



Halton District School Board

AUDIT COMMITTEE

Large Boardroom, J.W. Singleton Education Centre

Tuesday February 13, 2024

Public Session: 3:00 p.m.

PUBLIC SESSION AGENDA

1.0 – Opening

- 1.1 Welcome and Call to Order
- 1.2 Acknowledgement of Traditional Lands
- 1.3 Introduction of Audit Committee Members and Participants
- 1.4 Declarations of Possible Conflict of Interest
- 1.5 Conflict of Interest Declaration Form page 2
- 1.6 Approval of the Agenda

2.0 – Ratification / Action

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- 2.1 Minutes of the Audit Committee Meetings
 - 2.1.1 Audit Committee Meeting, November 9, 2023 pages 3-6
- 2.2 Approval of Business Transacted in Private Session (Chair)
- 2.3 Action Items
 - 2.3.1 Internal Audit Charter Update (A. Eltherington) pages 7-12
 - 2.3.2 Recommendation for the External Auditor Appointment for the 2023-2024 Financial Statement Audit (R. Negoj) pages 13-14

3.0 – Communication to the Audit Committee

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- 3.1 For Information
 - 3.1.1 Board Report on Budget Development and Schedule (R. Negoj) page 15-20
 - 3.1.2 Timelines for Financial Reporting Presentation to Board (R. Negoj) page 21-22
 - 3.1.3 Indirect Tax Audit (R. Negoj) page 23
 - 3.1.4 Equity and Inclusion Audit terms of Reference (A. Eltherington) page 24-27

4.0 – Other Business

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5.0 – Adjournment

- 5.1 Motion to Adjourn

Date of Next Meeting – *suggested Thursday May 2nd, 2024*

This publication is available in accessible formats upon request

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

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

- ☐ a) my initial appointment to the Audit Committee;
- ☐ b) the first Committee meeting of the Audit Committee for the fiscal year 2023;
- ☐ c) any other time during my appointment.

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

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

Dated at Burlington, Ontario this 26th day of September, 2023.

Audit Committee Member

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

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

**Halton District School Board
Audit Committee Public Session Meeting Minutes
Thursday, November 9, 2023**

Attendance:

Trustee Members: D. Danielli (Chair), A. Collard, T. Rocha

Trustee Guests:

Public Representative: S. Malik (Vice-Chair), P. Goncalves

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

Regional Internal Audit Team: A. Eltherington

External Auditor: L. Cheung, A. Dellavedova

Regrets:

Agenda Item 1.0

1.1 Welcome and Call to Order

- The Audit Committee Chair called the meeting to order at 3:30 p.m.

1.2 Acknowledgement of Traditional Lands

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

1.3 Declarations of Possible Conflict of Interest/Annual Conflict of Interest Declaration Form

- No conflicts of interest were declared

1.4 Approval of the Agenda

Motion: T. Rocha / A. Collard

Be it resolved that the Agenda for the Public session of the Audit Committee Meeting for November 9, 2023 be approved as distributed.

Carried Unanimously.

Agenda Item 2.0

2.1 Minutes of the Audit Committee Meetings

2.1.1 Audit Committee Meeting, September 26, 2023

Motion: T. Rocha / S. Malik

Be it resolved that the minutes from the Public Session Audit Committee Meeting held on September 26, 2023 be approved as distributed. **Carried Unanimously.**

