

Halton District School Board

AUDIT COMMITTEE

Virtual Meeting meet.google.com/pff-hrag-fvg (use calendar invite link or type into browser)

Tuesday, February 9, 2021

Public Session: 3 p.m.

PUBLIC SESSION AGENDA

1.0 – Opening

- 1.1 Welcome and Call to Order
- 1.2 Acknowledgement of Traditional Lands
- 1.3 Declarations of Possible Conflict of Interest
- 1.4 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 10, 2020 pages 2-6
- 2.2 Approval of Business Transacted in Private Session (Chair)
- 2.3 Action Items
 - 2.3.1 Appointment of the External Auditor for the 2020-21 Financial Statements Audit (Chair) page 7
 - 2.3.2 Draft Risk Management Policy (Chair) pages 8-10
 - 2.3.3 Audit Committee Governance Procedure – Amendment (Chair) pages 11-26

3.0 – Communication to the Audit Committee

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- 3.1 For Information
 - 3.1.1 Reports from the Auditor General (R. Negoï) page 27
 - Curriculum Development, Implementation and Delivery
 - Value for Money Audit
 - School Boards – IT Systems and Technology in the Classroom
 - Follow up Audit
 - 3.1.2 Board Report on Budget Development and Schedule (R. Negoï) pages 28-30
 - 3.1.3 Timelines for Financial Reporting Presentation to Board (R. Negoï) pages 31-32

4.0 – Other Business

page

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

5.0 – Adjournment

- 5.1 Motion to Adjourn

Date of Next Meeting – *suggested Tuesday, April 20, 2021*

This publication is available in accessible formats upon request

**Halton District School Board
Audit Committee Public Session Meeting Minutes
Tuesday, November 10, 2020**

Attendance:

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

Trustee Guests:

Public Representative: D. McKerrall, S. Malik

Staff: S. Miller, R. Negoï, J. Sweetman, H. Camastro, C. Salemi, K. Samarin

Regional Internal Audit Team: J. Baker

External Auditor: D. Tonin, L. Cheung, D. Juarez-Marquez

Regrets:

Agenda Item 1.0

1.1 Call to Order

- The Chair called the meeting to order at 4:05 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.

1.3 Declarations of Possible Conflict of Interest

- No conflicts of interest were declared.

1.4 Approval of the Agenda

- Agenda amended to include 2.3.1 Procurement Terms of Reference and Regional Internal Auditor Update before remaining Action Items.

Motion: D. McKerrall

Be it resolved that the Agenda for the Public session of the Audit Committee Meeting for November 10, 2020 be approved as amended
Carried Unanimously.

Agenda Item 2.0

2.1 Minutes of the Audit Committee Meetings

2.1.1 Audit Committee Meeting, September 29, 2020

Motion: A. Collard / S. Malik

Be it resolved that the minutes from the Public Session Audit Committee Meeting held on September 29, 2020 be approved as distributed. **Carried Unanimously.**

2.2 Approval of Business Transacted in Private Session

Motion: A. Collard / D. McKerrall

Be it resolved that the business ratified in the Private Session of the Audit Committee Meeting held on November 10, 2020, in respect to the Management letter of recommendations be approved and the reports to be included in the summary to the Board of Trustees. **Carried Unanimously.**

2.3 Action Items:**2.3.1 Procurement Terms of Reference and Regional Internal Auditor Update**

- The Regional Internal Audit Manager presented the Terms of Reference for the Procurement Audit and the Regional Internal Audit Status Report.

Motion: A. Collard / D. McKerrall

Be it resolved that the Audit Committee receive and accept the Terms of Reference for the Procurement Audit and the Regional Internal Audit Status Update and that the reports be included in the Audit Committee Summary to the Board of Trustees. **Carried Unanimously.**

J. Gray joined the meeting at 4:17 pm

2.3.2 2019-2020 Financial Statements and Accumulated Surplus Balances

- The Superintendent of Business Services presented the Financial statements and accumulated surplus balances and responded to questions.
- Special note given to impacts of Covid-19 and the withdrawal of The Centre of Skills Development.
- Note of thanks to staff who worked diligently on Audits, Financial Statement preparation and Ministry submission package
- Also recognized the work of the External Auditors for accommodating the virtual environment.

