch

cc: Regional Internal Audit Managers
Dan Duszcyszyn, Regional Internal Audit Coordinator

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**2015: SB30**

MEMORANDUM TO: Senior Business Officials

FROM: Cheri Hayward
Director
School Business Support Branch

DATE: **October 8, 2015**

SUBJECT: **2014-15 Audit Committee Annual Report to the
Ministry**

I am writing to provide you with details concerning the reporting requirements outlined in Ontario Regulation 361/10, "Audit Committees", as it applies to the 2014-15 fiscal year.

Under the Regulation, there is a requirement to report to the Ministry of Education in each fiscal year on or before a date specified by the Minister. The intent of the reporting to the Ministry of Education is twofold:

- A list of the work performed by the internal auditors in the fiscal year provides a report to the Ministry on the use of the internal audit funding allocation; and
- A list of planned enrolment audits for upcoming fiscal years allows better coordination of enrolment audits performed by the Ministry of Education and the regional internal audit teams.

A suggested template for the report to the Ministry is included in Appendix C of the [Guideline on Audit Committee Reporting](#).

The audit committee should present the report for the 2014-15 fiscal year, signed by the audit committee chair, to the Board of Trustees no later than November 30, 2015. The Board of Trustees should submit the report to the Ministry by January 15, 2016. The audit committee does not need to hold a formal meeting to develop this report.

Please submit the report to:

Paula Hatt
Senior Analyst, Audit
School Business Support Branch
19th Floor, Mowat Block
900 Bay Street
Toronto ON M7A 1L2

Given the recent change to the reporting requirements in the Regulation (see 2015: SB19), please do not send the Ministry your audit committee's Annual Report to the Board of Trustees (Appendix B of the Guideline). This report contains information that is not required by the Ministry.

For any questions relating to the audit committee annual report, please contact Paula Hatt, Senior Analyst, Audit at paula.hatt@ontario.ca or 416-326-1170.

Original signed by:

Cheri Hayward
Director
School Business Support Branch

cc: Directors of Education
Regional Internal Audit Managers
Dan Duszczyszyn, Regional Internal Audit Coordinator

Internal Audit Expenditure Envelope Guideline

Background

Education funding recognizes that school boards need flexibility to decide how best to allocate resources within their budgets. At the same time, there are restrictions on how school boards may use certain components of their allocations. Limitations are applied to items such as special education, administration and governance, classroom expenditures, school renewal and new pupil places. The internal audit grant allocation is also enveloped and protected.

Enveloping Rules

The Ministry is specifying below the types of spending / allowable costs for which the internal audit allocation may be used and may not be used by the host boards. The host boards, along with other district school boards, may choose to supplement the internal audit allocation with other resources. However, host boards must spend the entire amount of the internal audit grant allocation, as determined by the enveloping provisions of the regulation. Any under spending of the internal audit grant allocation must be placed in a deferred revenue account for future internal audit expenditures.

Allowable costs:

- Recruiting costs for the regional internal audit team (RIAT) (i.e. costs of job advertising, executive search firm)
- Salaries and benefits of the RIAT
- Travel and accommodation costs for the RIAT to perform their audits
- Travel costs for the RIAT members to attend audit committee meetings
- Travel costs for meetings with other regional internal audit managers/teams and/or the Ministry
- Professional development costs for the RIAT (i.e. professional association membership fees, registration fees, associated travel costs)
- Consultant costs for specialized audits, as per the Internal Audit Staffing Guideline, excluding fraud related investigations
- Internal audit software costs
- Directly attributable costs for the RIAT to perform their duties at the board where the staff is permanently located (i.e. laptops, office supplies and long distance charges)
- Incremental costs for RIAT to perform their duties, should additional facility space be required to accommodate the team

- External quality assurance review costs of the internal audit activity (every 5 years)
- Attribution of administration costs , to an annual maximum of 10% of the year's internal audit allocation

Disallowed costs:

- Attribution of administration costs exceeding the maximum threshold stipulated above
- Other audit committee related costs not specifically listed above

Note 1: Expenditures must be in line with the host board's policies and procedures.

Note 2: For purposes of this guideline, attributed administration costs include the following:

- Human resource, legal and other support for the recruitment and/or termination of regional internal audit team members
- Operations, facility and/or IT support for the RIAT, as required
- Management and administrative support to provide new regional internal audit managers with orientation to the policies and procedures of the host board
- Procurement support where the RIAT seeks to obtain outside services
- Costs to offset the administrative time commitment of the SBO as related to the RIAT (including hiring, termination, performance reviews, other HR matters, expense report review and communication with other boards in the region)
- **Does not include** the time commitment and support required of these parties as part of an audit

Internal Audit Expenditure Envelope Guideline

Background

Education funding recognizes that school boards need flexibility to decide how best to allocate resources within their budgets. At the same time, there are restrictions on how school boards may use certain components of their allocations. Limitations are applied to items such as special education, administration and governance, classroom expenditures, school renewal and new pupil places. The internal audit grant allocation is also enveloped and protected.

Enveloping Rules

The Ministry is specifying below the types of spending / allowable costs for which the internal audit allocation may be used and may not be used by the host boards. The host boards, along with other district school boards, may choose to supplement the internal audit allocation with other resources. However, host boards must spend the entire amount of the internal audit grant allocation, as determined by the enveloping provisions of the regulation. Any under spending of the internal audit grant allocation must be placed in a deferred revenue account for future internal audit expenditures.

Allowable costs:

- Recruiting costs for the regional internal audit team (RIAT) (i.e. costs of job advertising, executive search firm)
- Salaries and benefits of the RIAT
- Travel and accommodation costs for the RIAT to perform their audits
- Travel costs for the RIAT members to attend audit committee meetings
- Travel costs for meetings with other regional internal audit managers/teams and/or the Ministry
- Professional development costs for the RIAT (i.e. professional association membership fees, registration fees, associated travel costs)
- Consultant costs for specialized audits, as per the Internal Audit Staffing Guideline, excluding fraud related investigations
- Internal audit software costs
- Directly attributable costs for the RIAT to perform their duties at the board where the staff is permanently located (i.e. laptops, office supplies and long distance charges)
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Ministry of Education

School Business Support Branch
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Ministère de l'Éducation

Direction du soutien aux activités
scolaires
900, rue Bay
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Toronto ON M7A 1L2

**2014: SB02**

MEMORANDUM TO: Directors of Education
Senior Business Officials

FROM: Cheri Hayward
Director
School Business Support Branch

DATE: January 28, 2014

SUBJECT: Audit Committees & Internal Audit on School
Business Support Branch Website

I am pleased to announce that the School Business Support Branch website, located at <https://sbsb.edu.gov.on.ca/>, now includes a section on audit committees and internal audit. The creation of this section of the website reflects the recent transition of these initiatives from the Financial Analysis and Accountability Branch.

The audit committees and internal audit section of the website includes guidelines, tools and other documents developed by the Ministry of Education to facilitate the ongoing operation of school board audit committees and the regional internal audit teams. The website also contains materials and video recordings from the 2011 audit committee induction training, as well as links to professional associations and other resources. The documents on the website will be reviewed and updated, as necessary, over the coming months. Please refer to the document library on the website to ensure you are using the most recent version of a document.

The audit committees and internal audit section on the Financial Analysis and Accountability Branch website will be removed shortly.

For any inquiries related to the audit committees or regional internal audit initiatives, please contact Paula Hatt at paula.hatt@ontario.ca or 416-326-1170.

Original Signed by

Cheri Hayward
Director
School Business Support Branch

cc: Regional Internal Audit Managers

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2010: SB45

MEMORANDUM TO: Directors of Education
Secretary-Treasurers of School Authorities
Association des conseils scolaires des écoles publiques de
l'Ontario (ACEPO)
Association Franco-Ontarienne des Conseils Scolaires Catholiques
(AFOCSC)
Ontario Catholic School Trustees' Association (OCSTA)
Ontario Public School Boards' Association (OPSBA)

FROM: Andrew Davis
Director
Financial Analysis and Accountability Branch

DATE: September 23, 2010

SUBJECT: Audit Committee Regulation

I am writing to advise you of the release of the audit committee regulation. The regulation is the end result of a collaborative, consultative process that began in the fall of 2009. On behalf of the Ministry, I would like to thank each of the participating associations and organizations for their helpful feedback and advice. The regulation is effective immediately and requires the establishment of audit committees in school boards by **January 31, 2011**, following the fall trustee elections.

The regulation sets out the following major aspects:

- Appointment process for members
- Requirement of external member participation
- Term of appointment
- Duties and powers of the committee
- Reporting requirements
- Deadline for the first audit committee meeting (March 31, 2011)

Training

As noted in the March 5, 2010 consultation letter, an external training program will be offered to the members of audit committee (which include trustees and external members), Directors of Education, Senior Business Officials, and limited staff from boards during the months of January and February 2011. The 2-day training program is intended to help audit committee members to understand their roles and responsibilities. More information related to the training sessions will

be communicated to the sector in early fall.

External Member Recruitment

The Ministry encourages school boards to start their recruitment efforts to find qualified external members in the fall. This should allow for sufficient time for posting the positions, and provide sufficient notice for them to participate in the training noted above.

Website Link

On the Ministry of Education's Financial Analysis and Accountability Branch website a new link has been created which allows school boards to find pertinent information relating to the audit committee and internal audit initiatives. It is available at:

<http://faab.edu.gov.on.ca/Audit.html>

Some of the key documents are as follows:

- Q&A document on the audit committee and internal audit initiatives
- Audit committee external member sample recruitment advertisement
- Q&A document on the audit committee regulation (available soon)
- Internal audit mandate
- Internal audit regions
- Internal audit guidelines on hiring, evaluation, and staffing allocation

Regional Internal Audit Teams (RIAT)

Over the course of the summer of 2010, the majority of the host school boards have completed their recruitment for regional internal audit managers and some of their staff. After recruitment is complete, the next milestone for RIAT is risk assessment. Risk assessment is critical to internal audit functions as it establishes the priority areas for internal audit activities which in turn helps boards in meeting their business objectives.

The Ministry of Education has developed a risk assessment tool and the RIAT will be using this tool to perform risk assessments at each board. This process will begin in September 2010 and should be completed before the first audit committee meeting. Should RIAT feel that the risk assessments will not be completed by the first audit committee meeting, they should contact: Anthony Yeung, Manager – Transfer Payments and Financial Reporting at 416-314-0790 or email at Anthony.Yeung@ontario.ca or Doreen Lamarche, Project Manager – Audit at 613-225-9210 x113 or email at Doreen.Lamarche@ontario.ca.

School boards should anticipate that this initial risk assessment could take up to **three** weeks per board. The Regional Internal Audit Managers will be contacting boards' Superintendents of Business to schedule risk assessment meetings in the coming weeks.



Andrew Davis
Director
Financial Analysis and Accountability Branch

cc: Superintendents of Business

Show starts in five minutes...



Internal Audit and Audit Committees



Objectives

Today, you will learn:

- The rationale behind the Regional Internal Audit Team approach
- What Internal Audit is, and how it works
- More about the audit committee regulation
- Audit Committee Member's role and responsibilities
- Benefits of a well-run audit committee
- Where to find further resources

Our role in meeting Ontario's education goals

- Achieving Excellence
- Ensuring Equity
- Promoting Well-Being
- Enhancing Public Confidence

Why Audit Committees and Internal Audit?

- Grants for Student Needs > \$22.5 billion
- Opportunity to modernize governance
- Contribute to good governance, transparency and accountability
- Determine whether risks are appropriately identified and managed
- Prevent or mitigate damage to reputation, financial loss, etc.
- Key to enhancing/regaining public confidence

How did we get here?

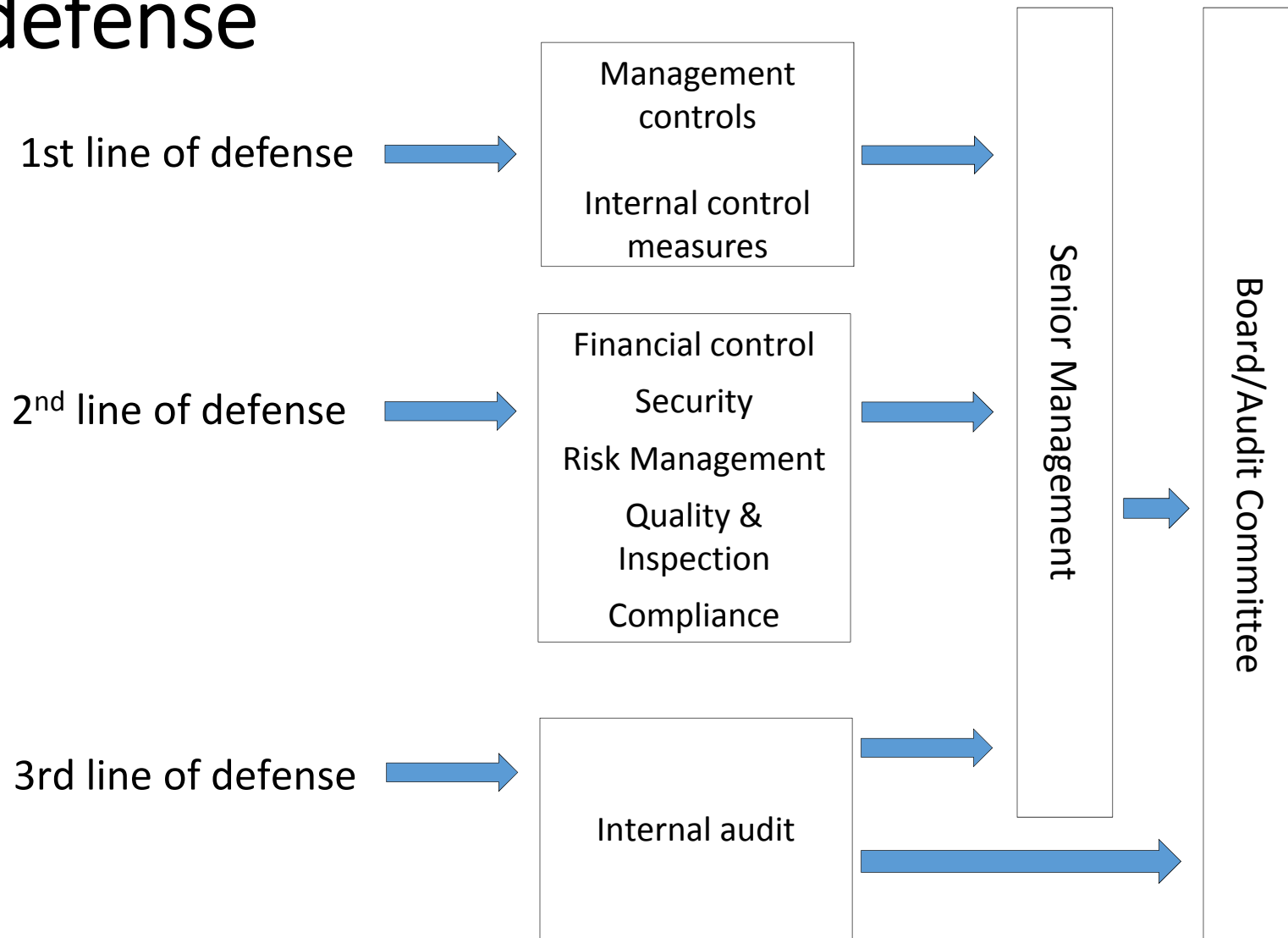
- Opportunities identified through the Ministry of Education's Operational Reviews
- Legislation received royal assent in 2009
- Audit committee regulation drafted in consultation with host board workgroup
- Extensive sector consultation
- Mandated audit committees by January 31, 2011
- Regional Internal Audit model through GSN
- Internal Audit funding first announced as part of the 2009-10 GSN

What is Internal Audit?

Here's the Plain Language definition:

- It helps accomplish objectives, by evaluating and improving processes for risk management, control, and governance
- It's independent and objective
- It improves an organization's operations and adds value
- It is the third line of defense

Internal Audit as the third line of defense



What does Internal Audit do?

- We work with management
- We may connect boards to share leading practices
- There is no such thing as 100% assurance
- Internal Audits don't cover every transaction
- We only make recommendations to provide direction

Management support is vital

- Need a strong commitment from the Director and senior management
- Each Regional Internal Audit Team (RIAT) mandate defines its purpose, authority and responsibility
- Mandate gives the RIAT unrestricted access
- Many organizations issue a policy statement to define the authority of Internal Audit
- Support in delivering the annual audit plan

Regional Internal Audit Model



Eight regions across the province

- **Region**

- West of Central
- Northwestern
- Toronto and area
- Northeastern
- Ontario East
- Barrie
- French language
- South

- **Host Board**

- Waterloo Region
- Thunder Bay Catholic
- York Catholic
- Sudbury Catholic
- Ottawa Catholic
- Simcoe County
- CECCE
- Thames Valley

Internal Auditors work independently

- Report to Audit Committees
- Employees of the host board
- Work independently of the Ministry
- Internal Audit **and** Audit Committees are *supported* by the Ministry's School Business Support Branch
- Audit reports do **not** go to the Ministry
- No Ministry input into board's audit plan

Governance, Risk Management, Internal Controls



Specific benefits to our sector

- Audit committee and Internal Audit functions contribute to good governance, transparency and accountability
- Need for public confidence
- Determine whether risks are appropriately identified and managed
- Prevent or mitigate damage to reputation, financial loss, impact on student outcomes

Accountability and Transparency

News / GTA

OPP to investigate misspending by Brampton Mayor Susan Fennell and council

Peel Region Police turn over damning audit documents that found the city's rules were repeatedly broken, particularly by Fennell.

[f](#) [Tweet](#) 77 [g+1](#) 0 [+ reddit this!](#) [+ save to mystar](#)



Internal Audit in the public sector



Effective Internal Audit

- Organizational independence
- A formal mandate
- Unrestricted access
- Sufficient funding
- Competent leadership
- Objective internal audit staff
- Competent internal audit staff
- Stakeholder support
- Professional audit standards

Managing risk



What is risk?

- A risk is any event which prevents us from attaining our objectives
- Risks can be dangerous because we don't know:
 - When they will happen
 - How much damage they will actually cause

How best to manage risks?

- Gain understanding of your potential risks
- Develop a consistent and structured approach
- Monitor, report and update continually

Managing risk with internal controls

- Any action taken to manage risk
- A control increases the likelihood that established objectives and goals will be achieved
- Management plans, organizes, and directs the performance of sufficient actions to ensure that objectives and goals will be achieved

RIAT: Preventive action

- Identify control gaps
- Help you avoid negative media coverage and its consequences
- Implementing Internal Auditor recommendations can save taxpayer money
- Resources directed toward areas of highest risk
- Independent Internal Audit function assures the Auditor General and the Ombudsman
- RIATs hire subject matter experts where appropriate

After the break: Ontario Regulation 361/10 and you



Audit Committees



What does an Audit Committee do?