2.2 Approval of Business Transacted in Private Session (Chair)

- No business in Private Session for ratification

2.3 Action Items

2.3.1 Recommendation to Board – 2022/2023 Financial Statements

- Cash balance higher compared to the prior year mainly due to the payment for short term financing for capital projects
 - Accounts receivable the balances have decreased by \$35.7 million mainly as a result of delayed grant payment
 - Accounts payable and accrued liabilities are higher by \$8.2 million over prior year mainly as a result of recording the labor provision accrual
 - Deferred revenue decreased by \$8 million mainly due to capital funds used for renewal of school projects, education development charges and disposition of assets
 - Interest revenue is significantly higher over the prior year as a result of six increases in the prime rate throughout the year. Staff review cash flows daily as well as opportunities in investments on a quarterly basis
 - Overall there is an annual operating deficit of \$1.3 million which is a result of decreased tuition fee revenue, deferrals, reductions in rental revenue, increases in short-term and long-term staffing leaves and increases in costs of contractual services and supplies that are a result of inflation and market conditions
-
- 2022/2023 Financial Statements and Accumulated Surplus Balances
 - The Superintendent of Business Services presented the report
 - Clean audit report
 - Overall concluded the year with using \$2.6 million less surplus
 - There are a number of notes that accompany the financial statements that provide additional details and would like to draw attention to:
 - Note 2 - The adoption of new standards
 - Note 11 - Asset retirement obligations and reconciliation and has been updated in note 14
 - Note 20 – updated non-disclosure for the postponed consolidation for the Ontario school board insurance exchange
 - Note 23 – proportional consolidation of Halton Student Transportation Services
 - Note 27 – discloses property transaction which was pending closure

- Report to the Audit Committee on the 2022/2023 Audit (Deloitte)
 - Deloitte audit partner L. Cheung & A. Dellavedova presented the highlights of the report

Motion: A. Collard / S. Malik

Be it resolved that the Audit Committee recommends the audited financial statements of the Halton District School Board for the fiscal year ended August 31, 2023 (with potential additional note disclosure for Bill 124 settlement) be approved by the Board of Trustees

Agenda Item 3.0

3.1 Information Items

3.1.1 Supplemental Reporting

- Annual Statement of Education Development Charges (EDC) Report
 - The Superintendent of Business Services presented the report
 - New official By-law came into effect in June 2023 and is for a 5-year term. Table 1 in the report shows the levies in accordance with the caps that are under the regulation for the 5 years of the bylaw. As a result of the cap, the maximum rates will not be met and HDSB will be collecting less than normal based on the appreciation values of the sites that are planned to be acquired in the near future
 - Deficit of \$3.3 million at the end of the 2022/2023 year due to the delay of site purchases. Site purchases are heavily dependent on Municipal approvals and planning and subdivision progress. In the next couple of years, looking at procuring two additional elementary school sites and one high school site located in North Oakville and South Milton with an expectancy of a \$70 to \$80-million-dollar deficit. At that point in time, a secured short time bankers' acceptance loan will be obtained to separate the deficit from the operating accounts
- **Summary of Trustee Expenses Report as of 2022/2023**
 - There is an overall roll forward balance for the remaining prior year of \$136K in which the Board of Trustees by motion can access for the use of professional development
 - Through Board motion, Board of Trustees could decide to allocate the reserve funds towards something else in the current fiscal year
 - From an audit perspective, the amount resides in the surplus and is rolled forward
- **Summary of School Generated Funds 2022/2023**
 - Pre-pandemic results included to give a comparison to a more regular activity year

- There is a roll forward in school generated funds of about \$5.2 million for the 2022/2023 school year. Sometimes funds are collected in advance of an event later occurring in the next school year. Schools are encouraged to spend the School Generated Funds (SGF) in the same school year it is collected so that the students contributing get to benefit from the funds
- SGF's are additional funds strictly used for extracurricular activities not necessarily funded through public education. There may be inequity in the system where some schools are able to fundraise more and other schools less

3.1.2 *Halton Student Transportation Services 2022/2023 Financial Statements*

- The Superintendent of Business Services presented the report for information

3.1.3 *Timelines for Financial Reporting Presentation to Board*

- The Superintendent of Business Services presented the Timelines for Financial Reporting Presentation to Board to the Committee for information
- Links for the reports will be added and updated as each report is presented to the Board

Agenda Item 4.0

Other Business

- No other business identified in the agenda

Agenda Item 5.0

5.1 Motion to Adjourn

Motion: S. Malik / T. Rocha

Be it resolved that the Public Session of the Audit Committee Meeting held on November 9th, 2023 be adjourned at 4:11 p.m.