2.3.3 Report to the Audit Committee on the 2019/2020 Audit

- The External Auditors presented the report and responded to questions.
- A thank you was given to Management for their cooperation and innovation to get the audit done in the current environment.
- External Auditors clarified that there were no changes required to the original audit plan despite changes in work environment.

2.3.4 Audit Committee Approval of the 2019/2020 Financial Statements

- It was noted by the Committee that it is an outstanding result to have a clean Audit especially during a pandemic and they hope this can be recognized and celebrated when it goes before the Board of Trustees.

- The Director of Education also provided his thanks to the Business Services Team, the External Auditors and the Audit Committee for all their hard work during these challenging times.

Motion: S. Malik / D. McKerrall

Be it resolved that the Audit Committee recommends the audited financial statements of the Halton District School Board for the fiscal year ended August 31, 2020 be approved by the Board of Trustees. **Carried Unanimously.**

Agenda Item 3.0

3.1 Information Items

3.1.1 Supplemental Reporting

Annual Statement of Education Development Charges (EDC) Report

- The Superintendent of Business Services presented the report and responded to questions.
- The EDC deficit is the result of a timing gap.
- Expect deficit to increase due to expected development of new schools in Oakville and Milton areas
- EDC background study is done once every 5 years but amendments to the bylaw can be made annually. An amendment to the background study can be done if significant increase in property values. However, amendments are currently frozen to a maximum level which HDSB has reached.
- The EDC balance as it currently stands based on our cash balance and operating line of credit is not a concern however, as we look at acquiring more sites it could become more of a concern.

Summary of Trustee Expenses Report as of 2019/2020

- The Superintendent of Business Services presented the report and responded to questions.
- Website will contain an individual trustee statement once this report goes before the Board of Trustees
- It was noted that the upcoming OPSA conference in January will likely be online.
- Under Trustee Collard's direction and leadership, The Board of Trustees now have a professional development committee and expect that there will be expenditures associated with this in the spring
- Typo noted on page 63 of the report which should read August 31, 2020 and not 2018.
- Trustee Expenses are no longer being audited as there is no Internal Auditor however, all expenses are approved by the Board's Chair and the Chair's expenses are approved by The Superintendent of Business Services.

- The Superintendent of Business Services and her staff do review Trustee expense items to ensure they are within the parameters of the Board's Policies.
- Items could be selected by the External Auditors as part of their audit of Employee expenses.

3.1.2 Timelines for Financial Reporting Presentation to Board

- The Superintendent of Business Services provided the timelines for financial reporting presentation to the Board

3.1.3 Interim Financial Report to Board October 21, 2020

- The Superintendent of Business Services shared the September Interim Financial Report to Board with the Committee
- The October 31st report will be a more meaningful as a number of expenses were not reflected as of September 30th.
- Of note are the increased transportation costs due to secondary student dismissal at half day mark which results in a whole new set of routes and the significant, additional cleaning cost.
- Board is allowed to submit a budget with a 2% deficit as per the Ministry of Education.
- To date the direction from the Ministry is not to assume additional funding when building budget when building the revised budget for this year however, HDSB is hopeful that there will be funding made available to make up for lower enrolment and resulting revenue reduction.
- There is a second phase of Federal funding still to come as well but we don't yet know how the funds will be allocated.
- Committee inquired as to the impact of drawing down reserves on student achievement, Closing the Gap and other areas identified as spending priorities. Management responded that there will most certainly be an impact on student achievement as good spaces help and facilitate learning. Reality is there is already a gap between facility needs and funding and the use of reserves now will only increase that gap in the long term and will have implications on future projects.
- Boards have established a working group with the Ministry to help address the funding gap.