- Audit Committee is a standing committee of the Board of Trustees

Responsibilities:

- Provide oversight
- Help build trust and confidence
- Exercise due care
- Ensure their members receive formal orientation training
- Ensure a process of continuing education

Working with Internal Audit

Our audits encompass all areas of your operations, in functions like:

- Human Resources
- Facilities
- Instruction & Schools
- Business Services
- Transportation
- IT & Communications

Composition of Audit Committee

- Members must be independent of management
- Key to an audit committee's effectiveness is having members with an appropriate mix of skills and experience
- Audit committees comprise board members and non-board members
- Number of members depends on size of your board

Audit Committee Members

Your audit committee members should develop sufficient knowledge of your board, including:

- The board's mission and current significant issues
- The board's structure, including key relationships
- The board's culture
- Any relevant legislation
- Key risks and the government environment

Non-Board Members

- Accounting, financial management or other relevant business experience
- No conflict of interest
- Sound judgment, objectivity, ethics, communication skills
- Must sign letter of appointment

Selection Committee

- Audit Committee is strengthened by its members
- Selection committee comprises Director, SBO, and Board chair
- The Internal Auditor should not be involved
- Written qualifications for AC members
- Explicit, competency based selection process
- Evaluate competencies to align with emerging needs

Terms of Appointment

- Terms determined by the board, maximums apply
- Four year maximum term for Board Members
- Three year maximum term for Non-Board Members
- Board by-laws create additional restrictions

The role of the Audit Committee Chair

The Audit Committee chair:

- Has a clear understanding of committee responsibilities
- Keeps committee members up-to-date
- Facilitates discussion and focuses on important matters
- Plans and manages committee meetings effectively
- Devotes sufficient time to prepare for all meetings
- Coordinates annual audit committee self-assessment
- Maintains an open and constructive relationship with senior managers, internal and external audit, and other committees

Managing committee vacancies

- New members assume remainder of term
- Reasons for resignation or dismissal from committee
- Compare current and required competencies to identify gaps
- Chair should assess attendance
- Fill vacancies as soon as possible

Powers of an Audit Committee

- Regulation 361/10 establishes the authority of the audit committee to perform its work
- The committee is entitled to receive explanations from management and staff it deems necessary
- Audit committee may hold private sessions

Audit Committee Meetings

- Chair, committee members, senior management and the RIAM establish work plan and agendas
- Minimum of three meetings each fiscal year
- One vote per member, chair has tie-breaker
- Quorum is majority of audit committee, must include one non-board member
- Chair is responsible for meeting minutes

Audit Committee Meetings

Leading practices:

- Committee should establish and communicate its information requirements
- Information should be provided to the audit committee at least one week prior
- Audit committee members have an obligation to prepare for and participate in committee meetings
- The Director, SBO and the RIAM should attend all committee meetings

Open versus Closed Meetings

- Each board should develop a policy on the criteria for opening or closing an audit committee meeting
- Follow principles of openness and accountability
- Consider each agenda item
- Project underway to obtain professional guidance for the sector

Code of Conduct

- Provincial Code of Conduct ➔ Board Code of Conduct
- Applies to all audit committee members
- Compliance with code of conduct drives the vision of the board
- Helps achieve the statutory objectives

Remuneration/Compensation

- No remuneration for non-board audit committee members
- Committee members may be reimbursed for travel and committee-related expenses
- Payment rates and allowances for committee members' time or services are established formally
- Professional indemnity insurance should be in place

Identify conflicts of interest

- Audit Committee appointees can't be an employee or officer of any school board when appointed
- Conflict of interest if parent, child or spouse is employed by the board
- No conflict of interest if parent, child or spouse is employed by another board
- Audit committee members must disclose a conflict of interest or even the appearance of one
- Quorum remains if a member withdraws

Reporting to the Board

- By-laws may require a report to the Board after every audit committee meeting
- The regulation requires an annual report to the board containing:
 - Summary of work performed
 - Assessment of committee's progress in addressing audit observations and recommendations
 - Summary of matters addressed at meetings
 - Attendance records
 - Other relevant issues

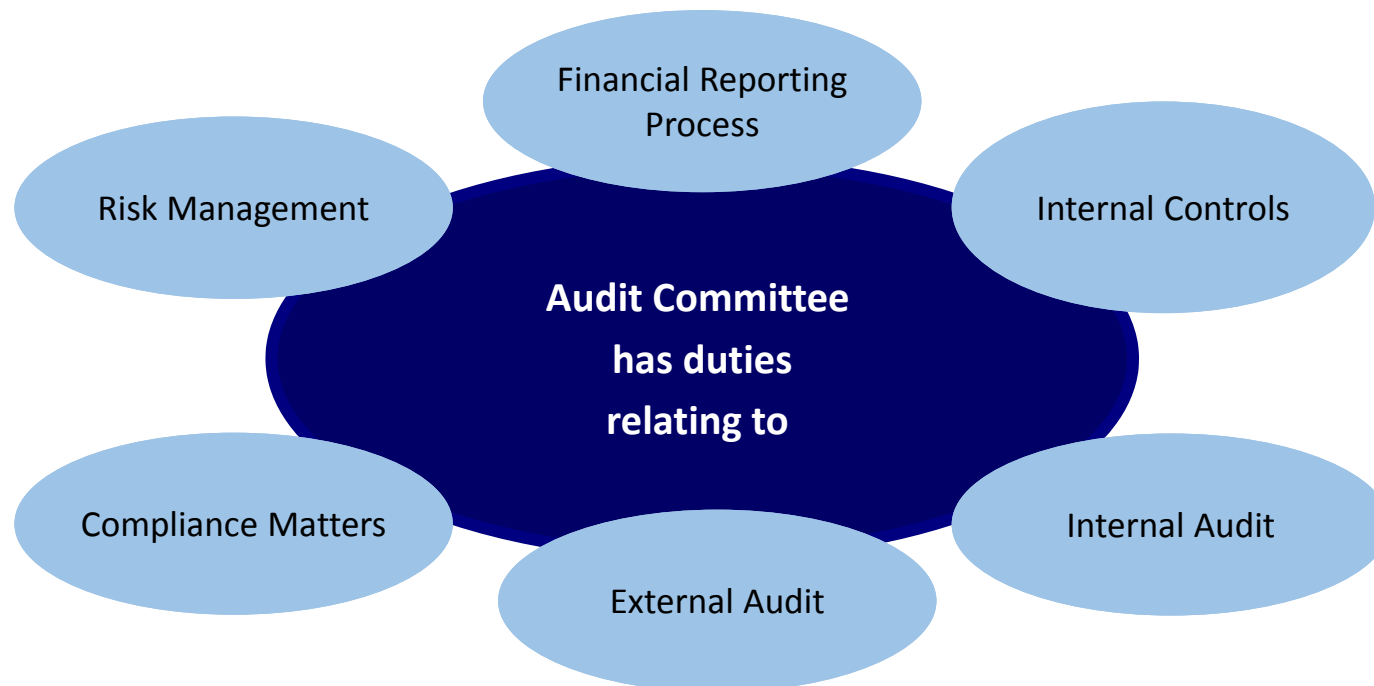
Reporting to the Ministry

The Board of Trustees reports to the Ministry to:

1. provide a summary of Internal Audit work
2. provide a summary of planned enrolment-based audits, for better coordination of enrolment audits performed by the Ministry and the Regional Internal Audit Teams

Audit Committee Role Overview

Regulation 361/10 outlines duties in six main areas:



Financial Reporting

- Consolidated financial statements prepared in accordance with the Financial Administration Act
- Audit committee reviews and recommends approval of the financial statements to the Board
- Financial statements are approved at a subsequent Board meeting

Financial Reporting

Review all materials from the external auditor including:

- Auditor's role and responsibilities
- Engagement letter
- Relevant changes to accounting standards
- Other issues which impact the Board

Internal Controls

- Management, External Auditors and Internal Auditors provide the Audit Committee with information for their evaluation of internal controls
- Audit Committees must:
 - Review the overall effectiveness of the Board's internal controls
 - Review the scope of the auditor's review of the Board's internal controls
 - Discuss significant financial risks and measures to monitor and manage these risks

Internal Controls

Resources available to assist with the Audit Committee's duties:

- Reports from Internal Audit contain observations, recommendations and responses from board staff, action plans and timelines
- Annual report from Internal Audit provides assessment of Board's processes for control and risk management
- External Auditors also present a management letter containing risks identified during the audit

Internal Audit

The Audit Committee will:

- Review and make recommendations to the Board of Trustees for approval of the annual and multi-year audit plans from Internal Audit
- Conduct a performance review of the Regional Internal Audit Team

Internal Audit will present for review:

- Annual risk assessments
- Audit Reports containing observations, recommendations, and management action plans
- Follow-up reports on the progress of management's action plans

External Audit

Audit Committees must:

- Review the results of the annual external audit
- Discuss difficulties encountered in the auditor's work
- Discuss significant changes made to the audit plan
- Conduct a review of performance

Compliance

- Provincial Code of Conduct → Board Code of Conduct → local Code of Conduct
- With the assistance of management:
- Rely on the delegation of authority in place to ensure compliance with the Code of Conduct
- Address issues of non-compliance as they arise
- Confirmation provided to the audit committee that the board is in compliance and all statutory requirements have been met

Risk Management

- Stay informed on significant risks to the school board
- Review the Board's risk assessment and risk management policies
- Assess the risk management process of the school board
- Review risk assessments provided by Internal and External Auditors

Reporting on Committee Performance

- Regulations require the audit committee to report annually on its performance to the Board of Trustees

Objectives Revisited

- The rationale behind the Regional Internal Audit Team approach
- What Internal Audit is, and how it works
- Review of Audit Committee regulation
- Audit Committee Member's role and responsibilities

Benefits of a well-run Audit Committee

- Improved financial practices & reporting
- Enhanced internal audit function
- Stronger external audit process
- Another level of assurance
- Heightened credibility among stakeholders

Linkage between Internal Audit & Audit Committees

Internal Audit – performs work	Audit Committee - oversight
Reports to audit committee	Reviews performance of internal audit
Develops internal audit plan, presents to Audit Committee	Recommends content of the plan to the Board of Trustees
Executes audit plan	Ensures internal audit can deliver plan with no limitations
Presents findings and recommendations to the audit committee	Reviews these findings and recommendations, as well as management response

Working together in the public interest

“A high-performing public sector audit committee helps to ensure that objective analyses and credible information support decisions to help create a better future for the community in which it operates and, ultimately, across all society.”

- Independent audit committees in the public sector,
Global Public Sector Insight (IIA – June 2014)

Audit Committee & Internal Audit Training – Questions & Answers

Internal Audit

Internal Audit Roles and Responsibilities

1. Question – The original risk assessment was an extensive undertaking, followed by annual updates. When do the regional internal audit teams plan to perform another full risk assessment?

Answer – The approach to the risk assessment should be discussed with your Regional Internal Audit Manager, as each region's full risk assessment may vary in timing. Changes to the risk assessment approach are anticipated, but have not yet been determined.

2. Question – When updating the risk assessment, the regional internal auditors bring it forward to the audit committee for review and discussion, but not the governance committee. Would it be beneficial to approach the governance committee as well to get their feedback?

Answer – Recommending the internal audit plan to the board for approval is one of the duties of the audit committee, as specified in subsection 9(3)(2) of Ontario Regulation 361/10. As the risk assessment is the main driver of the internal audit plan, review and discussion of the risk assessment should be the responsibility of the audit committee.

3. Question - Who decides what is on the regional internal audit team's annual audit plan?

Answer – The regional internal audit team develops the internal audit plan for each board based on the board's risk assessment results and internal audit resources available, also considering specific concerns of management and the audit committee. The plan is then presented to the audit committee for discussion and review. Once the audit committee is satisfied that the internal audit plan provides appropriate coverage of significant risks (given internal audit capacity), the plan is recommended to the board for approval.

4. Question – What is the difference between the annual and multi-year internal audit plan?

Answer – The multi-year internal audit plan is a forecasted plan over a longer term (e.g. 5 years). The annual plan provides further detail, including a work plan, for a specific fiscal year. Note that the annual plan for a given year may not reflect what

was originally forecast for that year in the multi-year plan. The annual plan may require amendment due to changes in risk profile, etc.

5. Question – Do internal auditors take regulatory audits (e.g. Canada Revenue Agency, Ministry, etc.) into consideration when planning their audits?

Answer – Yes. In planning an audit, the regional internal audit teams will review and take into consideration the results of any prior audits of the process (regulatory, external, internal, etc.). For example, when planning an audit of enrolment, the auditor would review the results of the most recent Ministry enrolment audit of the board. This review could help narrow the scope of the internal audit or demonstrate areas where further testing is warranted.

6. Question – Who makes audit recommendations – the regional internal audit teams or the audit committee?

Answer - The regional internal audit team conducts audits, preparing a report at the end of each audit that includes any findings. The report also provides recommendations to address these findings. Management has an opportunity to respond to each finding with an action plan to correct or improve the finding (or in some cases with a decision to not implement corrective action, accepting the risks associated with the audit finding).

The audit committee oversees this process and reviews the completed internal audit report.

Other

7. Question – Are all regional internal audit teams up and running?

Answer – Yes. While there may be occasional turnover on teams, all teams have been formed and are executing their audit plans.

8. Question – To whom does the Regional Internal Audit Manager report?

Answer – The regional internal audit manager reports administratively to the senior business official of the host board in the region (to facilitate day-to-day operations) and functionally to the audit committees of the region (for the team's main responsibilities). This reporting structure provides for the independence of the regional internal audit team from management.

9. Question – Will there be a best practices repository for the sector?

Answer – Yes. The sharing of leading practices found during audits is currently being discussed. More information will be provided to the sector as soon as it becomes available.

10. Question – Do all boards have their own dedicated internal audit staff (i.e. apart from the regional internal audit team)?

Answer – Some of the larger school boards have one or more dedicated internal audit staff members. However, the majority of these auditors have a different mandate than the regional internal audit team, primarily auditing enrolment and school generated funds, compared to the regional internal audit teams' mandate of all school board processes. Regional internal audit teams and board internal auditors are encouraged to communicate and share audit plans to avoid audit fatigue at a school or on a particular process.

11. Question – How are the various audits that school boards are subject to integrated (i.e. external audit, internal audit, Ministry audit, etc.)?

Answer – The various audits that a school board is subject to are integrated in many ways:

- As noted above in question #7, internal auditors will take into consideration the results of any external review of the process under audit during the audit planning phase.
- If an internal audit is undertaken in an area of significance to the external audit (such as school generated funds or enrolment), the external auditors may be able to place reliance on the work of the regional internal audit team (or other board internal auditors) to reduce the scope of their work. However, the internal audit plan should cover all higher risk processes over a number of years. As a result, reducing the work of external audit should not be a primary focus of the regional internal audit team.
- Wherever possible, the various parties work together to avoid a board being subject to multiple audits on the same process/functional area in the same year. For example, the Ministry performs periodic enrolment audits on school boards. However, audit committees report to the Ministry on upcoming enrolment internal audits on the board. If an internal audit on enrolment is scheduled, the Ministry will avoid scheduling its own audit in the same year.

12. Question – Does the Ministry provide regional internal audit teams with any tools?

Answer – Yes. Since the inception of the regional internal audit initiative, the Ministry has provided regional internal audit teams with various guidelines, tools and templates. As a result, the auditors required less time for the start-up phase when

the teams were formed and could begin the risk assessments quickly. In addition, this assistance supports a consistent approach province-wide.

13. Question – Do regional internal audit teams report to the Ministry? Did the Ministry request this audit?

Answer – While the Ministry provides support to the regional internal audit teams, Regional Internal Auditors do not report to the Ministry. The Ministry has no input into the board's audit plans and is not informed of audit findings. The Regional Internal Audit Manager reports functionally to each audit committee in the region and administratively to the host board senior business official.

14. Question – What is the role of the Ombudsman vs. the Auditor General?

Answer - The Ombudsman is an independent officer of the Legislature who investigates complaints from the public about Ontario government services.

The Office of the Auditor General is an independent office of the Legislative Assembly that conducts value-for-money and financial audits of the provincial government, its ministries and agencies. It also audits organizations in the broader public sector that receive provincial funding, such as hospitals, colleges and school boards.

Audit Committees

Composition of Audit Committee

1. Question – What is the process for appointing trustees to the audit committee?

Answer – Trustees are appointed to the audit committee in accordance with the board's by-laws or, in absence of such a by-law, through the regular board process of appointing members to committees. The exact process will vary by board.

2. Question – How can a school board audit committee be independent, when the number of elected officials on the committee exceeds the number of external members?

Answer – The audit committee is independent of management. The external members are on the committee to provide financial expertise.

3. Question – Would the Ministry consider amending Regulation 361/10 to allow boards the option to add an additional external member to the audit committee?

Answer – We acknowledge that such a change would be beneficial for many boards, as the additional expertise of another external member would likely lead to more fulsome discussion on the agenda items. However, we also acknowledge that many of the rural and remote boards already struggle with getting the two external members required for most audit committees. The Ministry will carefully review this suggestion when considering future changes to the regulation.

Eligibility for appointment of persons who are not board members

4. Question – Do audit committee external members need vulnerable sector screening or background checks?

Answer – This is not a requirement of the audit committee regulation. Whether external members require additional screening is dependent on individual board policy.

5. Question – Why do trustees and external members have different standards for conflict of interest?

Answer – A conflict of interest is defined in subsection 4(2) and occurs when the member's "parent, child or spouse is employed by the board". This applies to both trustee and external members; however, only external members are ineligible to join the committee if such a conflict exists at the time of appointment. Appointment criteria for external members are governed by the regulation, whereas the appointment process for trustee members is governed by board by-laws/practice.

The existence of such a conflict must be declared by all members upon appointment and annually, as well as immediately if a member becomes aware of a conflict.

Selection Committee

6. Question – Why is the selection committee structured the way it is?

Answer – The selection committee is composed of the director of education, a senior business official and the chair of the board (or designate), with the purpose of identifying potential candidates for external members. The committee may submit these potential candidates to the board for final approval. The composition of the committee ensures that various areas of the school board are represented: financial, operational and governance. It is critical to involve a senior business official, as the other members of the selection committee may not have the background in accounting and audit necessary to evaluate the candidate qualifications in those areas.

Vacancies

7. Question – Section 8 of Regulation 361/10 refers to authorizing absences. What does this mean?

Answer – Whether an absence is considered authorized is at the discretion of the audit committee, but would typically include an absence beyond the member's control (with prior notification if possible) for reasons such as illness, jury duty, personal emergency, etc.

Duties of an Audit Committee – Financial Reporting Process

8. Question – What are the nuances of school board accounting?

Answer – The audit committee induction training that took place in 2011 included a module on “Understanding the Basic Elements of School Board Financial Statements”. Please refer to the School Business Support Branch [website](#). The Ministry will also look into providing audit committee members with further training in this area at a later date.

9. Question – What is the Financial Administration Act?

Answer – The Financial Administration Act requires that consolidated financial statements be prepared in accordance with the accounting principles determined by the relevant Ministry of the Province of Ontario. A directive was provided by the Ministry of Education within memorandum 2004:B2 requiring school boards to adopt Canadian public sector accounting standards commencing with the year ended August 31, 2004.

In 2011, the government passed Ontario Regulation 395/11 of the Financial Administration Act. The accounting policy requirements under Regulation 395/11 are significantly different from the requirements of Canadian public sector accounting. The differences are highlighted in the notes to school board financial statements.

Duties of an Audit Committee – Compliance Matters

10. Question – What is the role of the audit committee in ensuring that the school board has a code of conduct?

Answer – Regarding the board's code of conduct, audit committee members have oversight responsibilities to ensure that:

- A code of conduct has been developed, reviewed and updated as needed;

- A process is in place for all employees to receive the code of conduct, understand it, and receive training; and
- A process is in place to action reported violations.

11. Question – How can an audit committee satisfy itself that compliance with major laws and regulations is being monitored?

Answer – Each school board should have a mechanism in place to ensure that major laws and regulations affecting the school board are identified and compliance with these is monitored. As a best practice, this would involve assigning to individuals / departments responsibility for monitoring compliance with each law and regulation. These individuals would report annually on the status of conformity with assigned laws and regulations to a central individual, who would then compile responses into an annual compliance report to be signed by the Director of Education and presented to the audit committee.

As part of its oversight responsibilities, the audit committee must ensure that management has appropriate mechanisms in place to monitor compliance. The compliance report to the audit committee would provide confirmation that monitoring has taken place.

Duties of an Audit Committee – Risk Management

12. Question – What is the role of the audit committee in risk identification?

Answer – The audit committee should not be directly involved in risk identification; this is the role of management. The audit committee's role is oversight of the process. This would include questions to school board management and auditors on whether there is a process for risk identification and how it adequately identifies significant risks to the board. Auditors would then question management to determine if mitigation strategies are in place to reduce these significant risks to a level that fits within the board's risk tolerance.

Declaration of Conflicts

13. Question – What happens when there is a tie vote, if the audit committee chair has withdrawn from the vote due to a conflict of interest?

Answer – If the audit committee has designated a vice chair, based on board policy or by-law, the vice chair may take on the tie-breaker responsibilities. Otherwise, the audit committee may choose to appoint a chair for that particular agenda item. In the unlikely event that only external members are eligible to vote, one of these members may be selected to be chair for the agenda item.

Reporting

14. Question – Does the audit committee have to report back to the board? If so, does this need to be approved or is this an FYI?

Answer – Section 15 of the Regulation highlights the required reporting to the board. This is further elaborated in the [Guideline on Audit Committee Reporting](#). Items that specifically require board approval, as recommended for approval by the audit committee, are as follows:

- Annual audited financial statements
- Internal audit plan
- All proposed major changes to the internal audit plan
- Appointment, replacement or dismissal of the external auditor
- The setting or adjustment of the fees of the external auditor
- External auditor's audit plan
- All proposed major changes to the external auditor's audit plan
- A board policy designating services that the external auditor may perform for the board

Open vs. Closed Meetings

15. Question – When will we find out further information on the type of information that should be discussed in open vs. closed session?