- Date of next meeting – suggested Tuesday, February 13, 2024



Regional Internal Audit Charter

PURPOSE AND DEFINITION

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

ROLE

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

PROFESSIONALISM

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

AUTHORITY

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

ORGANIZATION

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

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



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

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

INDEPENDENCE AND OBJECTIVITY

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

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

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

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

RESPONSIBILITY

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

- Evaluating risk exposure relating to the achievement of the district school board's strategic objectives;
- Evaluating the reliability and integrity of information and the means used to identify measure, classify and report information;
- Evaluating the systems which ensure compliance with policies, procedures, applicable laws and regulations which impact the district school board;
- Evaluating whether resources are acquired economically, used efficiently, and are adequately protected;
- Evaluating operations and processes to ascertain whether results are consistent with established objectives and whether processes are functioning as planned;
- Performing consulting and advisory services or assessments of specific operations as requested by the Audit Committee of the Board of Trustees or district school board management as appropriate;



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

INTERNAL AUDIT PLAN

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

The internal audit plan will be developed based on a prioritization of the internal audit universe using a risk based methodology which includes input of district school board management. The Regional Internal Audit Manager will review and adjust the plan as required in response to changes in the risk profile. Any significant deviation from the approved internal audit plan will be communicated through periodic status reports. The Regional Internal Audit Manager in conjunction with the Audit Committee/Board chair and/or the Director of Education and/or the Senior Business Officer 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.

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

QUALITY ASSURANCE

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



**INTERNAL
AUDIT TEAM**
West of Central Region

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.

Andrea Eltharington
Regional Internal Audit Manager

Audit Committee Chair

Director of Education

Dated



DEFINITION OF SELECTED TERMS

Add Value	Value is provided by improving opportunities to achieve organizational objectives, identifying operational improvement, and/or reducing risk exposure through both assurance and consulting services.
Advisory/Consulting Services/Review	Advisory and related client service activities, the nature and scope of which are agreed to with the client and which are intended to add value and improve a school board's governance, risk management and control processes without the regional internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training. These activities can also be described as "review", interchangeably with "consulting".
Assurance	An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Results can be relied upon for supporting informed decision making.
Board of Trustees	A legislative body that has overall responsibility and accountability for the district school board. For purposes of this Charter, this also includes committees that support the Board of Trustees including the audit committee.
Compliance	Conformity and adherence to policies, plans, procedures, laws, regulations, contracts or other requirements.
Control Environment	<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"> <input type="checkbox"/> Integrity and ethical values. <input type="checkbox"/> Management's philosophy and operating style. <input type="checkbox"/> Organizational structure. <input type="checkbox"/> Assignment of authority and responsibility. <input type="checkbox"/> Human resource policies and practices. <input type="checkbox"/> Competence of personnel.
Control/Internal Controls	<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.



INTERNAL AUDIT TEAM

West of Central Region

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



Halton District School Board

Date: February 13, 2024
FOR ACTION

TO: Audit Committee

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

RE: **Recommendation for the External Auditor Appointment for 2023/2024 Financial Statement Audit**

Recommendation

Be it resolved that the Audit Committee recommend to the Board of Trustees the appointment of the external audit firm Deloitte LLP to perform the annual financial statements audit and the agreed-upon procedures report for the 2023/2024 fiscal year, at a cost not to exceed \$85,200 + HST.

Rationale:

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

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

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

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

An annual assessment of the performance of the external auditors was performed at the September 27, 2023 Audit Committee meeting in private session. The overall result of the consolidated assessment was positive.

The fee for the 2023/2024 HDSB year-end consolidated financial statements audit and the agreed-upon procedures report is quoted at \$85,200 + HST. As part of the implementation of PS 3280, Asset Retirement Obligations, we expect there will be additional audit procedures required that fall outside of the scope of the year-end financial statements audit and agreed-upon procedures. When the scope of this work has been determined, the fees will be agreed upon with Deloitte LLP prior to billing.

Respectfully submitted,

Roxana Nego

Superintendent of Business Services and Treasurer

Curtis Ennis

Director of Education



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December 6, 2023
For Information

To: The Chair and Members of the Halton District School Board
From: R. Negoj, Superintendent of Business Services and Treasurer
C. Ennis, Director of Education
Re: **2024-2025 Budget Development and Timelines**

Background

This report marks the start of the 2024-2025 Budget Development process, outlining key dates, budget objectives and budget challenges and priorities.

Rationale

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 2024-2025 budget must be submitted prior to the end of June 2024.

Provincial Perspective

The Government of Ontario continues to project a surplus in 2025-2026, according to the most recent 2023 Fall Economic Outlook and take austerity measures along the way in order to reduce the current provincial deficit of \$5.6 billion. With the education sector reflecting the second highest provincial allocation, and labour negotiations currently underway which will have a material impact on the provincial funding, there are no significant increases expected in the Grants for Student Needs (GSN) for next fiscal year.