S. Miller and S. Malik left the meeting at 5.02 pm

- Management will work to reallocate as much of the budget as possible before going to reserves

3.1.4 Halton Student Transportation Services 2019/2020 Financial Statements

- The Superintendent of Business Services presented the financial statements for information.

Agenda Item 4.0

4.1 Other Business

- Next meeting date: Tuesday February 9, 2021

Agenda Item 5.0

5.1 Adjournment

- The meeting was adjourned at 5:10 pm

Halton District School Board

Date: February 9, 2021

FOR DECISION

TO: Audit Committee
FROM: Roxana Negoï
Superintendent of Business Services and Treasurer

RE: Appointment of External Auditor for 2020/2021 Financial Statements 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 of the 2020/2021 fiscal year, at a cost not to exceed \$68,850 + HST.

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, the external audit firm, Deloitte LLP, was the successful proponent for appointment of a 5 year term beginning in the 2017/2018 fiscal year. This will be the fourth year of their term.

An annual assessment of the performance of the external auditors was performed at the September 29, 2020 Audit Committee meeting in private session. The overall result of the consolidated assessment was positive.

The fee for the 2020/2021 HDSB year-end consolidated financial statements audit is quoted at \$68,850 + HST.

Respectfully submitted,

*Roxana Negoï
Superintendent of Business Services and Treasurer*

Halton District School Board

Date: February 9, 2021

FOR DECISION

TO: Audit Committee
FROM: L. Reynolds, Chair, Audit Committee
RE: **Draft Risk Management Governance Policy**

RECOMMENDATION

Be it resolved that the Audit Committee recommend to the Board of Trustees the adoption of the Risk Management Governance Policy.

The Halton District School Board is undertaking a Strategic Enterprise Risk Management framework.

As part of this process, to ensure ownership and accountability over risk management, it has been recommended the Board adopt a Risk Management Governance Policy.

The draft policy is attached as Appendix A. An administrative procedure and implementation toolkit will be developed over the next few months to further support this process.

Respectfully submitted,

*Leah Reynolds
Chair, Audit Committee*

BOARD GOVERNANCE

POLICY NO.	
Adopted	June 2021
Effective	June 2021
Last Revised	June 2021
Review Date	June 2025

RISK MANAGEMENT POLICY

OBJECTIVE

The Halton District School Board (The “Board”) is committed to achieving its stated objectives and, in pursuit of its objectives, ensuring that the best possible information about uncertainty is used to inform resource allocation and decision making. This policy sets the guiding principles to be followed in managing risk and uncertainty at the Board.

GUIDING PRINCIPLES

1. The Board is committed to achieving its objectives and recognizes that it operates in a context with internal and external uncertainties.
2. The Halton District School Board shall consider both threats and opportunities as a natural part of considering uncertainty or ‘risk’ in decision-making.
3. Halton District School Board needs to take risks in pursuit of its objectives. The Board’s risk appetite towards considering uncertainty associated with achieving objectives will differ, depending on internal and external factors and regulatory requirements. The board is more willing to consider risks in pursuit of creativity, innovation and learning, and less willing to consider risks for areas impacting safety, compliance and regulatory requirements.
4. The Halton District School Board is committed to a model of operational leadership which is consistent with the Education Act, Ministry of Education direction, and the principals of good governance, as described in the Board’s Operational Leadership Procedure.
5. Risk management is considered as a key part of the strategic, operational and budget planning processes.

OVERVIEW OF RESPONSIBILITY

Governance of risk management applies to the following:

- a. Board of Trustees establishes the direction for risk management and risk appetite, fosters a culture of risk-informed decision making and understands significant risks and management's assessment of their impact on strategic objectives.
- b. Audit committee oversees the risk management approach as delegated by the Board of Trustees including monitoring of significant risks, adequacy of insurance and Board reporting.
- c. The Director of Education establishes the Board's approach for design and implementation of risk management across the organization, ensures a risk-aware culture and ensures the Board has the process, tools, and training to support implementation. The Director of Education monitors and reports on significant risks to the Audit Committee and Board of Trustees.