Answer – There is currently a Council of Senior Business Officials (COSBO) Efficiency & Effectiveness project underway to obtain professional guidance on the type of information that can be discussed in closed session. This guidance is expected to be available by the end of the calendar year. Please note that audit committees will not be required to comply with this guidance; the approach an audit committee takes is up to the individual board. Boards will be advised to seek their own legal opinion if further guidance is required.

16. Question – What is the scope of the COSBO Efficiency & Effectiveness project?

The project will include obtaining guidance on whether each of the duties and responsibilities of the audit committee, as outlined in Ontario Regulation 361/10, "Audit Committees", should typically be held in open or closed session. The project

will also include other considerations, such as records related to private sessions, reporting of items discussed in closed session to the board and emerging best practices.

17. Question – If a discussion item to be reported to the board, as required in subsection 15(1) of the regulation, is discussed in an in camera session, what can be reported to the board and in what format (details, resolutions, minutes, etc.)?

Answer – This question will be addressed as part of the COSBO Effectiveness & Efficiency project.

18. Question – Can trustees who are not audit committee members attend in-camera sessions?

Answer – They can do so at the discretion of the chair of the audit committee.

19. Question – It was mentioned at our session that the board should consider developing a policy regarding what to discuss in open vs. closed sessions. Is this a new requirement?

Answer – Such a policy is not a requirement. It is considered a leading practice to demonstrate that your board has considered the type of information that is appropriate to hold in open and closed session. Note that if you do choose to develop a policy, it is recommended that you communicate with your coterminous board. Consistency with the coterminous board will help to avoid issues in your district.

20. Question – Is the COSBO Effectiveness & Efficiency project on open vs. closed meetings a Ministry project?

Answer – COSBO has ownership of the project. The Ministry's involvement includes providing the funding for the project, as well other support where needed.

Other

21. Question – Will there be any changes to Regulation 361/10?

Answer – The Ministry made a few technical changes to the Regulation in July 2015. These changes were made primarily for clarity and to align the Regulation with current Ministry requirements. Please refer to [2015: SB19](#) for details. Additional changes will be considered as the need arises.

22. Question – How does the operational review refresh tie into audit committees?

Answer – The Ministry is currently conducting an operational review refresh initiative. Where there has been a change in the senior management team since the original operational review, Directors of Education and Senior Business Officials are participating in a two-hour teleconference led by consultants.

The refresh is in the form of a discussion that encourages new Directors of Education and Senior Business Officials to reference their operational review findings to support operational management decisions and continuous improvement; identify new leading practices and strengthened expectations since their board's operational review; and build awareness of the numerous tools that have been developed to support school boards. There is no formal assessment completed or additional follow-up required from boards.

As the operational review refresh is an informational tool for school board senior management with no findings, there should be minimal implications for audit committees.

23. Question – Could audit committee members be held personally liable?

Answer – As noted in the document [Good Governance: A Guide for Trustees, School Boards, Directors of Education and Communities – 2014](#) (page 56):

“Generally...trustees will not be found personally liability for their inadvertent acts and omissions as trustees, as long as they act within the scope of their authority.”

“Trustees have been held personally liable where their actions either were considered to be in wilful disregard of the provisions of the governing legislation or were not performed honestly, conscientiously, or in good faith.”

Based on the above, if you apply due diligence and act in good faith in your role as an audit committee trustee member, there should be no concerns. The same would apply for external members. Refer to the document linked above for further details. For specific questions or concerns, please seek your own legal advice.

Regional Internal Audit Mandate

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 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.

Each Audit Committee of the Board of Trustees will for their Board:

- Approve the regional internal audit mandate;
- 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 Regional Internal Audit Manager.

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

INDEPENDENCE AND OBJECTIVITY

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

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

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

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

RESPONSIBILITY

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

- Evaluating risk exposure relating to the achievement of the district school board's strategic objectives;
- Evaluating the reliability and integrity of information and the means used to identify measure, classify and report information;
- Evaluating the systems which ensure compliance with policies, procedures, applicable laws and regulations which impact the district school board;
- Evaluating whether resources are acquired economically, used efficiently, and are adequately protected;
- Evaluating operations and processes to ascertain whether results are consistent with established objectives and whether processes are functioning as planned;

- Performing consulting and advisory services or assessments of specific operations as requested by the Audit Committee of the Board of Trustees or district school board management as appropriate;
- Evaluating the effectiveness of the district school board's risk management and governance processes;
- Reporting periodically on the regional internal audit performance against plans; and
- Reporting significant risk exposures and control issues, including fraud risks, governance issues and other matters requested by the Audit Committee of the Board of Trustees.

INTERNAL AUDIT PLAN

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

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

REPORTING AND MONITORING

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

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

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 or designate

February 13, 2018

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	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.
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 Mandate, 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	<p>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:</p> <ul style="list-style-type: none"> Integrity and ethical values. Management's philosophy and operating style. Organizational structure. Assignment of authority and responsibility. Human resource policies and practices. Competence of personnel.
Control/Internal Controls	<p>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.</p> <p>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.</p>
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 <i>Regional Internal Audit Manager</i> 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.

Report and consolidated financial statements of

Halton District School Board

August 31, 2017

Halton District School Board

August 31, 2017

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Management Report

Management's responsibility for the consolidated financial statements

The accompanying consolidated financial statements of the Halton District School Board are the responsibility of the Board's management and have been prepared in accordance with the Financial Administration Act, supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act, as described in Note 1 to the consolidated financial statements.

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Board management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Audit Committee of the Board meets with the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the Board's approval of the consolidated financial statements.

The consolidated financial statements have been audited by Deloitte LLP, independent external auditors appointed by the Board of Trustees. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated financial statements.

Director of Education

Superintendent of Business Services
And Treasurer

Stuart Miller

Lucy Veerman

December 6, 2017

Independent Auditor's Report

To the Trustees of the
Halton District School Board

We have audited the accompanying consolidated financial statements of the Halton District School Board (the "Board"), which comprise the consolidated statement of financial position as at August 31, 2017, and the consolidated statements of operations, cash flows and change in net debt for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements in accordance with the basis of accounting described in Note 1 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Halton District School Board as at and for the year ended August 31, 2017 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes the basis of accounting used in the preparation of these consolidated financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards.

A handwritten signature in dark ink, appearing to read "Deloitte LLP", is positioned above the printed text of the firm's name.

Chartered Professional Accountants
Licensed Public Accountants
December 6, 2017

Halton District School Board

Consolidated statement of financial position as at August 31, 2017

	2017	2016
	\$	\$
Financial assets		
Cash and cash equivalents	86,166,167	73,146,250
Accounts receivable	38,160,009	39,664,238
Accounts receivable - Government of Ontario (Note 2)	295,682,715	294,331,912
	420,008,891	407,142,400
Liabilities		
Accounts payable and accrued liabilities	63,975,297	53,084,959
Other (Note 4)	2,290,984	3,254,469
Net long-term liabilities (Note 5)	274,935,788	284,549,505
Deferred revenue (Note 7)	29,509,571	30,818,283
Employee future benefits payable (Note 9)	26,759,674	28,947,258
Deferred capital contributions (Note 8)	550,502,882	536,976,209
	947,974,196	937,630,683
Net debt	(527,965,305)	(530,488,283)
Non-financial assets		
Prepaid expenses	960,023	1,134,802
Tangible capital assets (Note 10)	749,917,938	723,513,092
	750,877,961	724,647,894
Accumulated surplus (Note 11)	222,912,656	194,159,611

Contractual obligations and contingent liabilities (Note 14)

Approved by the Board

Director of Education

Chair of the Board

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Halton District School Board

Consolidated statement of operations year ended August 31, 2017

	Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenue			
Provincial grants - Grants for Student Needs	645,324,504	649,379,073	631,538,265
Provincial grants - other	8,910,514	10,320,745	11,253,962
Investment income	1,250,000	1,325,959	1,224,171
Federal grants	3,353,246	3,431,282	3,102,561
School fundraising and other revenues	19,000,000	21,353,914	18,962,216
Deferred capital contributions - grants recognized	27,089,003	28,547,307	27,934,486
Other fees and revenues	18,520,686	35,390,386	28,252,155
Total revenue	723,447,953	749,748,666	722,267,816
Expenses			
Instruction	562,065,795	560,329,685	534,636,817
Administration	14,850,404	14,753,337	13,709,433
Transportation	15,657,389	15,966,101	15,004,348
Pupil accommodation	102,620,893	103,699,571	101,194,103
Other	2,375,202	5,708,760	7,126,428
School funded activities	19,000,000	20,538,167	18,856,143
Total expenses (Note 12)	716,569,683	720,995,621	690,527,272
Annual surplus	6,878,270	28,753,045	31,740,544
Accumulated surplus, beginning of year	189,199,709	194,159,611	162,419,067
Accumulated surplus, end of year (Note 11)	196,077,979	222,912,656	194,159,611

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Halton District School Board

Consolidated statement of cash flows year ended August 31, 2017

	2017	2016
	\$	\$
Operating transactions		
Annual surplus	28,753,045	31,740,544
Non-cash items		
Amortization (Note 10)	29,105,902	28,493,141
Deferred capital contributions - grants recognized (Note 8)	(28,547,307)	(27,934,486)
Deferred gain on disposal of restricted assets	-	(8,617,350)
Other liabilities - Contaminated site	-	(60,632)
Net change in non-cash working capital balances		
Accounts receivable	1,504,229	(1,199,057)
Accounts payable and accrued liabilities	10,890,338	3,303,466
Other liabilities	(963,485)	(468,310)
Deferred revenues - operating	48,535	(312,476)
Employee future benefits payable	(2,187,584)	(5,914,279)
Prepaid expenses	174,779	260,639
	38,778,452	19,291,200
Capital transactions		
Proceeds on sale of tangible capital assets	-	8,713,724
Acquisition of tangible capital assets (Note 10)	(55,510,748)	(30,789,584)
	(55,510,748)	(22,075,860)
Financing transactions		
Principal repayments on long-term liabilities (Note 6)	(11,048,158)	(10,545,218)
Net long-term liabilities issued	1,434,441	169,204
Additions to deferred capital contributions (Note 8)	42,073,980	23,559,839
(Decrease) increase in deferred revenues - capital	(1,357,247)	6,478,197
(Increase) decrease in accounts receivable - Government of Ontario	(1,350,803)	18,984,304
	29,752,213	38,646,326
Increase in cash and cash equivalents	13,019,917	35,861,666
Cash and cash equivalents, beginning of year	73,146,250	37,284,584
Cash and cash equivalents, end of year	86,166,167	73,146,250

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Halton District School Board

Consolidated statement of change in net debt year ended August 31, 2017

	2017	2016
	\$	\$
Annual surplus	28,753,045	31,740,544
Tangible capital asset activity		
Acquisition of tangible capital assets (Note 10)	(55,510,748)	(30,789,584)
Sale of asset - net	-	96,374
Amortization of tangible capital assets (Note 10)	29,105,902	28,493,141
	(26,404,846)	(2,200,069)
Other non-financial asset activity		
Acquisition of prepaid expenses	(1,100,202)	(1,181,014)
Use of prepaids	1,274,981	1,441,653
	174,779	260,639
Decrease in net debt	2,522,978	29,801,114
Net debt, beginning of year	(530,488,283)	(560,289,397)
Net debt, end of year	(527,965,305)	(530,488,283)

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Halton District School Board

Notes to the consolidated financial statements

August 31, 2017

1. Significant accounting policies

The consolidated financial statements are prepared by management in accordance with the basis of accounting described below.

Basis of accounting

The consolidated financial statements have been prepared in accordance with the Financial Administration Act supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act.

The Financial Administration Act requires that the consolidated financial statements be prepared in accordance with the accounting principles determined by the relevant Ministry of the Province of Ontario. A directive was provided by the Ontario Ministry of Education within memorandum 2004:B2 requiring school boards to adopt Canadian public sector accounting standards commencing with their year ended August 31, 2004 and that changes may be required to the application of these standards as a result of regulation.

In 2011, the government passed Ontario Regulation 395/11 of the Financial Administration Act. The Regulation requires that contributions received or receivable for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets for use in providing services, be recorded as deferred capital contributions and be recognized as revenue in the statement of operations over the periods during which the asset is used to provide service at the same rate that amortization is recognized in respect of the related asset. The regulation further requires that if the net book value of the depreciable tangible capital asset is reduced for any reason other than depreciation, a proportionate reduction of the deferred capital contribution along with a proportionate increase in the revenue be recognized. For Ontario school boards, these contributions include government transfers, externally restricted contributions and, historically, property tax revenue.

The accounting policy requirements under Regulation 395/11 are significantly different from the requirements of Canadian public sector accounting standards which require that:

- government transfers, including amounts previously recognized as tax revenue, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410;
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100; and
- property taxation revenue be reported as revenue when received or receivable in accordance with public sector accounting standard PS3510.

As a result, revenue recognized in the consolidated statement of operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the Board and which are controlled by the Board, including the following:

- Fast Track Community Centre for Skills Development and Training ("The Centre"); and
- Halton Student Transportation Services ("HSTS").

Halton District School Board

Notes to the consolidated financial statements

August 31, 2017

1. Significant accounting policies (continued)

Reporting entity (continued)

School generated funds, which include the assets, liabilities, revenues and expenses of various organizations that exist at the school level and which are controlled by the Board are reflected in the consolidated financial statements.

All material inter-departmental and inter-organizational transactions and balances between these organizations are eliminated upon consolidation.

Trust funds

Trust funds and their related operations administered by the Board are not included in the consolidated financial statements, as they are not controlled by the Board.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and demand deposits.

Tangible capital assets

Tangible capital assets are recorded at historical cost less accumulated amortization. Historical cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as interest related to financing during construction. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization.

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

Tangible capital assets, except land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Estimated useful life in years
Land improvements with finite lives	15
Buildings	40
Portable structures	20
Other buildings	20
First-time equipping of schools	10
Furniture	10
Equipment	5-15
Computer hardware	5
Computer software	5
Leasehold improvements - The Centre	10

Assets under construction and assets that relate to pre-acquisition and pre-construction costs are not amortized until the asset is available for productive use.

Land permanently removed from service and held for resale is recorded at the lower of cost and estimated net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Buildings permanently removed from service and held for resale cease to be amortized and are recorded at the lower of carrying value and estimated net realizable value. Tangible capital assets which meet the criteria for financial assets are reclassified as "assets held for sale" on the consolidated statement of financial position.

Halton District School Board

Notes to the consolidated financial statements

August 31, 2017

1. Significant accounting policies (continued)

Deferred revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenses are incurred or services performed.

Deferred capital contributions

Contributions received or receivable for the purpose of acquiring or developing a depreciable tangible capital asset for use in providing services, or any contributions in the form of depreciable tangible assets received or receivable for use in providing services, is recognized as deferred capital contributions (DCC) as defined in Ontario Regulation 395/11 of the Financial Administration Act. These amounts are recognized as revenue at the same rate as the related tangible capital asset is amortized. The following items fall under this category:

- Government transfers received or receivable for capital purpose;
- Other restricted contributions received or receivable for capital purpose; and
- Amounts previously recognized as property taxation revenues which were historically used to fund capital assets.

Retirement and other future benefits

The Board provides defined retirement, post retirement and workers' safety insurance benefits to specified employee groups. These benefits include pension, retirement gratuity, health and dental, workers' safety insurance benefits, carry-over sick leave and long term disability benefits.

a) Employee Life and Health Trusts

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the principals and vice-principals associations, the following Employee Life and Health Trusts (ELHTs) were established in 2016-17: Elementary Teachers' Federation of Ontario (ETFO), Elementary Teachers' Federation of Ontario Education Workers (ETFO-EW), Ontario Secondary School Teachers' Federation (OSSTF), Ontario Secondary School Teachers' Federation Education Workers (OSSTF-EW), Education Workers' Alliance of Ontario (EWA), Canadian Union of Public Employees (CUPE) and Education Council of Associations for Benefits (ECAB). The ELHTs provide health, life and dental benefits to teachers, education workers and other school board staff and retired individuals starting with a school board's participation date into the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. Starting November 1, 2016, the Board is no longer responsible to provide certain benefits to ETFO, OSSTF, OCTU (under OSSTF-EW), PSSP (under OSSTF-EW) and DECE (under ETFO-EW). Beginning in the 2016-17 school year, school boards whose employee groups transitioned their health, dental and life benefits to the ELHT are required to remit a negotiated amount per full-time equivalency (FTE) on a monthly basis. The remaining employee groups will complete transition into ELHTs by February 1, 2018.

Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN) and additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

The Board continues to provide health, dental and life insurance benefits for retired individuals and the following employee groups: CUPE, Halton District Educational Assistants' Association (HDEAA), Principals and Vice-Principals and other non Union employee groups that have not yet transferred into an ELHT, and continues to have a liability for payment of benefits for those who are on long-term disability and for some who are retired under these plans.

Halton District School Board

Notes to the consolidated financial statements

August 31, 2017

1. Significant accounting policies (continued)

Retirement and other future benefits (continued)

b) Retirement gratuity plan, sick leave plan, and post-retirement health and dental plan

In 2012, changes were made to the Board's retirement gratuity plan, sick leave plan and post-retirement health and dental plan. The Board has adopted the following policies with respect to accounting for these employee benefits:

- i) The costs of self-insured retirement and other employee future benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care costs trends, disability recovery rates, long-term inflation rates and discount rates. In prior years, the cost of retirement gratuities that vested or accumulated over the periods of service provided by the employee were actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement and discount rates. As a result of the plan change, the cost of retirement gratuities were actuarially determined using the employee's salary, banked sick days and years of service as at August 31, 2012 and management's best estimate of discount rates. The changes resulted in a plan curtailment and any unamortized actuarial gains and losses were recognized as at August 31, 2012. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as post-retirement health and dental benefits, the cost is actuarially determined using the projected benefit method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. The changes to the post-retirement health and dental plan resulted in a plan curtailment and any unamortized actuarial gains and losses associated with the employees impacted by the change were recognized as at August 31, 2012.

For those self-insured benefit obligations that arise from specific events that occur periodically, such as obligations for workers' compensation, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

- ii) The costs of multi-employer defined pension benefits, such as the Ontario Municipal Employees Retirement System pensions, are the employer's contributions due to the plan in the period.
- iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

Government transfers

Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the period, in which events giving rise to the transfer occur, providing the transfers are authorized, and eligibility criteria have been met and reasonable estimates of the amount can be made. If government transfers contain stipulations which give rise to a liability, they are deferred and recognized in revenue when the stipulations are met.

Government transfers for capital are deferred as required by Regulation 395/11, recorded as deferred capital contributions (DCC) and recognized as revenue in the consolidated statement of operations at the same rate and over the same periods as the asset is amortized.

Investment income

Investment income is reported as revenue in the period earned.

When required by the funding government or related Act, investment income earned on externally restricted funds such as pupil accommodation, education development charges and special education form part of the respective deferred revenue balances.

Halton District School Board

Notes to the consolidated financial statements

August 31, 2017

1. Significant accounting policies (continued)

Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees of the Halton District School Board. The budget is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model. Also included is the approved budget for the Fast Track Centre for Skills Development and Training. Budget figures in the consolidated statement of change in net debt have not been provided.

Property tax revenue

Under Canadian Public Sector Accounting Standards, the entity that determines and sets the tax levy records the revenue in the financial statements, which in the case of the Board, is the Province of Ontario. As a result, property tax revenue received from the municipalities is recorded as part of Provincial grants - Grants for Student Needs.

Use of estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known. Significant estimates include employee future benefits and certain accruals.

2. Accounts receivable - Government of Ontario

The Government of Ontario replaced variable capital funding with a one-time debt support grant in 2009-10. Halton District School Board received a one-time grant that recognized capital debt as of August 31, 2010 that is supported by the existing capital programs. The Board receives this grant in cash over the remaining term of the existing capital debt instruments. The Board may also be entitled to yearly capital grants to support capital programs which would be reflected in this account receivable.

The Board has an account receivable from the Government of Ontario of \$295,682,715 (2016 - \$294,331,912) with respect to capital grants.

3. Temporary borrowing

The Board's banking resolutions allow aggregate borrowings to the maximum of \$135 million. The Board has credit facilities available to the maximum of \$85 million with a Canadian chartered bank to address operating requirements, bridge capital expenditures and education development charges outstanding. As at August 31, 2017, the amount drawn was \$Nil (2016- \$Nil).