On September 27th, 2023, the Ministry of Education released the [2024-2025 Education Funding Consultation Guide](#), requesting stakeholder input into next year's GSN. The areas of focus included:

1. Strengthening accountability, enhancing transparency and reducing complexity; and
2. Modernization of the Special Education Grant.

Provincially, the Trustee Associations, Council of Ontario Directors of Education (CODE) and Council of School Business Officials (COSBO) submitted detailed recommendations which reflect aligned messaging regarding the concerns about the compiling funding gaps in the GSN. In addition, many school boards, including Halton District School Board (HDSB) Board of Trustees, also responded to the consultation. The main concerns that arose from the submissions can be summarized as follows:



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- In order to strengthen accountability and transparency, the GSN allocations would benefit from a breakdown of salary and benefits components for all employee groups. Benefits are one area of significant underfunding, and even more of a burden since the federally mandated increases to Canada Pension Plan (CPP) and Employment Insurance (EI) contributions, without additional funding from the Province.
- Over the last four years, there have been significant increases in reporting and compliance requirements, with no additional recognition of workload for the administrative functions.
- Costs outside of compensation have increased as much as 20%-30% due to inflation and market conditions, while the GSN has not kept up with this trend.
- The new transportation funding model has resulted in significant funding reductions to school boards, does not fund all vehicle types and does not consider the increase in contractual obligations that school boards are locked into, which could be tied to annual inflationary or fixed rate increases.
- Special Education funding has also not kept up with the increase in students with exceptionalities and is based on old data. There would be a benefit in simplifying the Special Incidence Portion claims process and allowing flexibility with using the Special Equipment Amount within the Special Education program.
- Supply staff costs have continued to increase and outperform funding. The sick leave provision is a centrally negotiated item, which school boards do not have control over.

The Province is currently finalizing labour negotiations with all education sector unions, as well as settlements related to Bill 124, relating to the 2018-2022 agreements. Together these pose a significant increase to the provincial budget and may impact the 2024-2025 GSN provisions. Given the economic outlook and plan to balance the provincial budget by 2025-2026, it is unlikely there will be significant increases in the GSN, to address the shortfalls identified above.

Board Perspective

The key objective of the Budget Development Process is to align the allocation of resources with the annual Operational Plan of the Board, the 2024-2028 Multi-Year Plan, the Special Education Plan, and the Capital plan; identify school-based staffing requirements; identify budget challenges and opportunities; and gather input from the various stakeholder groups. The budget development process also considers the corporate risk profile in determining the allocation of resources. Updates to the corporate risk profile are aligned with the development of the annual Operational Plan and its progress review. These inform any changes in direction or initiatives required to support the five key strategic commitments, which are then reflected in the original budget and updated in the revised estimates.



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For Information

The 2024-2025 budget timelines are attached to this report. A survey will be developed in early February, seeking input into the upcoming budget process. Results will be presented to the Board of Trustees during March. Budget discussions will be scheduled with the Committee of the Whole between January and May, with a draft budget proposed for the end of May 2024. The final budget will be presented to the Board for final approval in June 2024, consistent with Ministry reporting timelines.

The Multi-Year Plan is currently being reviewed and renewed, and the budget objectives will align with the 2024-2028 plan. The 2024-2025 Operating Plan, Special Education Plan and Capital Plan are all developed over the coming months and presented for Board approval in June 2024.

The HDSB is facing a deficit of approximately \$7.7 million for the current year, with an In-Year Deficit Elimination plan to identify reductions and balance the 2024-2025 budget. According to regulations, school boards with a deficit in the current year must balance their budget in 2024-2025, unless they receive the Minister's approval. In the past, school boards with sufficient accumulated surplus were allowed to spend up to 1% of their provincial allocation with Board approval, however that is not the case for the next fiscal year.

The HDSB is facing significant funding shortfalls which impact the ability to balance the current budget. In particular:

- Special Education program costs exceed funding by \$17.7 million
- Supply costs continue to increase and exceed the funding allocation by over \$7 million
- Enhanced CPP and EI costs HDSB over \$7 million with no additional funding to offset it
- Transportation funding gap of \$2.2 million, as the funding has not kept up with inflation over the last four years and the new formula has further reduced the funding
- Temporary accommodations grant is short of the costs by almost \$700,000

HDSB has historically focused its resources on instruction, and has underspent in areas such as board administration and school operations and maintenance. Other revenues, such as interest income, community use of facilities and international students tuition fees, have also been supporting the cost of instruction.