RELATED BOARD POLICIES AND PROCEDURES

Board By-Law

Trustee Code of Conduct

Code of Ethics Policy

Audit Committee Governance Policy

Operational Leadership

Governance Procedure

Director's Performance Review Policy

Governance Process Policy

Halton District School Board Multi-Year Plan

Privacy and Information Management

RELATED MINISTRY DOCUMENTS

Education Act

Ontario Regulation 361/10: Audit Committees

RELATED EXTERNAL DOCUMENTS

Good Governance: A Guide for Trustees, School Boards, Directors of Education and Communities

2014 Multi-Year Strategic Planning Supports for School Boards

Halton District School Board

Date: February 9, 2021

FOR DECISION

TO: Audit Committee
FROM: L. Reynolds, Chair, Audit Committee
RE: **Audit Committee Governance Procedure Amendment**

RECOMMENDATION

Be it resolved that the Audit Committee recommend to the Board of Trustees an amendment to the Audit Committee Governance Procedure to include the wording from the Board resolution “The Audit Committee will provide members of the public with two-way, participatory access to meetings through delegation and/or the gathering of electronically submitted questions”

At the Board of Trustees meeting on January 20, 2021, Report 21016 – Public Participation in Meetings – Compliance with Amendments to O.Reg 463/97. The full report to Board is attached. The following Board resolutions apply to the meetings of the Audit Committee and shall be adopted immediately.

Be it resolved that SEAC, PIC and Audit Committees amend their Governance Procedure and/or Terms of Reference to include the suggested wording: Committee will provide members of the public with two-way, participatory access to meetings through delegation and/or the gathering of electronically submitted questions

Be it resolved that public session agendas for Committee of the Whole, Special Education Advisory Committee (SEAC), Parent Involvement Committee (PIC), and Audit committee will include an item for questions and answers from the public, and that these questions can relate to any aspect of the Committee’s mandate.

Be it resolved that questions posed during live meetings may be answered during the Board or committee meeting, particularly those related to the agenda items, or at the following meeting at the discretion of the Chair.

Be it resolved that a communication plan be created and implemented, to outline these process changes to the public, including the impetus.

Be it resolved that trustees continue to encourage the public to communicate with trustee or committee representatives as their primary conduit for asking questions.

Be it resolved that each of these actions be implemented in compliance with the February 1, 2021 date noted in the guideline.

Respectfully submitted,

*Leah Reynolds
Chair, Audit Committee*

Report Number: 21016**Date: January 15, 2020****FOR DECISION**

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

FROM: A. Grebenc, Chair of the Board
T. Ehl Harrison, Vice Chair of the Board

RE: **Public Participation in Meetings – Compliance with Amendments to O.Reg 463/97**

RECOMMENDATIONS:

Be it resolved that the Halton District School Board amend the PART IV: MEETINGS, GENERAL section of the By-laws to include a new item:

“4. The Board will provide members of the public with two-way, participatory access to open board and committee meetings through delegation and/or the gathering of electronically submitted questions.”

And that Appendix A - Board Meeting - Public Session Meeting Agenda be amended to insert “6.8 Public Questions”.

Be it resolved that public session agendas for Committee of the Whole, Special Education Advisory Committee (SEAC), Parent Involvement Committee (PIC), and Audit committee will include an item for questions and answers from the public, and that these questions can relate to any aspect of the Committee’s mandate.

Be it resolved that an electronic means of posing questions be made available to the public during live-streamed meetings of the Board (Regular, Special and Committee of the Whole) as well as during live-streamed, public sessions of SEAC, PIC and Audit committee meetings.