4. Other liabilities

In the prior year, a liability for contaminated sites was recorded for the estimated cost to remediate soil and ground water contamination resulting from the replacement of a fuel oil underground storage tank in a Board site that is not in productive use. The estimated liability of \$139,244 as at August 31, 2016 for remediation costs was provided by a third party geo-environmental consultant. During 2016-17, site remediation was completed and no liability has been recorded as at August 31, 2017.

Other liabilities also includes the Group Life Premium Stabilization Fund amounting to \$2,290,984 (2016 - \$3,115,225).

Halton District School Board

Notes to the consolidated financial statements

August 31, 2017

5. Net long-term liabilities

Net long-term liabilities on the consolidated statement of financial position is comprised of Ontario Financing Authority (OFA) and Ontario School Boards Financing Corporation (OSBFC) debentures as follows:

	2017	2016
	\$	\$
Debentures		
OSBFC, Series 2003-A2, 5.800%, maturing November 2028	17,848,021	18,914,529
OSBFC, Series 2004-A1, 5.483%, maturing November 2029	26,846,581	28,309,501
OSBFC, Series 2005-A1, 4.789%, maturing August 2030	7,981,717	8,415,720
OFA, Bylaw 06090, 4.560%, maturing November 2031	14,370,493	15,057,051
OFA, Bylaw 08012, 4.900%, maturing March 2033	29,469,287	30,682,062
OFA, Bylaw 09037, 5.062%, maturing March 2034	973,300	1,009,290
OFA, Bylaw 09036, 5.062%, maturing March 2034	5,264,591	5,459,261
OFA, Bylaw 09125, 5.384%, maturing May 2034	8,099,377	8,384,960
OFA, Bylaw 10052, 5.232%, maturing May 2035	10,986,576	11,350,014
OFA, Bylaw 10107, 4.947%, maturing May 2035	17,385,633	17,973,703
OFA, Bylaw 11034, 4.833%, maturing March 2035	16,981,530	17,525,190
OFA, Bylaw 11155, 3.970%, maturing November 2036	13,812,344	14,274,390
OFA, Bylaw 12024, 3.564%, maturing March 2037	17,120,174	17,706,469
OFA, Bylaw 13030, 3.799%, maturing March 2038	44,496,147	45,876,235
OFA, Bylaw 13120, 4.037%, maturing October 2028	14,292,497	15,256,349
OFA, Bylaw 14025, 4.003%, maturing March 2039	26,243,339	26,985,342
OFA, Bylaw 15010, 2.993%, maturing March 9, 2040	1,165,061	1,200,235
OFA, Bylaw 16024, 3.242%, maturing March 15, 2041	164,679	169,204
OFA, Bylaw 17020, 3.594%, maturing March 14, 2042	1,434,441	-
Net long-term liabilities	274,935,788	284,549,505

Of the net long-term liabilities outstanding of \$274,935,788, principal plus interest payable over the next five years and subsequent payments to maturity are as follows:

	Principal	Interest	Total
	\$	\$	\$
2017/18	11,607,432	12,430,244	24,037,676
2018/19	12,156,748	11,880,928	24,037,676
2019/20	12,732,677	11,304,999	24,037,676
2020/21	13,336,535	10,701,141	24,037,676
2021/22	13,969,707	10,067,969	24,037,676
Total	63,803,099	56,385,281	120,188,380
Thereafter	211,132,689	65,896,867	277,029,556
Net long-term liabilities	274,935,788	122,282,148	397,217,936

Interest payments on long-term liabilities amounted to \$12,791,049 (2016 - \$13,134,534) (Note 6).

Halton District School Board

Notes to the consolidated financial statements

August 31, 2017

6. Debt charges and capital loan interest

Debt charges and capital loan interest includes principal and interest payments as follows:

	2017	2016
	\$	\$
Principal payments on long-term liabilities	11,048,158	10,545,218
Interest payments on long-term liabilities (Note 5)	12,791,049	13,134,534
Interest payments on temporary financing of capital projects	119,147	114,869
	23,958,354	23,794,621

7. Deferred revenue

Revenues received and that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the consolidated statement of financial position.

Deferred revenue set-aside for specific purposes by legislation, regulation or agreement as at August 31, 2017 is comprised of:

	Balance as at August 31, 2016	Externally restricted revenue and investment income	Revenue recognized in the period	Transfers to deferred capital contributions	Balance as at August 31, 2017
	\$	\$	\$	\$	\$
Renewable energy - capital	142,793	-	-	-	142,793
School renewal	4,848,737	9,772,373	2,704,017	5,454,107	6,462,986
Special education	2,930,021	88,768,987	88,990,121	-	2,708,887
Legislative grants	1,818,816	32,188,798	30,692,288	1,647,967	1,667,359
Other Provincial grants	100,687	1,757,464	1,628,785	-	229,366
Other Ministry of Education grants	14,964	3,675,872	3,505,013	-	185,823
Education development charges	-	23,325,014	23,325,014	-	-
Other third party	454,797	4,509,079	3,948,342	590,606	424,928
Proceeds of disposition	20,507,468	(1,161)	-	2,818,878	17,687,429
Total deferred revenue	30,818,283	163,996,426	154,793,580	10,511,558	29,509,571

Halton District School Board

Notes to the consolidated financial statements

August 31, 2017

8. Deferred capital contributions

Deferred capital contributions include grants and contributions received that are used for the acquisition of tangible capital assets in accordance with regulation 395/11 that have been expended by year end. The contributions are amortized into revenue over the life of the asset acquired.

	2017	2016
	\$	\$
Balance, beginning of year	536,976,209	541,350,856
Net additions to deferred capital contributions	42,073,980	23,559,839
Deferred capital contributions - grants recognized	(28,547,307)	(27,934,486)
Balance, end of year	550,502,882	536,976,209

9. Retirement and other employee future benefits

						2017	2016
	Retirement gratuities	Post retirement benefits	Workers' safety insurance board	Sick leave top-up benefits	Long-term disability plans	Total employee future benefits	Total employee future benefits
	\$	\$	\$	\$	\$	\$	\$
Accrued employee future benefit obligations	21,778,620	203,857	5,974,868	393,364	68,471	28,419,180	31,531,260
Unamortized actuarial (losses)	(1,659,506)	-	-	-	-	(1,659,506)	(2,584,002)
Employee future benefits liability	20,119,114	203,857	5,974,868	393,364	68,471	26,759,674	28,947,258

The Board has designated reserves for certain of these employee future benefit obligations. The balance of these reserves totaled \$4,615,211 at August 31, 2017 (2016 - \$5,748,211).

						2017	2016
	Retirement gratuities	Post retirement benefits	Workers' safety insurance board	Sick leave top-up benefits	Long-term disability plans	Total employee future benefits	Total employee future benefits
	\$	\$	\$	\$	\$	\$	\$
Recognition of unamortized actuarial (gains) losses	374,627	(1,333)	-	118,460	-	491,754	183,600
Current year benefit cost	-	-	1,746,505	393,363	(234,168)	1,905,700	1,703,580
Gain on plan amendments	-	38,875	-	-	-	38,875	(889,121)
Interest on accrued benefit obligation	483,881	4,223	113,537	-	4,381	606,022	843,179
Employee future benefits expense	858,508	41,765	1,860,042	511,823	(229,787)	3,042,351	1,841,238

Above amounts exclude pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, described below.

Halton District School Board

Notes to the consolidated financial statements

August 31, 2017

9. Retirement and other employee future benefits (continued)

Actuarial assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2017 are based on actuarial valuations completed for accounting purposes as at August 31, 2017. These actuarial valuations take into account any plan changes and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2017	2016
	%	%
Inflation		
Retirement gratuities	1.50	1.50
Healthcare cost escalation		
Dental	4.00	4.25
Health	8.00	8.25
Discount on accrued benefit obligation		
Retirement gratuities	2.55	2.05
Post-retirement benefits	2.55	2.05

Ontario Teachers' Pension Plan

Teachers and related employee groups are eligible to be members of Ontario Teacher's Pension Plan. Employer contributions for these employees are provided directly by the Province of Ontario. The pension costs and obligations related to this plan are a direct responsibility of the Province. Accordingly, no costs or liabilities related to this plan are included in the Board's consolidated financial statements.

During the year ended August 31, 2017, the employee contributions to this plan were \$45,668,244 (2016 - \$44,376,271).

Ontario Municipal Employees Retirement System

All permanent non-teaching employees of the Board are eligible to be members of Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ending August 31, 2017, the Board contributed \$8,123,745 (2016 - \$8,099,630) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements, as these obligations are a direct responsibility of OMERS.

Retirement gratuities

The Board provides retirement gratuities to certain groups of employees hired prior to specified dates. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. As a result of the 2012 plan change, the amount of the gratuities payable to eligible employees at retirement is based on their salary, accumulated sick days, and years of service at August 31, 2012. Retirement gratuities expensed amounted to \$858,508 (2016 - \$3,842).

Halton District School Board

Notes to the consolidated financial statements

August 31, 2017

9. Retirement and other employee future benefits (continued)

Post-retirement benefits

The Board continues to provide post-retirement health and dental benefits to certain employee groups after retirement until the members reach 65 years of age. The premiums are based on the Board experience and retirees' premiums are subsidized by the board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the Board's consolidated financial statements. Effective September 1, 2013, employees retiring on or after this date, no longer qualify for board subsidized premiums or contributions.

Other employee future benefits

Workers' Safety Insurance Board

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act ("Act") and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act.

Occurrences between \$1,000,000 and \$25,000,000 are insured under third party insurance coverage. The Board participates in the Workers' Compensation Assistance Program with the School Boards' Co-operative Inc. (SBCI). For an annual fee, this program provides funds to Participating Members that incur claim costs on any workers' compensation incident between \$500,000 and \$1,000,000. The Board is self-insured for all other occurrences. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. School boards are required to provide salary top-up to a maximum of 4 ½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreements negotiated prior to 2012 included such provisions.

As of August 31, 2017, these obligations, as actuarially determined, amounted to \$5,974,868 (2016 - \$5,215,485) and are included in Employee Future Benefits Payable. The change in this amount from the previous year has been reflected in the statement of operations.

Long-term disability benefits

The Board provides long-term disability benefits including payment of life insurance premiums and health care benefits to employees who are not yet members of an ELHT, during the period an employee is unable to work. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements.

Sick leave top-up benefits

A maximum of 11 unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The accrued benefit obligation for the sick leave top-up is based on an actuarial valuation for accounting purposes as of August 31, 2017. This actuarial valuation is based on assumptions about future events.

Halton District School Board

Notes to the consolidated financial statements

August 31, 2017

10. Tangible capital assets

				Cost	
	Balance at August 31, 2016	Additions and betterments	Disposals	Transfer to/from construction in progress	August 31, 2017
	\$	\$	\$	\$	\$
Halton District School Board					
Land	177,135,490	13,395,691	-	11,626	190,542,807
Land improvements	32,769,287	2,961,889	-	-	35,731,176
Buildings (40 yrs)	712,249,543	33,547,094	-	4,187,774	749,984,411
Other Buildings	112,268	-	-	-	112,268
Portable structures	9,054,193	-	-	-	9,054,193
Construction in progress	4,187,774	1,845,400	-	(4,187,774)	1,845,400
Pre-acquisition costs - land	83,020	151,872	-	(11,626)	223,266
Pre-acquisition costs - building	1,124,600	1,129,302	-	-	2,253,902
Equipment (5 years)	188,185	58,660	58,134	-	188,711
Equipment (10 years)	3,936,182	246,150	-	-	4,182,332
Equipment (15 years)	1,327,757	147,013	-	-	1,474,770
First time equipping	14,254,778	318,602	-	-	14,573,380
Furniture	478,486	108,683	-	-	587,169
Computer hardware	6,824,753	1,172,892	928,976	-	7,068,669
Computer software	1,752,085	55,619	334,222	-	1,473,482
	965,478,401	55,138,867	1,321,332	-	1,019,295,936
The Centre					
Computers	30,114	-	-	-	30,114
Leasehold improvements	933,541	371,881	-	-	1,305,422
Equipment and furniture	907,667	-	-	-	907,667
	1,871,322	371,881	-	-	2,243,203
Total	967,349,723	55,510,748	1,321,332	-	1,021,539,139

Halton District School Board

Notes to the consolidated financial statements

August 31, 2017

10. Tangible capital assets (continued)

					Accumulated amortization	Net book value	
	Balance at August 31, 2016	Amortization and write-offs and adjustments	Disposals	Transfer to assets held for sale	Balance at August 31, 2017	2017	2016
	\$	\$	\$	\$	\$	\$	\$
Halton District School Board							
Land	-	-	-	-	-	190,542,807	177,135,490
Land improvements	10,371,087	2,318,392	-	-	12,689,479	23,041,697	22,398,200
Buildings (40 yrs)	213,043,999	22,523,213	-	-	235,567,212	514,417,200	499,205,544
Other Buildings	14,033	5,613	-	-	19,646	92,622	98,235
Portable structures	5,849,828	462,981	-	-	6,312,809	2,741,384	3,204,365
Construction in progress (a)	-	-	-	-	-	1,845,399	4,187,774
Pre-acquisition costs - land (a)	-	-	-	-	-	223,266	83,020
Pre-acquisition costs - building (a)	-	-	-	-	-	2,253,902	1,124,600
Equipment (5 years)	113,926	37,689	58,134	-	93,481	95,230	74,259
Equipment (10 years)	1,352,509	402,332	-	-	1,754,841	2,427,491	2,583,673
Equipment (15 years)	175,030	84,695	-	-	259,725	1,215,045	1,152,727
First time equipping	6,576,348	1,437,965	-	-	8,014,313	6,559,067	7,678,430
Furniture	215,636	53,283	-	-	268,919	318,250	262,850
Computer hardware	3,575,088	1,389,342	928,976	-	4,035,454	3,033,215	3,249,665
Computer software	817,122	322,556	334,222	-	805,456	668,026	934,963
	242,104,606	29,038,061	1,321,332	-	269,821,335	749,474,601	723,373,795
The Centre							
Computers	20,912	9,202	-	-	30,114	-	9,202
Leasehold improvements	803,446	58,639	-	-	862,085	443,337	130,095
Equipment and furniture	907,667	-	-	-	907,667	-	-
	1,732,025	67,841	-	-	1,799,866	443,337	139,297
Total	243,836,631	29,105,902	1,321,332	-	271,621,201	749,917,938	723,513,092

a) Assets under construction

Assets under construction which include construction in progress, pre-acquisition costs – land and pre-acquisition costs – building for a total value of \$4,322,567 (2016 - \$5,395,394) have not been amortized. Amortization of these assets will commence when the asset is put into service.

Halton District School Board

Notes to the consolidated financial statements

August 31, 2017

11. Accumulated surplus

Accumulated surplus consists of the following:

	2017	2016
	\$	\$
Non-designated surplus	5,000,000	5,000,000
Amounts internally restricted for future use of the Board		
Retirement gratuities	4,615,211	5,748,211
Fast Track Centre for Skills and Development & Training	1,598,914	1,776,081
Other operating	12,997,451	10,534,757
Accommodation	39,017,224	39,502,059
Committed capital projects and sinking fund interest	8,646,777	9,205,372
	66,875,577	66,766,480
Unavailable for Compliance		
Employee future benefits	(13,776,664)	(18,409,846)
Interest accrual	(3,578,610)	(3,698,011)
	(17,355,274)	(22,107,857)
Revenues recognized for land		
Land (Note 10)	190,542,807	177,135,490
Pre-acquisition costs - land (Note 10)	223,266	83,020
Education development charges outstanding (i)	(28,608,998)	(38,137,054)
	162,157,075	139,081,456
School generated funds	6,235,278	5,419,532
Total accumulated surplus	222,912,656	194,159,611

- i) The Education Act, Part IX, Division E and Ontario Regulation 20/98 (amended by Ontario Regulation 95/02) provide requirements for determining a board's eligibility to impose Education Development Charges ("EDC") on new development, and the calculation of these charges. The accumulated eligible education development charge expenditures may be financed through cash and cash equivalents or temporary borrowing on the consolidated statement of financial position. Interest on education development charges outstanding amounted to \$355,185 (2016 - \$406,372).

Halton District School Board

Notes to the consolidated financial statements

August 31, 2017

12. Expenses by object

The following is a summary of expenses reported in the consolidated statement of operations by object:

	Budget	2017 Actual	2016 Actual
	\$	\$	\$
Salary and wages	478,081,368	476,987,068	459,351,179
Employee benefits	77,070,223	78,287,219	71,399,814
Staff development	4,262,442	5,970,093	4,830,118
Supplies and services	64,128,131	63,003,449	59,287,718
Interest charges on capital	13,658,732	13,265,381	13,655,775
Rental expenses	147,615	121,031	116,132
Fees and contract services	36,624,561	37,002,459	35,023,650
Other	14,897,803	17,253,019	18,369,745
Amortization of tangible capital assets	27,698,808	29,105,902	28,493,141
Total	716,569,683	720,995,621	690,527,272

13. Ontario School Board Insurance Exchange ("OSBIE")

The school board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act. OSBIE insures general public liability, property damage and certain other risks. Liability insurance is available to a maximum of \$24 million per occurrence.

The ultimate premiums over a five year period are based on each member of the reciprocal and the Board's actual claims experience. Periodically, the Board may receive a refund or be asked to pay an additional premium based on its pro rata share of claims experience. The current five year term expires December 31, 2021.

14. Contractual obligations and contingent liabilities

- a) The Board has the following annual lease and contract commitments over the next 5 years with respect to furniture, equipment, computer hardware and software, construction, and portables, totaling \$21,592,192.

Fiscal year ending August 31	\$
2018	8,829,627
2019	2,847,812
2020	2,230,578
2021	2,015,225
2022	5,668,950

- b) As of August 31, 2017 the Board had guarantees outstanding of \$1,230,217 (2016 - \$1,230,217) relating to construction projects in progress.

Halton District School Board

Notes to the consolidated financial statements

August 31, 2017

14. Contractual obligations and contingent liabilities (continued)

- c) In the normal course of operations, the Board becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at August 31, 2017 cannot be predicted with certainty, it is in the opinion of the Board that their resolution will not have a material adverse effect on the Board's financial position or results of operations.

15. Partnership in Halton Student Transportation Services

Transportation services for the Board are provided by Halton Student Transportation Services ("HSTS") in partnership with Halton Catholic District School Board. Under the agreement created at the time HSTS was established, decisions related to the financial and operating activities of HSTS are shared. No partner is in a position to exercise unilateral control. Operations of HSTS have been included in these consolidated financial statements based on the share of net financial resources contributed by the Board during the fiscal period being reported.

This entity is proportionately consolidated in the Board's consolidated financial statements whereby the Board's pro-rata share of assets, liabilities, revenues and expenses of the consortium are included in the Board's consolidated financial statements. Inter-organizational transactions and balances have been eliminated.

The following provides condensed financial information:

	2017		2016	
	Total	Board portion	Total	Board portion
	\$	\$	\$	\$
Financial position				
Financial assets	71,877	45,714	300,374	196,745
Liabilities	102,151	64,968	323,446	211,857
Non-financial assets	31,034	19,738	23,832	15,610
Accumulated surplus	760	484	760	498
Operations				
Revenues	22,813,652	15,470,334	21,374,800	14,670,704
Expenditures	22,813,652	15,470,334	21,374,800	14,670,704
Annual surplus	-	-	-	-

16. Repayment of "55 School Board Trust" funding

On June 1, 2003, the Board received \$7,294,000 from The 55 School Board Trust (the "Trust") for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered with the Trust. The 55 School Board Trust was created to refinance the outstanding not permanently financed debt of participating boards that are beneficiaries of the Trust. Under the terms of the agreement, The 55 School Board Trust repaid the Board's debt in consideration for the assignment by the Board to the Trust of future provincial grants payable to the Board in respect of the not permanently financed debt.

As a result of the above agreement, the liability in respect of the not permanently financed debt is no longer reflected in the Board's financial position.

Halton District School Board

Notes to the consolidated financial statements

August 31, 2017

17. Funds administered by the Board

Trust funds administered by the Board amounting to \$1,397,704 (2016 - \$1,408,184) have not been included in the consolidated financial statements, as they are not controlled by the Board.

	Trust funds	Deferred leave plan	2017 Total	2016 Total
	\$	\$	\$	\$
Opening balance at September 1, 2016	716,169	692,015	1,408,184	1,688,323
Capital received in 2017	4,443	383,156	387,599	347,221
Earnings on investments in 2017	7,270	86	7,356	7,347
	727,882	1,075,257	1,803,139	2,042,891
Disbursements in 2017	28,870	376,565	405,435	634,707
Closing balance at August 31, 2017	699,012	698,692	1,397,704	1,408,184

18. Subsequent events

In October 2017, the Board entered into an agreement with Everstrong Construction for the construction of Milton South West #10 Elementary Public School. The contract value is \$16,758,298. An additional amount of \$2,735,623 has been approved for architect fees, miscellaneous fees and permits, site preparation costs, furniture, equipment and taxes. As of August 31, 2017, expenses of \$629,491 have been incurred.