Given the challenges of the coming year to balance the budget and find over \$7 million in efficiencies, revenue generating initiatives or cost reductions, while maintaining alignment with the strategic priorities and investments, staff have started the budget development process in the fall of 2023. The budget development process timeline has been pushed earlier this year, with stakeholder consultations starting as early as January. The next budget discussions are planned with the Special Education Advisory Committee (SEAC) on January 9, 2024 and with the



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Committee of the Whole on January 17, 2024. A budget survey will be shared with all stakeholders early in February 2024.

Multi-Year Plan Alignment

This report aligns to the Foundational element of Accountability, and indirectly supports all five strategic priorities of the Multi Year Plan, by facilitating the allocation of resources for a successful school and fiscal year for students and staff.

Financial Impact

This information report does not have a direct financial impact, however will inform the allocation of resources in the 2024-2025 year. The HDSB is facing a \$7.7 million deficit in the current year, and a regulatory requirement to balance in 2024-2025. This will have significant implications to the allocation of resources for the following year.

Respectfully submitted,

Roxana Negoi
Superintendent of Business Services and Treasurer

Curtis Ennis
Director of Education



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Timelines for 2024-2025 Budget Development

October / November 2023

Education Funding Consultations

- ☐ Provide feedback to senior administration and include in the next Board report
- ☐ Collaborate with OPSBA, CODE, COSBO on GSN Consultation submission
- ☐ Board of Trustees provide feedback on Education Funding
- ☐ Provide feedback on Education Funding at the Regional Education Council

October 2023 to February 2024

Administrative Council budget planning meetings and workshops

Senior Staff budget meetings

- ☐ Individual meetings with budget owners
- ☐ Identifying gaps and efficiencies
- ☐ Review corporate risk profile and align to resource allocation

Budget Development Report

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

Budget Survey

- ☐ Staff budget meetings
- ☐ Trustee input
- ☐ SEAC input
- ☐ Stakeholder survey

March / April 2024

Administrative Council meetings to form recommendations

Trustee Budget Meeting(s)

- ☐ Discussion re: Alignment of Financial Resources
 - ☐ Multi-Year Plan
 - ☐ Annual Operational Plan
 - ☐ Special Education Plan
 - ☐ Capital Plan
 - ☐ Corporate Risk Profile
 - ☐ Regulatory compliance
- ☐ Review of Budget Parameters
 - ☐ Preliminary Enrolment
 - ☐ Review details of 2024/2025 GSN
 - ☐ Overview of Grant Revenue Calculation (based on GSN release)
 - ☐ Review Expenditures to ensure alignment with GSN
 - ☐ Discuss restraint measures required
- ☐ Review of Accountability and Reporting Requirements
- ☐ Review Trustee Input
- ☐ Review Stakeholder Input
- ☐ Presentation/review with Board of Trustees and SEAC



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May / June 2024

Trustee Budget Meeting(s)

- ☐ Review of draft budget
- ☐ Review Administrative Council recommendations
- ☐ Update on Trustee Input / Stakeholder Input /
- ☐ Update on Communication Plan
- ☐ Continue to discuss restraint measures if required

Board Meeting

- ☐ Budget finalized

Budget filed with Ministry and posted on the website



Halton District School Board

INFORMATION FOR AUDIT COMMITTEE

2022/2023 FISCAL YEAR

Budget Development	February 2, 2022	Report 22016
Budget Presentation to Committee of the Whole	February 9, 2022	Committee of the Whole Presentation
Budget Presentation	June 1, 2022	Budget for 2022/2023 Report 22068 and Full Operating and Capital Budget Report
Budget Approval	June 15, 2022	Approved Budget 2022/23 Link M22-0111
Revised Estimates	December 7, 2022	Revised Estimates 2022/23 Report 22160 and Presentation
Quarterly Financial Report for the period ending November 2022	January 11, 2023	Report 23005
Quarterly Financial Report for the period ending February 2023	March 22, 2023	Report 23048
Quarterly Financial Report for the period ending May 2023	June 21, 2023	Report 23121
Financial Statements – Audit Committee	November 9, 2023	
Financial Statements – Board Presentation and Board Approval	November 15, 2023	Report 23169