In October 2017, the Board also entered into an agreement with Snyder Architects Inc., as the architect for the transition of educational programs project into Nelson High School and M.M. Robinson High School.



2017/2018 Operating & Capital Budget

June 2017



Halton
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Halton District School Board

2017/2018 Budget

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Halton District School Board

2017/2018 Budget

Message from the Director

On June 21, 2017 the Board of Trustees approved the 2017/2018 budget for the Halton District School Board. With a staff of 6,600 people, 64,300 students and a budget of approximately 740 million, it is truly a daunting task to develop, approve and implement this budget. I would like to congratulate and acknowledge the profound difference Superintendent Lucy Veerman and her staff, all System Leaders and the Board of Trustees are making in the success of our students.

This is the second year of the HDSB's current multi-year plan (strategic direction 2016-2020) and this budget both reflects and aligns with the system initiatives identified in that plan. It is a credit to all who were involved with the development of the plan that it can be accommodated by the budget.

We at the HDSB are also grateful to the Government of Ontario as the bulk of the funding (90.6%) for this budget comes from them. Through this funding they have allowed us to continue to support each and every one of the HDSB's students. Clearly this investment in the HDSB by the Ontario government demonstrates a continued commitment to the students and families of Halton.

There is no question that there will continue to be fiscal challenges in the coming year. There is equally no doubt that, as a result of these challenges, difficult and complex decisions will have to be made. However, I am totally confident that this budget allows the HDSB staff to focus on the success of all students and that it provides sufficient funds to do so.

Finally I would like to make special mention of the Board of Trustees. Through their work and duty to fiscal responsibility they have ensured that both this budget and the staff who implement it are accountable to those we serve, the students.

Stuart Miller

Executive Summary

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 ensure that we inspire and support learning; create safe, healthy and engaging environments; and provide opportunities for challenge and choice. The budget presented for the 2017/2018 school year continues this approach.

In 2017/2018, the Halton District School Board welcomes approximately 64,300 students in 86 elementary and 18 secondary schools. This enrolment projection results in an overall increase of 2.1% as compared to the 2016/2017 school year. Enrolment growth will continue to be experienced in Milton (756 students), Oakville (865 students) for the 2017/2018 school year. This is as a result of new residential development and a younger demographic in these communities. Burlington and Halton Hills will experience a decline in growth, with enrolment projected to decrease by 311 students. As we move forward, overall enrolment in HDSB is projected to increase marginally into 2026. This will be primarily as a result of new residential development in Milton and Oakville.

The Ministry of Education allocates funding to School Boards using a model that is based on enrolment and the needs of students in each board. For 2017/2018, the HDSB expects to receive 90.6% (approximately \$677 million) of total operating revenue from the Ministry of Education. On April 12, 2017, the Ministry of Education released information with respect to education funding for 2017/2018. The 2017/2018 Grants for Student Needs (GSN) supports the education sector's continued focus on key student achievement goals. The level of funding demonstrates the government's sustained commitment to investing in education, despite declining enrolment (provincially) and a challenging fiscal situation.

The key objective of the Budget Development Process is to align the allocation of resources with the Strategic Plan of the Board, the 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. Updates on the Budget Development Process were presented to the Trustees in April and May 2017. In addition, communication and stakeholder input was requested via HDSB website. All budget development documentation was posted on the HDSB website; invitation for parental and community input was made available using Checkbox Software on HDSB website. This opportunity for input was communicated using news releases to parents/school councils and newspaper advertisements in all local newspapers.

The Halton District School Board is committed to every student. The 2017/2018 Budget Development process included challenges resulting from an increase in operational pressures (such as utility costs, fuel, facility maintenance etc.); increased demand in resources to support student achievement; Ministry of Education redistribution of the Special Education Grant (Differentiated Special Education Needs Amount); and a per pupil level of funding that is significantly below the provincial average. Despite these

challenges, we were able to increase our staffing complement and allocate additional resources to support the Multi-Year Plan.

Ministry of Education Regulations

The Education Act requires all school boards in Ontario to approve an annual balanced budget within the definitions set by Ministry of Education regulations.

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 2017/2018 budget will be submitted prior to the end of June 2017.

Beginning in 2010, all school boards were required to convert to a PSAB (Public Sector Accounting Board) basis of accounting. This results in a new definition of balanced budget including the requirement to approve a capital budget in addition to an operating budget. The new PSAB standards follow more closely private sector finance and expenditure principles including, but not limited to, a statement of amortization, deferred capital charges and future liabilities (retirement gratuities). The new balanced budget definition also allows school boards to allocate a portion of the unrestricted accumulated surplus (not to exceed one percent of the Ministry's Grants for Student Needs) funding to balance its budget.

Conclusion

The 2017/2018 Operating and Capital Budgets of the Halton District School Board have been developed with the vision that every student will explore and enhance their potential, passions, and strengths to thrive as contributing global citizens.

Lucy Veerman, B. Comm., CPA, CA
Superintendent of Business Services and Treasurer

Section 1



2017/2018 Budget

Key Highlights

Halton District School Board
2017/2018 Budget
Enrolment Statistics
Average Daily Enrolment (ADE)

Description	Budget 2017/2018	Budget 2016/2017	Projected Growth	% Change
Elementary				
Burlington	12,914.00	13,083.00	(169.00)	(1.3%)
Oakville	15,586.00	15,118.00	468.00	3.1%
Milton	12,443.00	11,756.00	687.00	5.8%
Halton Hills	4,603.00	4,618.00	(15.00)	(0.3%)
Elementary ADE	45,546.00	44,575.00	971.00	2.2%
Secondary - pupils less than 21 years				
Burlington	5,844.28	5,851.53	(7.25)	(0.1%)
Oakville	8,303.27	7,906.19	397.08	5.0%
Milton	2,639.64	2,570.69	68.95	2.7%
Halton Hills	1,904.81	2,024.63	(119.82)	(5.9%)
Secondary - pupils less than 21 years ADE	18,692.00	18,353.04	338.96	1.9%
Total Day School				
Burlington	18,758.28	18,934.53	(176.25)	(0.9%)
Oakville	23,889.27	23,024.19	865.08	3.8%
Milton	15,082.64	14,326.69	755.95	5.3%
Halton Hills	6,507.81	6,642.63	(134.82)	(2.0%)
Total Day School ADE	64,238.00	62,928.04	1,309.96	2.1%
Students 21 years and over - ADE	194.00	219.00	(25.00)	(11.4%)

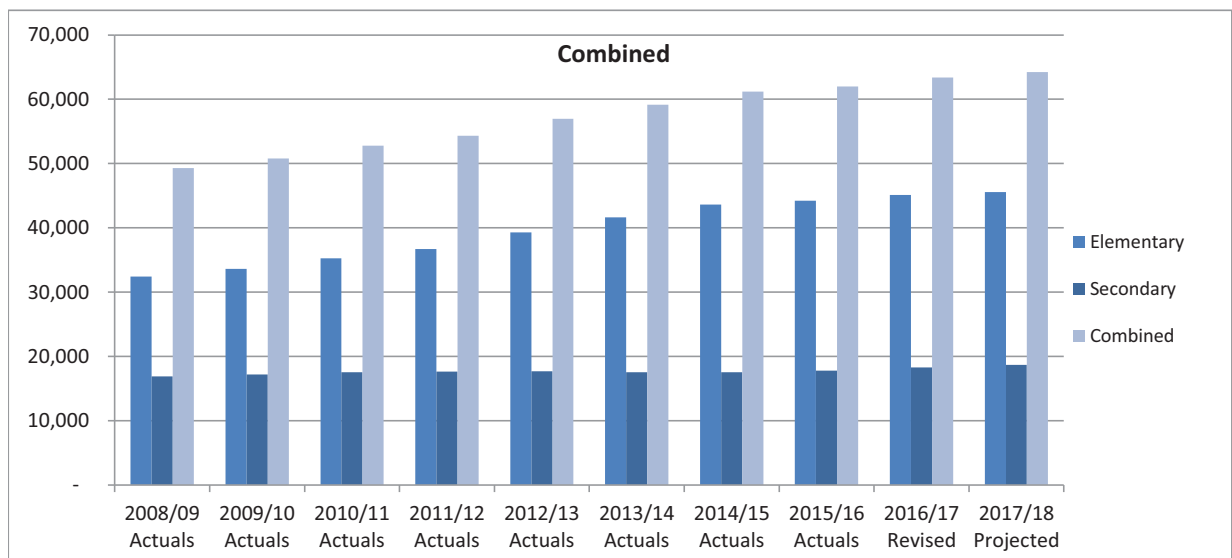
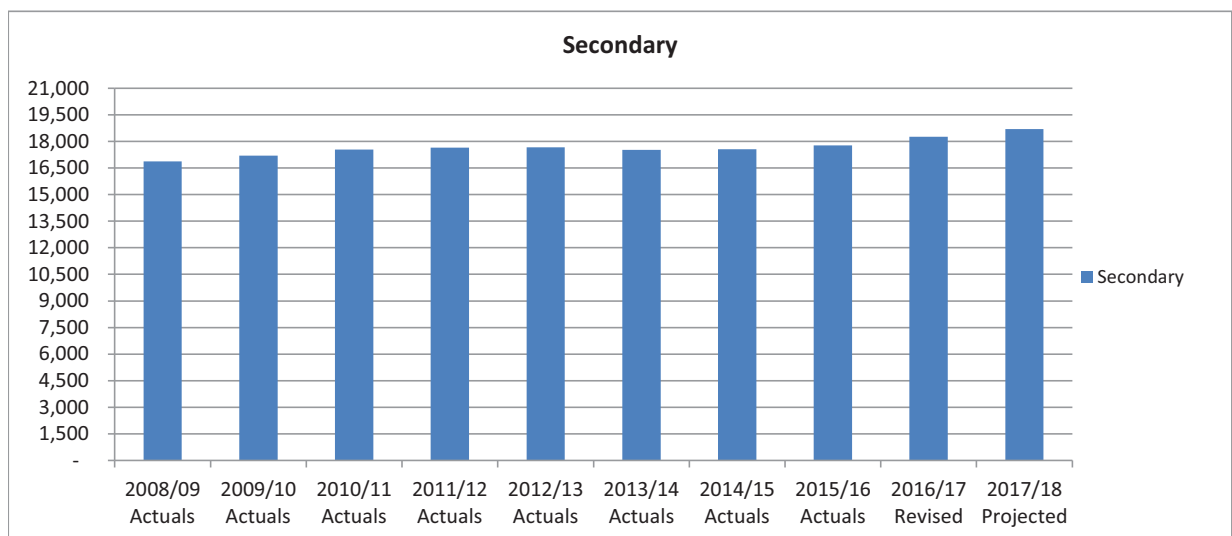
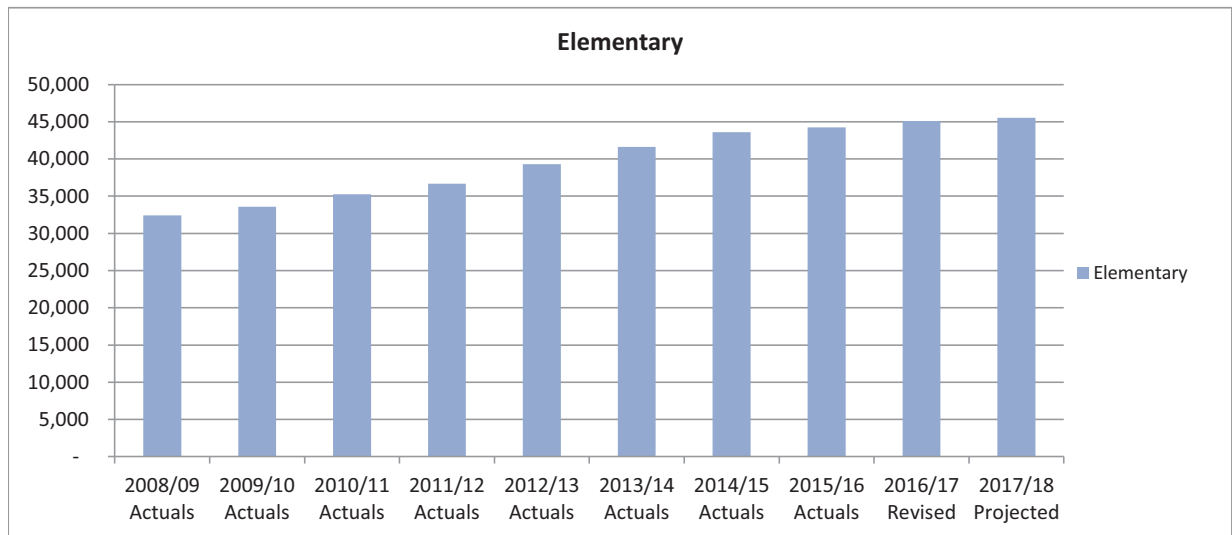
Notes:

ADE calculations are based on 50% of the October 31 Full Time Equivalent and 50% of the March 31 Full Time Equivalent.

Full Day Kindergarten (FDK) students are counted as 1.0 FTE.

Secondary includes ADE for those students exceeding 34 credits.

PUBLIC SESSION
Halton District School Board
2017/2018 Budget
Enrolment History



**Halton District School Board
2017/2018 Budget
Resources to Support Multi-Year Plan**

	Staff/ Non-Salary	FTE	Estimated Cost
Instruction and School Support			
Elementary Instructional Program Leader - School Programs	Staff	1.0	100,000
Elementary System Vice Principal - School Programs	Staff	1.0	110,000
System Principal - Welcome Centre and International Students	Staff	1.0	130,000
Secondary Teachers - Innovation & Ingenuity	Staff	1.0	85,000
Elementary Autism Class Pilot Teachers	Staff	2.0	170,000
Early Childhood Educator Program Lead	Staff	1.0	64,000
Special Education Senior Manager	Staff	1.0	135,000
Financial Manager (MOASO Reporting Model)	Staff	1.0	118,000
Special Education Review	Non-Salary	-	20,000
Stakeholder Engagement	Non-Salary	-	20,000
Primary Literacy Teacher Training	Non-Salary	-	234,000
Program Viability Committee Recommendation Implementation	Non-Salary	-	242,650
"All About Me-K-6" Licensing and Teacher Training	Non-Salary	-	75,000
System and Corporate Responsibility - Growth and Compliance			
Videographer Coordinator	Staff	1.0	77,000
Communications Assistant - Contract	Non-Salary	-	57,000
Respectful Workplace Initiative	Non-Salary	-	20,000
Total		10.0	1,657,650

Section 2



Draft 2017/2018 Budget

Operating Revenue

Halton District School Board **2017/2018 Budget** **Summary of Revenue**

	Budget 2017/2018	Budget 2016/2017	Increase/ (Decrease)
Revenue			
Provincial Grants - Grants for Student Needs	677,453,349	645,324,505	32,128,844
Provincial Grants - Other	2,122,327	1,837,374	284,953
Federal Grants & Fees	283,393	263,992	19,401
School Generated Funds	19,000,000	19,000,000	-
Investment Income	1,250,000	1,250,000	-
Other Fees & Revenues			
Tuition Fees	6,583,000	6,086,720	496,280
Rental Income	1,522,725	1,439,545	83,180
Cafeteria Income	90,000	60,000	30,000
Miscellaneous Income	399,591	95,442	304,149
Education Development Charge (EDC)	12,000,000	9,600,000	2,400,000 *
Other Fees & Revenues Subtotal	20,595,316	17,281,707	3,313,609
Amortization of Deferred Capital Contributions	28,211,674	27,089,003	1,122,671
Total Revenue	748,916,059	712,046,581	36,869,478
Transfer to/(from) Accumulated Surplus	9,120,184	7,224,267	1,895,917 **
Total Revenue Net of Transfer to Accumulated Surplus	739,795,875	704,822,314	34,973,561
Total Expense	739,795,875	704,822,314	34,973,561

* Revenue adjustments per PSAB requirement

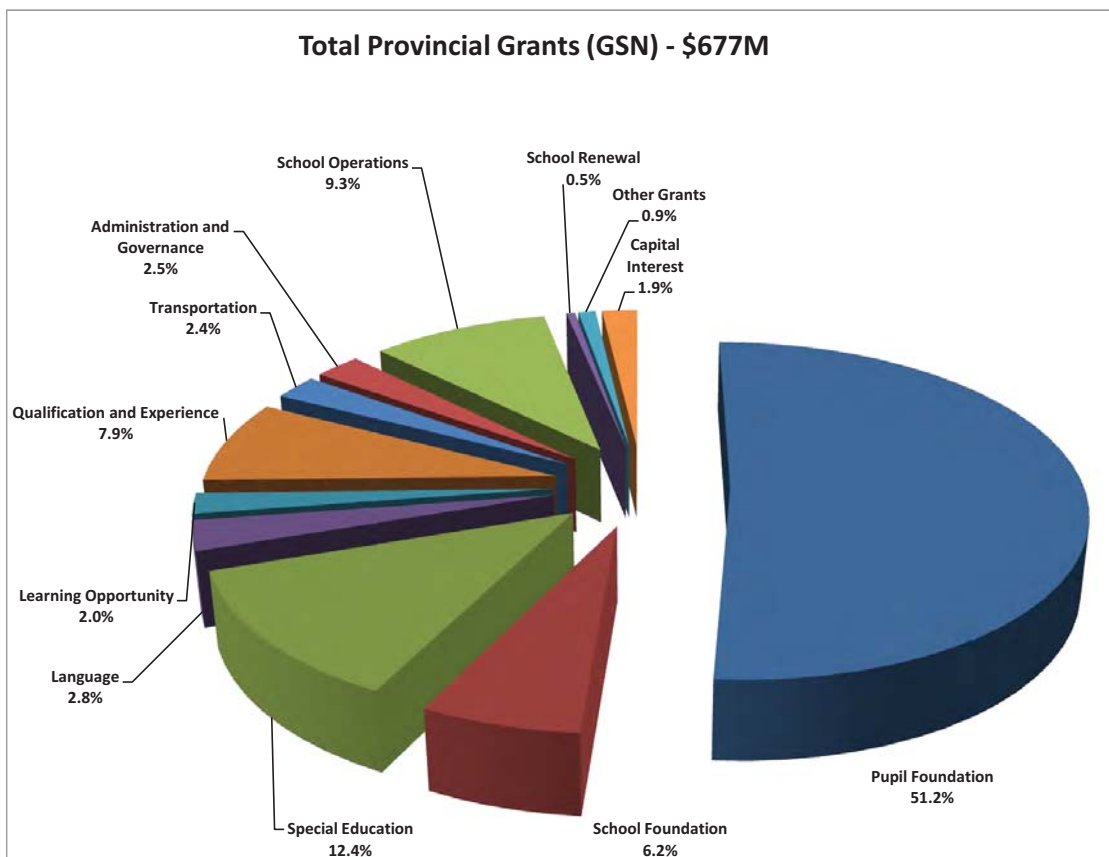
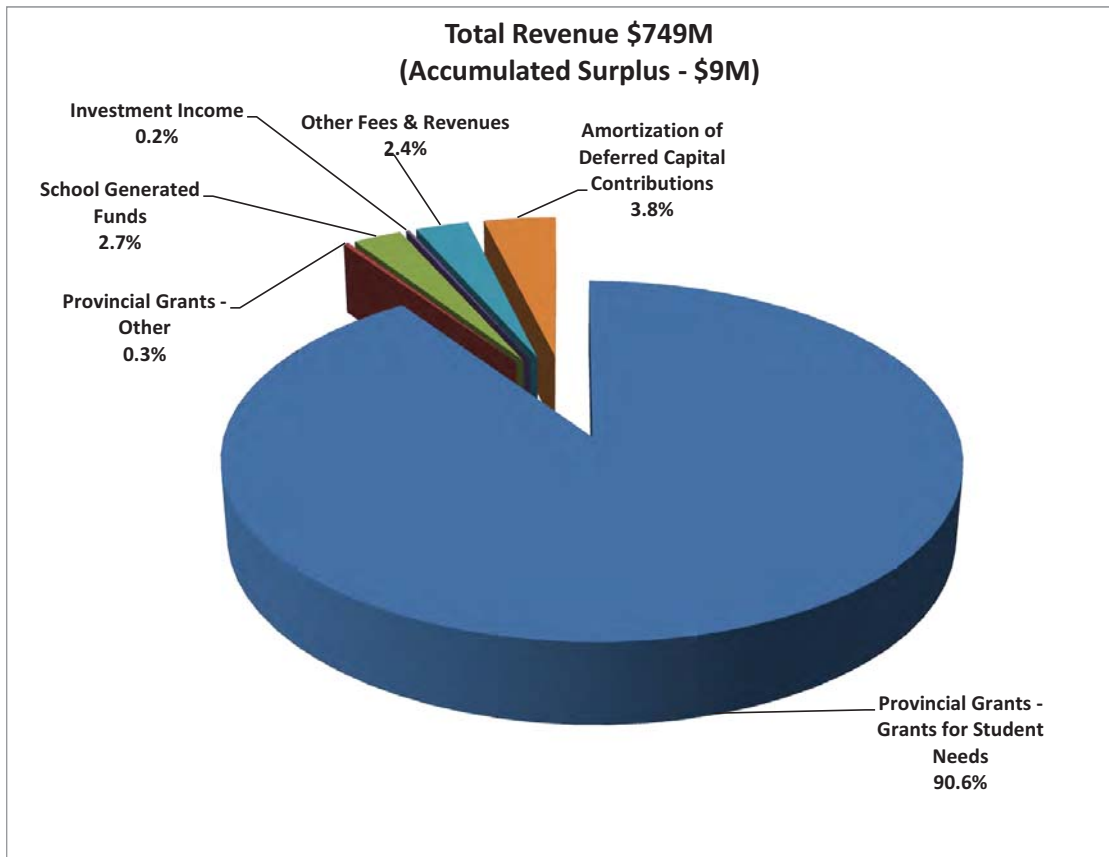
** Additional information included on *Transfer to/from Accumulated Surplus per Ministry Compliance Definition*