2023/2024 FISCAL YEAR

Budget Development	December 7, 2022	Report 22153
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Committee of the Whole Budget Planning Presentation and Trustee Input	March 8, 2023	Committee of the Whole Budget Presentation
Budget Survey Feedback Board Report	April 19, 2023	Budget Survey Results
Release of the Grants for Student Needs Board report	May 3, 2023	Report 23076
Committee of the Whole Budget Presentations	May 10, 2023 and May 24, 2023	Committee of the Whole Budget Presentation
Draft Budget Report	June 7, 2023	Report 23091
Budget Approval	June 21, 2023	Report 23091
Revised Estimates	January 10, 2024	Report 24008
Quarterly Financial Report for the period ending November 2023	January 24, 2024	Report 24011
Quarterly Financial Report for the period ending February 2024	March 20, 2024	
Quarterly Financial Report for the period ending May 2024	June 24, 2024	
Financial Statements – Audit Committee	November 2024	
Financial Statements – Board Presentation and Board Approval	November 2024	



Halton District School Board

Date: February 13, 2024
FOR INFORMATION

TO: Audit Committee

FROM: Roxana Negoï, Superintendent of Business Services & Treasurer

RE: **Indirect Tax and Cost Recovery Review**

Rationale:

The Deloitte Indirect Tax and Cost Recovery Group will be conducting a Cost Recovery Review for HDSB.

Deloitte has a dedicated Public Sector team who offer recovery, advisory and support services.

HDSB expects that the review will be similar to the review undertaken in 2019-2020 and will cover four years of transactions.

There will be no cost to HDSB as Deloitte will be paid a success-based fee on the recoveries it identifies for HDSB.

The benefits of the review for HDSB will be to realize recoveries that otherwise may be lost forever, as well as identify potential slippage in HDSB systems and to remedy going forward based on the internal control recommendations that will be provided to HDSB by Deloitte.

A more formal scope of review will be provided by Deloitte at a later date.

Respectfully submitted,
Roxana Negoï
Superintendent of Business Services and Treasurer

MEMO

TO: Jennie Petko, Superintendent of Education – Human Rights, Equity and Inclusion, Indigenous Rights and Education
 Shelita Walker, System Principal – Human Rights, Equity & Inclusive Education
 Pardeep Nagra, Human Right & Equity Advisor
 Gabriela Echeverria, System Principal of Indigenous Rights & Education

CC: Roxana Negoii, Superintendent of Business Services
 Audit Committee Members

FROM: Andrea Eltherington, Regional Internal Audit Manager

DATE: January 21, 2024

SUBJECT: Equity and Inclusion Terms of Reference

Please find below the Terms of Reference for the Equity and Inclusion audit which began on December 1, 2023. This audit was included on the 2023-2024 internal audit plan which was approved by the Audit Committee on May 2, 2023.

BACKGROUND

Halton District School Board (HDSB) is committed to creating and maintaining safe, inclusive learning and working environments free from discrimination for students, families, staff and members of the public. The Board incorporates principles of equity and inclusive education into all aspects of its operations, structures, policies, procedures, guidelines and practices, consistent with the principles of the Ontario Human Rights Code. HDSB believes that all students can learn, and it strives to enable every student to learn effectively, to reduce achievement gaps, and to improve learning outcomes for all, regardless of race, class, gender, ethnicity, disability, sexual orientation and other historical forms of marginalization. Equity and inclusion principles inform HDSB's decisions regarding board actions across multiple areas including policies and procedures, leadership, school and community relationships, religious accommodations, curriculum and assessment practices, and actions to create a school climate free from discrimination and harassment.

Policy/Program Memorandum (PPM) 119 - Developing and Implementing Equity and Inclusive Education Policies in Ontario School, issued April 22, 2013, provides direction to school boards on the review, development, implementation, and monitoring of equity and inclusive education policies to support student achievement and well-being. As per PPM 119:

"School board policies must be comprehensive and must cover the prohibited grounds of discrimination set out in the Ontario Human Rights Code. The code prohibits discrimination on any of the following grounds: race, colour, ancestry, place of origin, citizenship, ethnic origin, disability, creed (e.g., religion), sex, sexual orientation, gender identity, gender expression, age, family status, and marital status. Boards may also address related issues resulting from the intersection of the dimensions of diversity that can also act as a systemic barrier to student learning".

To achieve these goals, school boards should focus on the following eight areas:

- Policies, programs, guidelines, and practices;
- Shared and committed leadership;
- School-community relationships;
- Inclusive curriculum and assessment practices;
- Religious accommodation;
- School climate and the prevention of discrimination and harassment;
- Professional learning; and
- Accountability and transparency.

OBJECTIVES

The objective of this audit will be to review HDSB's equity and inclusion program. This will include reviewing the Board's strategy for equity and inclusion along with communications regarding resources to students, parents and stakeholders and key performance indicators that indicate whether the Board is achieving its objectives.

This audit addresses environmental and reputation risk.

SCOPE AND METHODOLOGY

The scope of this audit is to work with the Indigenous Rights & Education, Human Rights, Equity & Inclusive Education department to conduct a review of the Equity and Inclusion program at the Board.

The methodology includes but is not limited to the following:

- Obtain and review organizational charts to gain an understanding of the structure of the Human Rights, Equity and Inclusion, Indigenous Rights and Education departments;
- Obtain and review relevant policies, procedures, and working practices/handbooks relevant to Equity and Inclusion to gain an understanding of the current practices;
- Review of consultations with students, parents, principals, teachers and committees in development of policies and procedures and resulting expectations;
- Ensure the Board's Equity and Inclusion policies are aligned with the 'Equity and Inclusive Education in Ontario Schools: Guidelines for Policy Development and Implementation, 2013';
- Review staff training programs;
- Identify supports that have been put in place; and
- Review the Board's annual objectives and measurable outcomes.

SCHEDULING

The proposed timetable for this audit is as follows:

Start date in the field: December 1, 2023

Estimated completion date: March 31, 2024

Our objective is to complete the audit by the dates noted. We will accomplish this by:

- Scheduling the work to be completed on site during a mutually agreeable timeframe;
- Identifying in advance of the fieldwork the type of information we require;
- Setting up interviews and meetings in advance if possible, but during the agreed upon time;

- Providing status updates throughout the period of requirements outstanding (see approach below); and
- Keeping you informed immediately if scheduling impediments arise.

Your cooperation will be appreciated in helping us meet these objectives.

KEY CONTACTS

Name	Title	Phone	E-mail
Jennie Petko	Superintendent of Education – Human Rights, Equity and Inclusion, Indigenous Rights and Education	905-631-6120 Ext. 3394	petkoj@hdsb.ca
Shelita Walker	System Principal – Human Rights, Equity & Inclusive Education	905-631-6120 Ext. 4468	walkersh@hdsb.ca
Pardeep Nagra	Human Right & Equity Advisor	905-335-3665 Ext. 3449	nagrap@hdsb.ca
Gabriela Echeverria	System Principal of Indigenous Rights & Education	905-631-6120 Ext. 4325	echeverriag@hdsb.ca
Andrea Eltherington	Regional Internal Audit Manager	289-237-9453	aeltheri@hwdsb.on.ca
Cathy De Luca	Senior Regional Internal Auditor	905-414-4824	cdeluca@hwdsb.on.ca

AUDIT TEAM

The audit will be overseen by Andrea Eltherington, Regional Internal Audit Manager and completed by Cathy De Luca, Senior Regional Internal Auditor.

OTHER

As part of the professional practice standards, certain evidence must be obtained to support the results of audit tests and on which the final audit opinion is based. There will be some evidence reviewed that is private and confidential in nature. In order to respect the privacy and confidentiality of this evidence, the RIAT will ensure the evidence remains secure. Measures to achieve this include the redacting of identifying information as required and the use of employee numbers as identifiers. Any paper reports or documents required as supporting documentation can either be scanned to a password protected, encrypted flash drive where it will be imported to our automated working paper application which is maintained on a secure server with logical access limited to only the RIAT auditors and manager. Once scanned, any paper files will be shredded.

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

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

If you have any questions about this audit, please do not hesitate to contact me at 289-237-9453 or aeltheri@hwdsb.on.ca.