Halton District School Board
2017/2018 Budget
Provincial Grants - Grants for Student Needs (GSN)

	Budget 2017/2018	Budget 2016/2017	Increase/ (Decrease)
Provincial Grants - Grants for Student Needs			
General Operating Allocation			
Pupil Foundation	346,969,306	334,487,969	12,481,337
School Foundation	41,850,587	40,766,548	1,084,039
Special Education	84,068,552	83,752,730	315,822
Language	19,222,751	17,804,051	1,418,700
Learning Opportunity	13,373,537	7,075,651	6,297,886
Adult and Continuing Education and Summer School	3,200,805	3,113,001	87,804
Qualification and Experience	49,318,483	40,688,038	8,630,445
Early Childhood Educator Qualification and Experience	4,245,570	4,042,190	203,380
New Teacher Induction Program (NTIP)	561,983	657,759	(95,776)
Transportation	15,958,383	15,489,595	468,788
Administration and Governance	16,914,166	15,934,338	979,828
School Operations	60,607,003	58,911,857	1,695,146
Community Use of Schools	845,732	799,363	46,369
First Nation, Métis and Inuit Education	881,290	935,187	(53,897)
Safe Schools	1,027,558	992,127	35,431
Temporary Accommodation	2,384,534	3,376,475	(991,941)
School Renewal	9,861,952	8,651,685	1,210,267
Capital Interest (Debt and Short Term)			
Short Term Interest on Capital	199,682	102,750	96,932
Capital Debt Support Payments - Interest Portion	12,430,244	12,901,693	(471,449)
Capital Grant Land	-	100,000	(100,000)
Other			
Permanent Financing of NPF	543,389	543,389	-
Restraint Savings	(266,661)	(266,661)	-
Transferred to Deferred Capital Contribution			
School Renewal	(6,745,498)	(5,535,231)	(1,210,267) *
Total Provincial Grants - Grants for Student Needs	677,453,349	645,324,504	32,128,845

* Grant adjustment per PSAB requirement

Halton District School Board 2017/2018 Budget



Halton District School Board

2017/2018 Budget

Glossary of Terms - Total Provincial Grants (GSN) Chart

The revenue categories reflected on the chart are consistent with the Ministry's defined revenues.

Pupil Foundation - is a per-pupil allocation that supports the components of a classroom education that are required by, and generally common to, all students.

School Foundation - supports the costs of salaries and benefits for Principals, Vice-Principals, and School Secretaries, as well as supplies for school administration purposes.

Special Education - provides funding for exceptional pupils and other students who need special education programs and supports. This funding is intended to support the additional programs, services, and equipment required to meet the educational needs of these students.

Language - grants for French as a Second Language and English as a Second Language.

Learning Opportunity - provides funding for a range of programs to help students who are at greater risk of poor academic achievement. Local Priorities Fund Allocation has been included here in 2017/2018.

Qualification and Experience (Q&E) - the Teacher and Early Childhood Educator Q&E allocation provides funding to recognize the placement of teachers and ECE's on the qualifications and experience grid respectively.

Transportation - provides funding for home-to-school and school-to-school transportation of students, including transporting students with special needs.

Administration and Governance - a capped amount of funding for central administration and governance, including the costs of operating board offices and central facilities.

School Operations - provides funding for caretaking, maintenance, and utilities for schools, as well as school renewal. This also includes funding for Community Use of Schools, as well as funding for the relocation and leasing of portables.

School Renewal - provides funding for costs of major repairs and renovation of schools.

Other Grants - includes grants for Learning Opportunities, Continuing Education, First Nation, NTIP, Safe Schools, MOU Labour Enhancements and Copyright related savings.

Capital Interest - provides funding for the interest portion of supported capital debt, as well as bridge financing of not permanently financed capital projects.

Halton District School Board

2017/2018 Budget

Education Program Other (EPO) - Outside GSN

Autism Supports and Training

Funds to support hands-on practical training modules on Applied Behaviour Analysis (ABA) instructional methods, with increasing skill development to implement ABA instructional methods in the classroom, targeting school based teams, including teachers and other educators working with students with Autism Spectrum Disorder (ASD).

\$95,433

Autism: Supporting Transition to the New Ontario Autism Program

Funding to strengthen the capacity during the transition to the new Ontario Autism Program implemented by the Ministry of Children and Youth Services. This includes hiring additional personnel and providing team release time to ensure effective transition to school for students with autism spectrum disorder (ASD) and to strengthen educators' capacity to support students with ASD.

\$202,413

Community Use of Schools - Outreach Coordinators

Funds to enable school boards to hire Outreach Coordinators who help ensure the effectiveness of Community Use of Schools program at the local level through activities such as program coordination, outreach, information sharing, and data collection. The Community Use of Schools program helps all schools offer affordable access to indoor and outdoor school space to not-for profit groups outside of school hours.

\$108,000

Professional Development

Funds as a result of the education sector labour negotiations to be used for professional learning opportunities for DECE's. Boards and local bargaining units are to meet to discuss specific use of the funds.

\$220,299

Renewed Math Strategy

Fund to provide additional supports with a focus on improving achievement in mathematics. This is intended to help the system achieve key goals related to the Strategy and aligns with the goals of Achieving Excellence, Ontario's renewed vision for education. The general funding model is to support all schools while providing increased support to some schools and intensive support to few schools.

\$772,099

Well Being: Safe Accepting and Healthy Schools and Mental Health

Funds to support the school board's work around the ministry's goal of promoting well-being, including continued development and implementation of school board mental health and addictions three year strategies and action plans; further implementation of whole school approach to promoting safe, inclusive and accepting schools; and support for strategies and activities aligning with the *Foundations for a Healthy School* resource.

\$158,509

Section 3



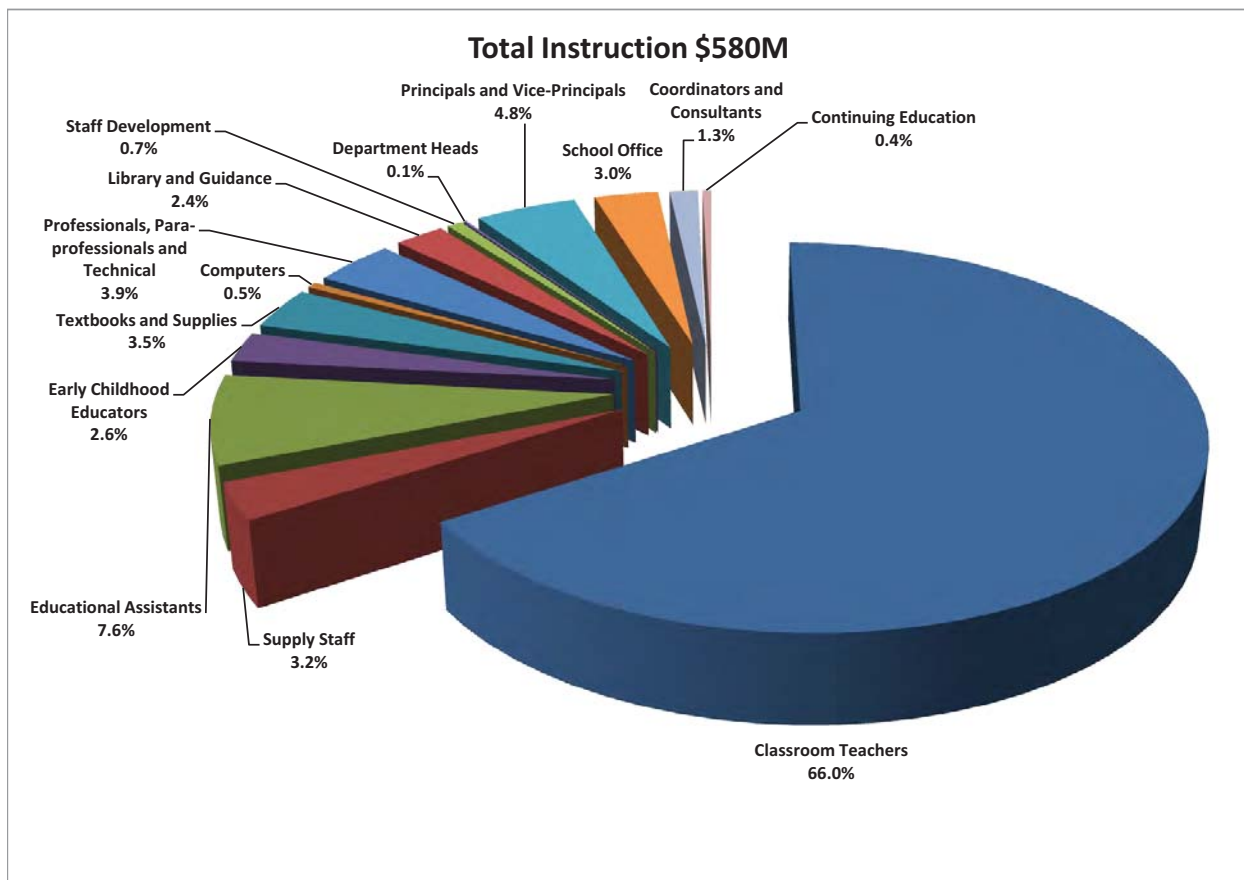
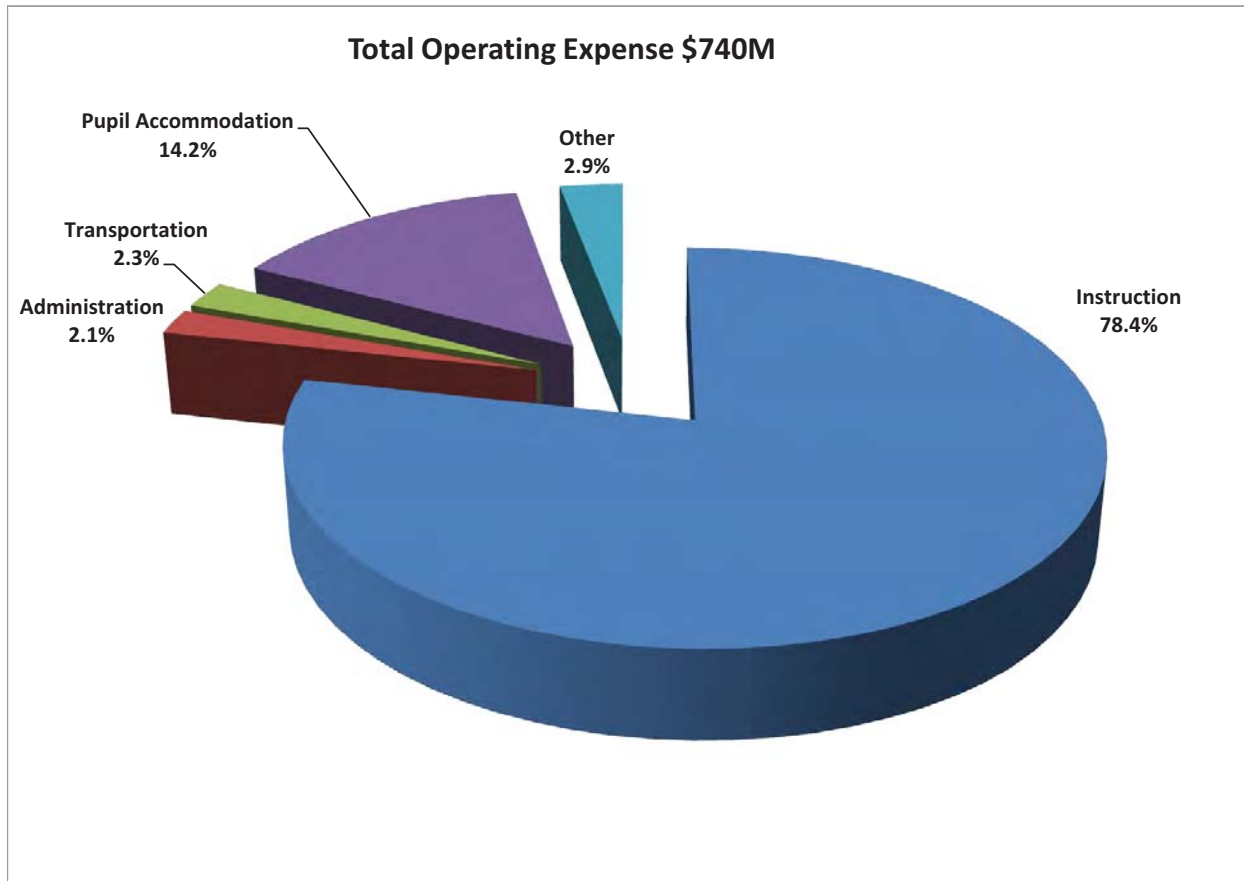
2017/2018 Budget

Operating Expense

Halton District School Board
2017/2018 Budget
Summary of Operating Expense by Ministry Category

	Budget 2017/2018	Budget 2016/2017	Increase/ (Decrease)
Instruction			
Classroom Teachers	382,605,591	363,410,104	19,195,487
Supply Staff	18,125,698	14,456,564	3,669,134
Educational Assistants	43,851,263	41,273,523	2,577,740
Early Childhood Educators	14,998,827	14,095,366	903,461
Textbooks and Supplies	20,436,447	20,280,923	155,524
Computers	2,892,041	3,701,518	(809,477)
Professionals, Paraprofessionals & Technical	22,675,157	22,081,656	593,501
Library and Guidance	13,794,594	13,479,128	315,466
Staff Development	4,201,840	3,697,530	504,310
Department Heads	823,271	797,720	25,551
Principals and Vice-Principals	27,877,801	26,800,826	1,076,975
School Office	17,639,166	16,704,132	935,034
Coordinators and Consultants	7,761,286	7,257,473	503,813
Continuing Education	2,330,374	2,281,963	48,411
Instruction Total	580,013,356	550,318,426	29,694,930
Administration			
Trustees	324,651	324,263	388
Director and Supervisory Officers	2,777,608	2,618,484	159,124
Board Administration	12,347,519	11,782,077	565,442
Amortization - Administration	125,688	125,581	107
Administration Total	15,575,466	14,850,405	725,061
Transportation			
Pupil Transportation	16,669,735	15,454,025	1,215,710
Transportation - Provincial Schools	220,150	203,364	16,786
Transportation Total	16,889,885	15,657,389	1,232,496
Pupil Accommodation			
School Operations and Maintenance	60,264,992	57,860,376	2,404,616
School Renewal	3,116,454	3,116,454	-
Amortization - Pupil Accommodation	28,644,519	27,535,330	1,109,189
Other Pupil Accommodation	13,347,024	14,108,732	(761,708)
Pupil Accommodation Total	105,372,989	102,620,892	2,752,097
Other Expense			
Recoverable Projects and EPO's	1,900,790	831,813	1,068,977
Provision for Contingencies	500,000	1,000,000	(500,000)
Permanent Financing of NPF	543,389	543,389	-
School Generated Funds	19,000,000	19,000,000	-
Other Expense Total	21,944,179	21,375,202	568,977
Grand Total	739,795,875	704,822,314	34,973,561

2017/2018 Budget



Halton District School Board

2017/2018 Budget

Glossary of Terms - Total Instruction Chart

Classroom Teachers Elementary & Secondary

Salaries, benefits and mileage related to Teachers.

Supply Teachers

Charges for Supply Teachers hired as a result of a short or longer-term absence of a Teacher. Also includes Teachers hired in order to provide release time for a Teacher.

Educational Assistants

Includes salaries of Educational Assistants who support Teachers in the classroom.

Early Childhood Educators

Includes salaries of Early Childhood Educators who support Teachers in the Full Day Kindergarten program.

Textbooks and Supplies

Textbooks, workbooks, resource materials, updating library resource materials, instructional software, CD ROMs, DVDs and internet expenses.

Computers

Classroom computers (hardware only) and the associated network costs.

Professionals & Para-professionals and Technical

Salaries and benefits for staff who provide support services to students and Teachers, such as Attendance Counsellors, Student Supervisors, Hall Monitors, Social Workers, Child and Youth Counsellors, Community Workers, Computer Technicians, Psychologists, Psychometrists and Speech Pathologists.

Library & Guidance

Includes expenses relating to library and guidance services within schools, including salaries of Teachers and Library Technicians.

Staff Development

Includes professional development expenses and professional memberships for teaching, school support staff and Supervisory Officers.

Department Heads

Includes Department Head allowance only.

Principals and Vice-Principals

Includes expenses relating to the management and administration of schools, including for example, Principal and Vice-Principal salaries, benefits and related supplies & services.

School Office

Includes expenses relating to the management of schools, including for example, Secretarial salaries, benefits and related supplies & services.

Coordinators and Consultants

Includes expenses relating to Coordinators & Consultants, curriculum development or program support.

Continuing Education

Includes all current salary, benefits, supply and service expenses relating to the delivery of Continuing Education, Summer School and International Languages programs (non-day school program).

2017/2018 Budget

Operating Expense by Ministry Category Variance Description

\$K= Thousand

Classroom Teachers	The \$19,195K increase includes the addition of 65.2 Elementary Teachers and 38.6 Secondary Teachers and the impact of Contract Extension Agreements.
Supply Staff	The \$3,669K increase reflects the impact of projected rising trends in usage and the impact of Contract Extension Agreements.
Educational Assistants	The \$2,578K increase includes the annualization of 2016-17 in-year addition of 17.0 Educational Assistants and the impact of Contract Extension Agreements.
Early Childhood Educators	The \$903K increase includes the addition of 9.0 Early Childhood Educators and the impact of Contract Extension Agreements.
Textbooks and Supplies	The \$156K increase includes the growth in the Decentralized School Budgets and the addition of Multi-Year Plan Resources offset by a reduction in contractual fees.
Computers	The \$809K decrease includes reduction in school technology as a result of funding confirmation delay.
Professionals, Para-professionals & Technical	The \$594K increase includes the addition of 1.0 Senior Manager, 1.0 Early Childhood Educator Program Lead, 1.0 Technical & Specialized staff and the impact of Contract Extension Agreements offset by the reduction of contractual support for Full Day Kindergarten.
Library and Guidance	The \$315K increase includes the impact of Contract Extension Agreements.
Staff Development	The \$504K increase includes the impact of Contract Extension Agreements related to professional development and the addition of resources to support the Multi-Year Plan.
Principals and Vice-Principals	The \$1,077K increase includes the annualization of 2016-17 in-year addition of 2.0 Vice-Principals, the addition of 0.5 Elementary Principal and the impact of Contract Extension Agreements.
School Office	The \$935K increase includes the addition of 7.1 Clerical Support Staff, 1.0 Management and Support Staff and the impact of Contract Extension Agreements.
Coordinators and Consultants	The \$504K increase includes the addition of 1.0 Instructional Program Leader, 1.0 Principal and 1.0 Vice-Principal and includes the impact of Contract Extension Agreements.
Administration	The \$725K increase includes the impact of Contract Extension Agreements, operational increases including staff recruitment, utilities, contractual fees offset by reduction in software maintenance fees.
Transportation	The \$1,232K increase reflects an increase in operator costs per contractual agreements and projected service delivery.
Pupil Accommodation	The \$2,752K increase includes the increase of 11.5 Caretakers and the impact of Contract Extension Agreements, projected increases in utilities, amortization and contract cleaning, partially offset by reduction in capital interest.
Other	The \$569K increase includes the year over year change in EPO projects announced to date and the decrease in Provision for Contingencies.

Summary of Full Time Equivalent (FTE) by Ministry Category

	Budget 2017/2018	Revised Budget 2016/2017*	Increase/ (Decrease)	
Instruction				
Teachers				
Classroom Teachers Elementary				
Classroom Teachers	2,292.3	2,245.8	46.5	Note 1
Classroom Support	100.5	97.0	3.5	Note 1
Classroom Special Education	345.4	330.2	15.2	Note 1,2
Classroom Teachers Secondary				
Classroom Teachers	1,085.8	1,057.9	27.9	Note 1
Classroom Support	29.3	21.8	7.5	Note 1,2
Classroom Special Education	131.0	127.8	3.2	Note 1
Teachers Total	3,984.3	3,880.5	103.8	
Early Childhood Educators Total	288.0	279.0	9.0	
Educational Assistants Total	831.5	831.5	-	
Professionals, Paraprofessionals and Technical				
Educational Assistants	13.0	13.0	-	
Child & Youth Counsellors	49.0	49.0	-	
ABA Facilitators	4.0	4.0	-	
Psychoeducational Consultants	21.0	21.0	-	
Social Workers	24.0	24.0	-	
Speech-Language Pathologists	19.5	19.5	-	
Clerical & Secretarial	16.4	16.4	-	
Management And Support Staff	24.6	23.6	1.0	Note 2
Technical & Specialized	50.8	49.8	1.0	Note 2
Student Supervisors	71.8	71.8	-	
Continuing Education Assistants	3.8	3.8	-	
Professionals, Paraprofessionals and Technical Total	297.9	295.9	2.0	
Library and Guidance				
Classroom Teachers Elementary	63.7	64.3	(0.6)	Note 1
Classroom Teachers Secondary	60.0	60.5	(0.5)	Note 1
Library Technicians	27.5	26.5	1.0	Note 1
Library and Guidance Total	151.2	151.3	(0.1)	
Principals and Vice-Principals				
Principals	103.5	103.0	0.5	Note 1
Vice-Principals	105.0	105.0	-	
Principals and Vice-Principals Total	208.5	208.0	0.5	
School Office				
Clerical & Secretarial	262.1	255.0	7.1	Note 1
Management And Support Staff	21.0	20.0	1.0	Note 2
School Office Total	283.1	275.0	8.1	

*Revised Budget 2016/2017 includes in-year changes of 17.2 Teachers, 1.0 Early Childhood Educator, 17.0 Educational Assistants, 2.0 Vice-Principals, 1.8 Secretarial, (1.0) Instructional Program Leader, 2.0 Student Trustees (not previously included in FTE Report) and 1.0 Management and Support Staff

Note 1) Reflects impact of enrolment fluctuation and compliance

Note 2) Resources to support Multi-Year Plan

Halton District School Board**2017/2018 Budget****Summary of Full Time Equivalent (FTE) by Ministry Category**

	Budget 2017/2018	Revised Budget 2016/2017*	Increase/ (Decrease)	
Coordinators and Consultants				
Clerical & Secretarial	10.4	10.4	-	
Director and Supervisory Officers	2.0	2.0	-	
Instructional Program Leaders (IPL)	43.0	42.0	1.0	Note 2
Management And Support Staff	4.0	4.0	-	
Principals	7.0	6.0	1.0	Note 2
Vice-Principals	3.0	2.0	1.0	Note 2
Coordinators and Consultants Total	69.4	66.4	3.0	
Continuing Education				
Management And Support Staff	2.0	2.0	-	
Vice-Principals	2.0	2.0	-	
Continuing Education Total	4.0	4.0	-	
Instruction Total	6,117.9	5,991.6	126.3	
Administration				
Trustees (including Student Trustees) Total	13.0	13.0	-	
Director and Supervisory Officers Total	12.0	12.0	-	
Board Administration				
Caretakers	3.0	3.0	-	
Cleaners	0.5	0.5	-	
Clerical & Secretarial	11.0	11.0	-	
Management And Support Staff	82.0	82.0	-	
Board Administration Total	96.5	96.5	-	
Administration Total	121.5	121.5	-	
Pupil Accommodation				
Caretakers	334.4	322.9	11.5	Note 1
Cleaners	3.1	3.1	-	
Clerical & Secretarial	5.0	5.0	-	
Management And Support Staff	33.0	33.0	-	
Pupil Accommodation Total	375.5	364.0	11.5	
Grand Total	6,614.9	6,477.1	137.8	

*Revised Budget 2016/2017 includes in-year changes of 17.2 Teachers, 1.0 Early Childhood Educator, 17.0 Educational Assistants, 2.0 Vice-Principals, 1.8 Secretarial, (1.0) Instructional Program Leader, 2.0 Student Trustees (not previously included in FTE Report) and 1.0 Management and Support Staff

Note 1) Reflects impact of enrolment fluctuation and compliance

Note 2) Resources to support Multi-Year Plan

**Halton District School Board
2017/2018 Budget
Expense by Funding Source**

Category	FTE	Revenue	Expense	Variance
Instruction	6,117.9	570,943,641	580,013,356	(9,069,715)
Administration	121.5	18,281,911	15,575,466	2,706,445
Transportation		16,024,235	16,889,885	(865,650)
Pupil Accommodation	375.5	113,101,909	105,372,989	7,728,920
Other		21,444,179	21,944,179	(500,000)
Total	6,614.9	739,795,875	739,795,875	-

Halton District School Board

2017/2018 Budget

Instruction Expense

	Budget 2017/2018	Budget 2016/2017	Increase/ (Decrease)
Instruction			
Classroom Teachers			
Salaries and Benefits	382,500,591	363,320,104	19,180,487
Supplies and Services	105,000	90,000	15,000
Classroom Teachers Total	382,605,591	363,410,104	19,195,487
Supply Staff			
Salaries and Benefits	18,125,698	14,456,564	3,669,134
Supply Staff Total	18,125,698	14,456,564	3,669,134
Educational Assistants			
Salaries and Benefits	43,851,263	41,273,523	2,577,740
Educational Assistants Total	43,851,263	41,273,523	2,577,740
Early Childhood Educators			
Salaries and Benefits	14,998,827	14,095,366	903,461
Early Childhood Educators Total	14,998,827	14,095,366	903,461
Textbooks and Supplies			
Supplies and Services	18,060,408	17,603,607	456,801
Fees, Contractual and Rentals	2,271,439	2,572,716	(301,277)
Other	104,600	104,600	-
Textbooks and Supplies Total	20,436,447	20,280,923	155,524
Computers			
Supplies and Services	1,609,396	2,355,939	(746,543)
Fees, Contractual and Rentals	1,282,645	1,345,579	(62,934)
Computers Total	2,892,041	3,701,518	(809,477)
Professionals, Paraprofessionals & Technical			
Salaries and Benefits	21,586,008	20,781,445	804,563
Supplies and Services	400,300	375,100	25,200
Fees, Contractual and Rentals	660,392	896,121	(235,729)
Other	28,457	28,990	(533)
Professionals, Paraprofessionals & Technical Total	22,675,157	22,081,656	593,501

Halton District School Board

2017/2018 Budget

Instruction Expense

	Budget 2017/2018	Budget 2016/2017	Increase/ (Decrease)
Instruction			
Library and Guidance			
Salaries and Benefits	13,772,594	13,462,128	310,466
Supplies and Services	22,000	17,000	5,000
Library and Guidance Total	13,794,594	13,479,128	315,466
Staff Development			
Staff Development	4,201,840	3,697,530	504,310
Staff Development Total	4,201,840	3,697,530	504,310
Department Heads			
Salaries and Benefits	823,271	797,720	25,551
Department Heads Total	823,271	797,720	25,551
Principals and Vice-Principals			
Salaries and Benefits	27,470,421	26,398,251	1,072,170
Staff Development	300,625	296,825	3,800
Supplies and Services	58,750	58,000	750
Other	48,005	47,750	255
Principals and Vice-Principals Total	27,877,801	26,800,826	1,076,975
School Office			
Salaries and Benefits	16,929,670	15,980,886	948,784
Staff Development	20,000	20,000	-
Supplies and Services	245,060	244,835	225
Fees, Contractual and Rentals	444,436	458,411	(13,975)
School Office Total	17,639,166	16,704,132	935,034
Coordinators and Consultants			
Salaries and Benefits	7,494,756	7,016,376	478,380
Supplies and Services	218,500	193,067	25,433
Fees, Contractual and Rentals	44,930	44,930	-
Other	3,100	3,100	-
Coordinators and Consultants Total	7,761,286	7,257,473	503,813
Continuing Education			
Salaries and Benefits	1,968,789	1,918,378	50,411
Supplies and Services	77,445	79,445	(2,000)
Fees, Contractual and Rentals	284,140	284,140	-
Continuing Education Total	2,330,374	2,281,963	48,411
Grand Total	580,013,356	550,318,426	29,694,930

Halton District School Board
2017/2018 Budget
Detail of Instruction - Textbooks and Supplies Expense

	Budget 2017/2018	Budget 2016/2017	Increase/ (Decrease)
Instruction			
Textbooks and Supplies			
Supplies and Services			
Care, Treatment, Custody & Corrections	88,693	92,193	(3,500)
Decentralized School Budgets	12,615,970	12,488,084	127,886
Equity Inclusion	-	21,320	(21,320)
Family of Schools	213,000	199,000	14,000
Full Day Kindergarten	13,815	11,815	2,000
Health Supplies	130,000	70,000	60,000
Integration/Boundary Reviews	60,000	60,000	-
Math Software	10,000	10,000	-
Media & Library	119,876	134,876	(15,000)
Outdoor Education	384,985	375,109	9,876
Program Services Subject Specific	949,914	810,414	139,500
Safe Schools	43,366	41,591	1,775
School Effectiveness Framework	35,586	35,586	-
School Innovations	25,000	25,000	-
Special Education Resources and Support	73,000	62,313	10,687
Special Equipment Amount	2,847,291	2,772,160	75,131
Specialist High Skills Major	8,000	12,000	(4,000)
Student Success	5,280	5,280	-
Tell Them From Me Survey	-	85,586	(85,586)
Other Resources and Support	436,632	291,280	145,352
Supplies and Services Total	18,060,408	17,603,607	456,801
Fees, Contractual and Rentals			
Copyright	6,606	6,606	-
e-Learning Tuition Other Boards	6,840	31,175	(24,335)
Internet Connectivity	189,569	168,565	21,004
Media & Library	66,000	66,000	-
Parent Engagement	67,827	67,297	530
School Innovations	15,000	-	15,000
Science & Tech Ed Safety	117,000	117,000	-
Software Fees	560,261	515,417	44,844
Special Education Resources and Support	27,500	160,000	(132,500)
Specialist High Skills Major	732,401	745,114	(12,713)
Student, Teacher, Parent Portal	-	73,000	(73,000)
Other Resources and Support	482,435	622,542	(140,107)
Fees, Contractual and Rentals Total	2,271,439	2,572,716	(301,277)

Halton District School Board
2017/2018 Budget
Decentralized School Budget Allocation Model

ELEMENTARY BUDGET MODEL		SECONDARY BUDGET MODEL	
Base Allocation per school	\$5,300.00	Base Allocation per school	\$5,300.00
General per pupil	\$38.00	General per pupil	\$58.00
Student Fee Offset per pupil	\$20.00	Student Fee Offset Per Pupil	\$35.00
School Council Allocation per school	\$200.00	School Council Allocation per school	\$200.00
School Council Meeting Expense Supplement	\$300.00	School Council Meeting Expense Supplement	\$300.00
School PD - per FTE	\$4.50	School PD - per ADE	\$4.50
Textbooks per pupil Grades 1 - 3	\$20.00	Textbook Allocation per ADE	\$60.00
Textbooks per pupil Grades 4 & 5	\$30.00	Library Allocation per pupil	\$25.00
Textbooks per pupil Grades 6, 7 & 8	\$38.00	School Office Allocation per pupil	\$20.00
Textbooks per pupil Self Contained (incl. Gifted)	\$38.00	Native Studies Start-up Yr. 1 per course	\$2,000.00
Library Allocation per pupil	\$20.00	Native Studies Yr. 2 and beyond per course	\$1,000.00
School Office Allocation per pupil	\$20.00	Immersion Library per school	\$1,000.00
New Classes FDK	\$6,100.00	Core Library per school	\$1,170.00
New Classes Gr. 1-8	\$3,500.00	ESL Supplement (per identified student)	\$25.00
French Immersion Library – Primary (1-3)	\$10.50	Tech - Level 1 per credit	\$15.00
French Immersion Library – Junior (4,5)	\$12.00	Tech - Level 2 per credit	\$30.00
French Immersion Library – Int. (6,7,8)	\$14.00	Tech - Level 3 per credit	\$45.00
ESL Supplement (per identified student)	\$25.00	Students with IEPs - Regular Class	\$15.00
Grade 7-8 (tech / music) Allocation	\$20.00	Self Contained - Secondary per student:	
Elementary SPED JK - 3 FTE	\$2.00	Positive Return of Pupils to School (PROPS)	\$20.00
Students with IEPs - Regular Class	\$10.00	Life Skills	\$100.00
Self Contained per pupil – (except Life Skills)	\$20.00	Centres	\$100.00
Self Contained per pupil - Life Skills	\$100.00		
Special Supplements:		Special Supplements:	
New School Opening Celebration	\$1,000.00	New School Opening Celebration	\$1,000.00
50th Anniversary Celebration	\$1,000.00	50th Anniversary Celebration	\$1,000.00
Athletic Supplement	Variable	International Baccalaureate	\$12,000.00
School Needs Index	Variable	Athletic Supplement	Variable

Halton District School Board
2017/2018 Budget
Detail of Instruction - Computers Expense

	Budget 2017/2018	Budget 2016/2017	Increase/ (Decrease)
Instruction			
Computers			
Supplies and Services			
Classroom Computer Support	1,309,531	2,071,074	(761,543)
Computers & Audio Visual	149,638	149,638	-
Network Security-Firewall	11,000	11,000	-
Repairs-Furniture & Equipment	117,727	102,727	15,000
Storage Area Network	16,500	16,500	-
Vandalism	5,000	5,000	-
Fees, Contractual and Rentals			
Classroom Computer Support	68,556	47,148	21,408
Maintenance Fees	259,432	332,140	(72,708)
Wide Area Network	843,200	854,834	(11,634)
Wireless Technology	111,457	111,457	-
Computers Total	2,892,041	3,701,518	(809,477)

Halton District School Board
2017/2018 Budget
Detail of Instruction - Staff Development Expense

	Budget 2017/2018	Budget 2016/2017	Increase/ (Decrease)
Instruction			
Staff Development			
Contractual PD	283,830	42,550	241,280
e-Learning	18,000	18,000	-
Full Day Kindergarten	-	25,800	(25,800)
Health & Safety	193,200	193,200	-
Leadership	16,500	6,500	10,000
New Teacher Induction Program	511,983	607,759	(95,776)
Research	3,000	3,000	-
Safe Schools	93,704	91,704	2,000
Safety & Well Being	64,000	37,900	26,100
Special Education	428,504	717,450	(288,946)
Student Success	860,621	834,676	25,945
Technology	69,779	69,779	-
Program Services Subject Specific	1,658,719	1,049,212	609,507
Staff Development Total	4,201,840	3,697,530	504,310

2017/2018 Budget

Administration Expense

	Budget 2017/2018	Budget 2016/2017	Increase/ (Decrease)
Administration			
Trustees			
Salaries and Benefits			
Trustees	206,612	204,599	2,013
Student Trustees	5,164	5,164	-
Supplies and Services			
Computer Lease	3,000	3,000	-
Mileage	12,375	11,000	1,375
Student Trustee	17,500	17,500	-
Telephone/Cell/Fax	25,000	28,000	(3,000)
Trustee Supplies	55,000	55,000	-
Trustees Total	324,651	324,263	388
Director and Supervisory Officers			
Salaries and Benefits	2,618,308	2,471,144	147,164
Staff Development	82,000	73,000	9,000
Supplies and Services			
Other	77,300	74,340	2,960
Director and Supervisory Officers Total	2,777,608	2,618,484	159,124
Board Administration			
Salaries and Benefits	9,086,209	8,741,478	344,731
Staff Development			
Safety & Well Being	20,000	-	20,000
Staff Development	124,630	132,430	(7,800)
Supplies and Services			
Furniture & Equipment	45,000	45,000	-
Labour Relations	58,892	43,892	15,000
Meeting Expenses	21,062	19,862	1,200
Mileage	40,050	29,500	10,550
Office Supplies & Services	297,560	280,273	17,287
Recruitment of Staff	142,450	85,000	57,450
Telephone/Cell/Fax	226,094	199,782	26,312
Utilities - Hydro	163,571	133,412	30,159
Utilities - Natural Gas	15,356	19,035	(3,679)
Administration Building Maintenance	65,000	65,000	-
Fees, Contractual and Rentals			
Attendance Management	-	7,500	(7,500)
Audit & Professional Fees	140,000	140,000	-
Communications	10,000	13,000	(3,000)
Communications Audit	10,000	10,000	-
Legal Fees	300,000	315,000	(15,000)
Payroll Fees	355,950	241,000	114,950
Professional Fees	23,554	21,940	1,614
Records Management Project	200,000	200,000	-
Software Maintenance Fees	487,849	684,004	(196,155)
Human Resources Contractual Support	164,000	84,000	80,000
Other Resources and Support	172,036	95,036	77,000
Other			
Other	178,256	175,933	2,323
Board Administration Total	12,347,519	11,782,077	565,442
Amortization - Administration			
Amortization and Write-downs	125,688	125,581	107
Amortization - Administration Total	125,688	125,581	107
Administration Total	15,575,466	14,850,405	725,061

PUBLIC SESSION
Halton District School Board
2017/2018 Budget
Transportation Expense

	Budget 2017/2018	Budget 2016/2017	Increase/ (Decrease)
Transportation			
Pupil Transportation			
Administration			
Regular			
Bronte Creek Transportation	1,034,036	982,431	51,605
Bus Passes	115,000	115,000	-
English Language Learners (ELL) Transportation	75,000	75,000	-
Essential Level Transportation	197,064	115,000	82,064
Gary Allan High School Transportation	298,200	275,000	23,200
Home to School (includes French Immersion)	28,000	19,500	8,500
HOPES Transportation	8,510,000	7,747,762	762,238
Late Buses Transportation	155,000	72,000	83,000
Safety Programs	-	16,500	(16,500)
School Bus Orientation Day	78,517	82,567	(4,050)
Specialist High Skills Major Transportation	1,908	3,275	(1,367)
Other Transportation	156,500	145,000	11,500
Special Education			
Care, Treatment, Custody & Corrections Transportatic	149,010	109,990	39,020
Gifted Transportation	215,000	293,500	(78,500)
Home to School Special Needs Transportation	1,308,000	1,235,000	73,000
Mobility Accessible Transportation	3,194,000	2,697,500	496,500
Special Education - Wheel Chair Transportation	997,000	692,000	305,000
Special Education Transportation	-	315,000	(315,000)
Transportation - Provincial Schools			
Provincial Schools	157,500	462,000	(304,500)
Transportation Total	16,889,885	15,657,389	1,232,496

PUBLIC SESSION
Halton District School Board
2017/2018 Budget
Pupil Accommodation Expense

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	Budget 2017/2018	Budget 2016/2017	Increase/ (Decrease)
Pupil Accommodation			
School Operations and Maintenance			
Salaries and Benefits	25,652,651	24,228,465	1,424,186
Staff Development	44,457	42,657	1,800
Supplies and Services			
Cafeteria	145,000	145,000	-
Caretaking	1,108,000	1,108,000	-
Day to Day Maintenance	5,215,679	5,195,679	20,000
Office Supplies & Services	114,155	83,641	30,514
Utilities - Fuel Oil	58,000	88,000	(30,000)
Utilities - Hydro	9,706,429	8,605,428	1,101,001
Utilities - Natural Gas	2,138,019	2,520,340	(382,321)
Utilities - Water/Sewage	1,605,449	1,495,000	110,449
Vandalism	600,000	600,000	-
Other Resources and Support	239,500	210,000	29,500
Fees, Contractual and Rentals			
Contract Cleaning	4,004,840	3,892,505	112,335
Garbage Collection	350,000	310,000	40,000
Insurance	785,200	816,253	(31,053)
Life Skills Model Retrofit	15,000	-	15,000
Lockdown/Lockout	10,000	10,000	-
Maintenance Contracts	1,212,000	1,179,000	33,000
Snow Removal	1,500,000	1,500,000	-
Software Maintenance Fees	19,479	19,479	-
Special Education	175,000	175,000	-
Surveillance	405,000	405,000	-
Temporary Accommodation	4,916,700	4,993,175	(76,475)
Other Resources and Support	241,679	234,999	6,680
Other			
Other	2,755	2,755	-
School Operations and Maintenance Total	60,264,992	57,860,376	2,404,616
School Renewal			
Supplies and Services			
Renewal Projects	3,116,454	3,116,454	-
School Renewal Total	3,116,454	3,116,454	-
Amortization - Pupil Accommodation			
Amortization and Write-downs	28,644,519	27,535,330	1,109,189
Amortization - Pupil Accommodation Total	28,644,519	27,535,330	1,109,189
Other Pupil Accommodation			
Interest Charges on Capital	13,347,024	14,108,732	(761,708)
Other Pupil Accommodation Total	13,347,024	14,108,732	(761,708)
Pupil Accommodation Total	105,372,989	102,620,892	2,752,097

**Halton District School Board
2017/2018 Budget
Other Expense**

	Budget 2017/2018	Budget 2016/2017	Increase/ (Decrease)
Other Expense			
Provision for Contingencies	500,000	1,000,000	(500,000)
Education Program Other Projects (EPO)	1,900,790	831,813	1,068,977
Permanent Financing of NPF	543,389	543,389	-
School Generated Funds	19,000,000	19,000,000	-
Other Expense Total	21,944,179	21,375,202	568,977

Section 4



2017/2018 Budget

Capital Budget Detail

PUBLIC SESSION
Halton District School Board
2017/2018 Budget
Capital Budget

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	Capital Expense	Ministry Approved Capital Financing				Board Allocated Capital Funding	Total Financing
		Ministry Funded	Education Development Charges	Proceeds of Disposition	Total Financing per EFIS	Accumulated Surplus	
New Schools - Land	1,085,000	-	1,085,000	-	1,085,000	-	1,085,000
Existing Schools (Additions) Building, Equipment and Land Prep*	28,016,382	27,516,382	-	500,000	28,016,382	-	28,016,382
Child Care/Child and Family Centre **	3,529,190	3,529,190	-	-	3,529,190	-	3,529,190
School Renewal	6,717,757	6,717,757	-	-	6,717,757	-	6,717,757
School Condition Improvement	12,175,500	12,175,500	-	-	12,175,500	-	12,175,500
	51,523,829	49,938,829	1,085,000	500,000	51,523,829	-	51,523,829

* Includes expenditures for Ministry approved projects - New Martin Street P.S., Craig Kielburger S.S. addition, Milton #10 Elementary and Milton SW #1 Secondary.

** This represents the Ministry funding provided for both a Child Care Program and Child and Family Program at Milton #10 Elementary

Section 5



2017/2018 Budget

Ministry Compliance

2017/2018 Budget

Detail of Ministry Compliance

Class Size

Class Size parameters have been included in the budget according to Ministry regulation as follows:

Full Day Kindergarten:

- > Requires an average class size of no greater than 26 students
- > At least 90 percent of primary classes have 30 or fewer students

Primary Class Size (Grade 1 to Grade 3):

- > At least 90 percent of primary classes have 20 or fewer students
- > 100 percent of primary classes have 23 or fewer students, and
- > 100 percent of combined Grade 3-4 classes have 23 or fewer students

Junior and Intermediate (Grade 4 to 8):

- > A reduction of .33 in average class size annually for up to 5 years until target of 24.5 average class size is met

Secondary (Grade 9 to 12):

- > Board-wide average 22 students

Administration and Governance

Expense:

Trustees	324,651
Directors / Supervisory Officers	2,777,608
Board Administration	12,347,519
Total Expense	15,449,778

Revenue:

Administration and Governance Allocation	16,914,166
Less: Amount of Compensation Restraints savings	(163,713)
Administration and Governance Allocation adjusted	16,750,453
Other Revenue Sources	1,405,770
Total Revenue	18,156,223

Revenue over Expense	2,706,445
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Amount by which board is non-compliant with enveloping provision for Admin & Governance	-
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Temporary Accommodation

Expense:

Expense for Portable moves, leases and purchases	4,000,000
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Revenue:

Current year Temporary Accommodation Allocation	2,384,536
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Amount of revenue to be received for Temporary Accommodation	2,384,536
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School Renewal

Expense:

School Renewal - Enveloping Maximum Operating Expenses Permitted	3,116,454
--	-----------

Revenue:

Current year School Renewal allocation	9,861,952
Less: School Renewal - Enveloping Capital Expenditure	(6,745,498)

Amount of deferred revenues available of non-capitalized school renewal expense	3,116,454
--	------------------

Amount of deferred revenue to be transferred out to revenues	3,116,454
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2017/2018 Budget

Detail of Ministry Compliance

Mental Health Leader	
Expense:	
Mental Health Leader - Salaries and Benefits	134,933
Revenue:	
Current year Mental Health Leader allocation	123,113
Amount by which board is non-compliant with enveloping provision for Mental Health Leader	-

New Teacher Induction Program (NTIP)	
Expense:	
NTIP Expenses	561,983
Revenue:	
NTIP Teacher Amount	511,983
NTIP Board Amount	50,000
Total Revenue	561,983
Amount of revenue to be received for NTIP	561,983

Learning Opportunity Grant (LOG) Student Achievement	
Expense:	
Student Achievement Category Total	4,196,495
Revenue:	
Literacy and Math Outside the School Day	395,789
Student Success, Grades 7 to 12	1,290,706
Grade 7 and 8 Literacy and Numeracy and Student Achievement	734,605
School Effectiveness Framework	354,045
OFIP Tutoring	266,853
Specialist High Skills Major (SHSM)	607,512
Outdoor Education	546,985
Total Revenue	4,196,495
Amount by which board is non-compliant with enveloping provision for Student Achievement Category	-

Library Staff	
Expense:	
Library Staff	189,510
Revenue:	
Library Staff	189,510
Amount of revenue to be received for Library Staff	189,510

Indigenous Education Per-pupil Amount	
Expense:	
Indigenous Education - dedicated position to Support Indigenous policy framework	187,171
Indigenous Education - expenses to support Board Action Plans (BAP) on Indigenous Education	74,311
Total Expense	261,482
Revenue:	
Indigenous Education Enveloping - Minimum Allocation	261,482
Amount of revenue to be received for Indigenous Education Per-Pupil Amount	261,482

Halton District School Board
2017/2018 Budget
Detail of Special Education Compliance

	Budget 2017/2018	Budget 2016/2017	Increase/ (Decrease)
Care, Treatment, Custody and Corrections	3,075,759	2,975,532	100,227
Special Education			
Classroom Teachers			
Salaries and Benefits	45,718,311	43,725,530	1,992,781
Supplies and Services	11,700	10,000	1,700
Classroom Teachers Total	45,730,011	43,735,530	1,994,481
Supply Staff			
Salaries and Benefits	3,094,475	2,574,488	519,987
Supply Staff Total	3,094,475	2,574,488	519,987
Educational Assistants			
Salaries and Benefits	43,518,576	40,940,261	2,578,315
Educational Assistants Total	43,518,576	40,940,261	2,578,315
Textbooks and Supplies			
Supplies and Services	3,158,147	3,192,576	(34,429)
Fees, Contractual and Rentals	27,500	160,000	(132,500)
Textbooks and Supplies Total	3,185,647	3,352,576	(166,929)
Professionals, Para & Technical			
Salaries and Benefits	11,232,241	10,842,260	389,981
Supplies and Services	237,780	257,180	(19,400)
Fees, Contractual and Rentals	190,000	223,071	(33,071)
Other	25,277	25,810	(533)
Professionals, Para & Technical Total	11,685,298	11,348,321	336,977
Staff Development			
Staff Development	434,154	727,100	(292,946)
Staff Development Total	434,154	727,100	(292,946)
Coordinators and Consultants			
Salaries and Benefits	1,204,553	1,161,091	43,462
Supplies and Services	53,900	43,880	10,020
Coordinators and Consultants Total	1,258,453	1,204,971	53,482
Other Expense			
Provision for Contingencies	-	500,000	(500,000)
Other Expense Total	-	500,000	(500,000)
Grand Total	111,982,373	107,358,779	4,623,594

Revenue			
Special Education Per Pupil Amount (SEPPA)	47,813,202	45,755,106	2,058,096
Special Education Equipment Amount (SEA)	2,832,843	2,774,307	58,536
Differentiated Special Education Needs Amount (DSENA)	28,995,658	31,134,055	(2,138,397)
Approved Special Incidence Portion (SIP)	1,079,998	850,500	229,498
Care, Treatment, Custody and Corrections	3,075,759	2,975,532	100,227
Behaviour Expertise Amount	271,092	263,230	7,862
Self-Contained Adjustment	8,221,909	8,326,538	(104,629)
Total Revenue	92,290,461	92,079,268	211,193
Expenditures in Excess of Revenue	(19,691,912)	(15,279,511)	(4,412,401)

2017/2018 Budget

Transfer to/(from) Accumulated Surplus per Ministry Compliance

Transfer to/(from) Accumulated Surplus	Budget 2017/2018	Budget 2016/2017	Increase/ (Decrease)
Available for Compliance - Unappropriated			
Operating Accumulated Surplus	(2,946,331)	(3,543,796)	597,465
Total Unappropriated	(2,946,331)	(3,543,796)	597,465
Available for Compliance - Internally Appropriated			
Operating			
Retirement Gratuities	(1,133,000)	(1,133,000)	-
Full Day Kindergarten	-	(325,000)	325,000
Records Management	(200,000)	(200,000)	-
Student Achievement	(97,000)	-	(97,000)
Technology	-	(200,000)	200,000
Portables	(1,615,466)	-	(1,615,466)
Other Accommodation	-	(193,799)	193,799
Capital			
Committed Capital Projects - Non-Ministry Funded	(335,942)	(155,518)	(180,424)
Committed Sinking fund interest earned	(222,591)	(222,591)	-
Total Internally Appropriated	(3,603,999)	(2,429,908)	(1,174,091)
Unavailable for Compliance - Externally Appropriated			
Employee Future Benefits - Retirement Gratuities	4,331,510	4,546,157	(214,647)
Retirement Health, Dental	56,102	56,102	-
Employee Future Benefits - Other	-	-	-
Interest to be Accrued	144,702	134,494	10,208
Revenues recognized for land - EDC	11,138,200	8,361,218	2,776,982
Revenues recognized for land - site prep - non EDC	-	100,000	(100,000)
Total Externally Appropriated	15,670,514	13,197,971	2,472,543
Total Transfer to/(from) Accumulated Surplus	9,120,184	7,224,267	1,895,917



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Mailing Address:

J.W. Singleton Education Centre
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Senior Administration and Superintendent Responsibilities 2017-2018

Locations:

JW Singleton Centre 2050 Guelph Line Burlington, Ontario L7P 5A8	New Street Education Centre 3250 New Street Burlington, Ontario L7N 1M8
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Senior Administration and Superintendents



Stuart Miller

Director of Education

- Chief Executive Officer
- Chief Education Officer
- Secretary to the Board

Email: millers@hdsb.ca

Executive Assistant: Susan Milson

Email: milsons@hdsb.ca

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David Boag

Associate Director

- Student achievement
- School operations
- school accommodation and program viability

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Executive Assistant: Susan Milson

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Terri Blackwell

Superintendent of Education

- Burlington PAR Implementation
- Program Viability Committee (PVC) Implementation
- Research in schools
- Support for Special Education Review
- Elementary schools: Alexander's, Alton Village, Burlington Central Elem, Central, Charles R Beaudoin, Florence Meares, John Wm Boich, Lakeshore, Orchard Park, Tom Thomson.
- Secondary schools: Burlington Central HS

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Executive Assistant: Joanne Basta

Email: bastaj@hdsb.ca

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To be determined

Superintendent of Facility Services

In the interim, please contact

Associate Director,

David Boag boagd@hdsb.ca

- Construction (capital projects including design and construction of new schools, renovations, additions and portable classroom moves)
- Rental of school space (Community Use of Schools)
- Maintenance (upkeep of buildings, renewal of large maintenance programs such as roofing, window replacement, energy and environmental conditions of buildings.)
- Operations (cleaning, cafeterias, security, snow clearing, garbage/recycling, play structures.
- Portable inspection



Rob Eatough

Superintendent of Education

- Equity programs
- Communications (Internal/External)
- Elementary schools: Frontenac, Mohawk Garden, Pineland, Ryerson, Tecumseh.
- Secondary schools: Robert Bateman HS, Nelson HS

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Executive Assistant: Joanne Basta

Email: bastaj@hdsb.ca

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Julie Hunt Gibbons

Superintendent of Education

- Secondary curriculum and school program
- Student success and pathways destinations
- Elementary schools: Brookdale, Eastview, Gladys Speers, Oakwood, Pine Grove, WH Morden.
- Secondary schools: TA Blakelock HS

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Executive Assistant (TA Blakelock Family of Schools): Denise Pearson

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JW Singleton Centre 905-335-3665 Ext. 3307

Executive Assistant (School Programs Dept) : Aileen Hurley

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Debra McFadden

Executive Officer, Human Resources

- Chief Negotiator
- Labour Relations
- Human Resources Strategy and Policy

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Executive Assistant: Viki Faragitakis

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Jacqueline Newton

Superintendent of Education

- Innovation/Ingenuity in schools
- Elementary schools: Anne J MacArthur, Boyne, Brookville, Bruce Trail, Chris Hadfield, Escarpment View, EW Foster, Hawthorne Village, Irma Coulson, JM Denyes, Martin Street, PL Robertson, Robert Baldwin, Sam Sherratt, Tiger Jeet Singh, WI Dick.
- Secondary schools: Craig Kielburger SS, Milton District HS

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Executive Assistant: Susan Thrasher

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John Pennyfather

Superintendent of Education

- Community Partnerships, Parent Involvement Committee(PIC), School Councils, Social Justice, Our Kids Network
- Elementary schools: Dr Charles Best, Sir Ernest MacMillan, Brant Hills, Bruce T Lindley, CH Norton, Clarksdale, Kilbride, Paul A Fisher, Rolling Meadows, John T Tuck, Pauline Johnson.
- Secondary schools: Lester B Pearson HS, M.M. Robinson HS, Dr Frank J. Hayden SS.

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Scott Podrebarac

Superintendent of Education

- Early Years/Childcare Liaison (Age 0-3)
- Safe schools programs
- Elementary schools: Centennial, Ethel Gardiner, George Kennedy, Glen Williams, Harrison, Joseph Gibbons, Limehouse, McKenzie-Smith Bennett, Park, Pineview, Robert Little, Silver Creek, Stewarttown.
- Secondary schools: Acton HS, Georgetown District HS.

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Colette Ruddock

Superintendent of Education

- Student Health
- Elementary schools: Abbey Lane, Captain R. Wilson, Emily Carr, Falgarwood, Forest Trail, Heritage Glen, Joshua Creek, Montclair, Munn's, Oodenawi, Palermo, Pilgrim Wood, Post's Corners, River Oaks, Sheridan, Sunningdale, West Oak.
- Secondary schools: Abbey Park HS, Garth Webb HS, Iroquois Ridge HS, White Oaks SS.

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Tina Salmini

Superintendent of Education

- Elementary program (including Full day Kindergarten)
- Program Viability Committee (PVC)
- New Teacher Induction Program (NTIP)
- Leadership training
- Library Services
- Elementary schools: EJ James, James W Hill, Maple Grove, New Central
- Secondary schools: Oakville Trafalgar HS

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Executive Assistant (OTHS Family of Schools): Denise Pearson

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Gord Truffen

Superintendent of Education

- Information Services (IT)
- HDSB Welcome Centre, International students
- Elementary schools: Aldershot (elem), Glenview, King's Road, Maplehurst
- Secondary schools: Aldershot HS.

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Lucy Veerman

Superintendent of Business Services

- Accounting
- Budget
- Planning
- Purchasing
- Transportation

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Mark Zonneveld

Superintendent of Education

- Special Education/Student Services
- Special Education Review
- Syl Apps school, Section 23 program

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Executive Assistant: Mary Jane Ritchie

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New Street Education Centre 905-631-6120 Ext. 333

The eleven trustees of the Halton District School Board are elected for a four-year term through the municipal election process. The current Board of Trustees was elected in October 2014 and will serve until November 2018.

Board of Trustees 2014 - 2018



Andréa Grebenc

Chair of the Board 2018
Burlington - **Wards 3, 6**
Tel: 905-875-9590
Email: grebenca@hdsb.ca

Trustee Bio

Schools: Alton Village PS, Brant Hills PS, Bruce T Lindley PS, CH Norton PS, Charles R Beaudoin PS, Clarksdale PS, Florence Meares PS, Kilbride PS, Paul A Fisher PS, Rolling Meadows PS, Dr. Frank J Hayden SS, MM Robinson HS.



Tracey Ehl Harrison

Vice-Chair 2018
Oakville - **Wards 1, 2**
Tel: 905-691-4976
Email: ehlharrisont@hdsb.ca

Trustee Bio

Schools: Brookdale PS, Eastview PS, Gladys Speers PS, Oakwood PS, Pine Grove PS, WH Morden PS, TA Blakelock HS.

Milton



Donna Danielli

Milton - **Wards 2, 3, 4, 5**

Tel: 905-854-6339

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Trustee Bio

Schools: Brookville PS, Bruce Trail PS, Chris Hadfield PS, EW Foster PS, JM Denyes PS, Martin Street PS, Robert Baldwin PS, Sam Sherratt PS, WI Dick PS, Milton District HS.



Kim Graves

Milton - **Wards 1, 6, 7, 8**

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Schools: Anne J MacArthur PS, Boyne PS, Escarpment View PS, Hawthorne PS, PL Robertson PS, Irma Coulson PS, Tiger Jeet Singh PS, Craig Keilburger SS

Halton Hills



Jeanne Gray

Halton Hills - **Wards 1, 2, 3, 4**

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Trustee Bio

Schools: Centennial PS, Ethel Gardiner PS, George Kennedy PS, Glen Williams PS, Harrison PS, Joseph Gibbons PS, Limehouse PS, McKenzie-Smith Bennett PS, Park PS, Pineview PS, Robert Little PS, Stewarttown PS, Silver Creek PS, Acton HS, Georgetown District HS.

Burlington



Amy Collard

Burlington - **Ward 5**

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Trustee Bio

Schools: Alexander's PS, Frontenac PS, John William Boich PS, Mohawk Gardens PS, Orchard Park PS, Pineland PS, Robert Bateman HS.



Richelle Papin

Burlington - **Ward 4**

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Trustee Bio

Schools: Dr. Charles Best PS, John T Tuck PS, Pauline Johnson PS, Ryerson PS, Sir E MacMillan PS, Tecumseh PS, Gary Allan HS, Lester B Pearson HS, Nelson HS.



Leah Reynolds

Burlington - **Wards 1, 2**

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Trustee Bio

Schools: Aldershot Elem, Burlington Central Elem, Central PS, Glenview PS, King's Road PS, Lakeshore PS, Maplehurst PS, Tom Thomson PS, Aldershot HS, Burlington Central HS.

Oakville



Kelly Amos

Oakville - **Ward 5 & 6**

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Trustee Bio

Schools: Falgarwood PS, Joshua Creek PS , Montclair PS , Munn's PS, Oodenawi PS, Post's Corners PS, River Oaks PS, Sheridan PS, Sunningdale PS, Iroquois Ridge HS, White Oaks SS.



Ann Harvey Hope

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Trustee Bio

Schools: Abbey Lane PS, Captain R Wilson PS, Emily Carr PS, Forest Trail PS, Heritage Glen PS, Palermo PS, Pilgrim Wood PS, West Oak PS, Abbey Park HS, Garth Webb SS.

Student Trustees (2017-18 school year)



Dasha Metropolitansky

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