Be it resolved that questions posed during live meetings may be answered during the Board or committee meeting, particularly those related to the agenda items, or at the following meeting at the discretion of the Chair.

Be it resolved that a communication plan be created and implemented, to outline these process changes to the public, including the impetus.

Be it resolved that trustees continue to encourage the public to communicate with trustee or committee representatives as their primary conduit for asking questions.

Be it resolved that each of these actions be implemented in compliance with the February 1, 2021 date noted in the guideline.

And, be it resolved that the public participation process be assessed in May 2021 and annually after that to demonstrate the HDSB’s commitment to continuous improvement in this area.

Background

On November 6, 2020, the Ministry of Education informed school boards across Ontario of a new amendment to O. Reg. 463/97 to:

Include a new requirement for boards to provide members of the public with participatory electronic access to open board/committee meetings i.e. two-way means of participation (effective Feb. 1, 2021). When in-person meetings resume, boards will be required to provide both in-person and electronic means for public participation, as set out in O. Reg. 463/97.

Legal advice was sought concerning how to comply with the new amendment and which meetings were affected.

The response included the following information:

1. The Board's delegation process (which according to the Delegation By-law allows for public input as well as follow-up questions from Trustees) is a means of public participation, and satisfies the regulation. The Board must make sure by February 1, 2021, that electronic delegations are possible. When in-person meetings resume, the Board will be required to maintain a platform that continues to allow for this form of participation.
2. Subsection 4(1) does not create any new right to attend meetings which were not previously open to the public, but rather provides that where a right to attend currently exists, that right is extended to include the right to attend electronically, as well as to participate electronically.
3. A verbal Q & A at Committee of the Whole (COTW) meetings would be a form of public participation, and would satisfy regulatory requirements.
4. While attendees have a right to "hear and be heard by all other participants in the meeting" (S.4(2)(b)), the Regulation does not require that the Board provide immediate answers to questions posed. The availability of an electronic submitted question form or a chat room would offer options to participate.

Members of the public may also delegate at a COTW, which would also satisfy the participation requirement.

5. If the Board currently has committees which meet in public, but have not historically allowed for public participation, the Board may wish to amend its electronic meeting and delegation policies to include delegations, or a Q & A, to all public committee meetings.

On January 13, 2021, Trustees met with leaders and staff representatives for SEAC, PIC and Audit committees as well as the Director of Education and the Superintendent that oversees Information Technology during the Committee of the Whole meeting to discuss the O. Reg. 463/97 amendment and the recommendations that would satisfy compliance to it. This resulted in the recommendations within this report.

It is noted that Employees of the Board, or representatives of employee groups should not utilize the Q & A at Board or Committees meetings to express their views relative to their employment or professional interests. These should go to their supervisor, or Human Resources.

Respectfully submitted,

A. Grebenc, Chair, Trustee, Burlington Wards 3 & 6

T. Ehl Harrison. Vice-Chair, Trustee, Oakville Wards 1 & 2

HALTON DISTRICT SCHOOL BOARD GOVERNANCE PROCEDURE AUDIT COMMITTEE PROCEDURE

POLICY

This Procedure is made pursuant to the Board's Audit Committee Policy.

PURPOSE

This Governance Procedure provides direction to the Board of Trustees (the "**Board**") and the HDSB's Audit Committee.

LEGAL FRAMEWORK

The Audit Committee is established in accordance with Section 253.1(1) of the *Education Act* RSO 1990 c E.2 and Regulation 361/10 made under the *Education Act*.

Terms used in this Procedure shall have the same meaning as in Regulation 361/10.

AUDIT COMMITTEE MEMBERSHIP

Regulation 361/10 provides that the Audit Committee's membership shall be comprised of five (5) members, as follow:

- a) three Trustees, who are appointed in accordance with the Board's By-law; and
- b) two persons who are not Trustees, who are eligible and are appointed in accordance with this Procedure.¹

ELIGIBILITY OF NON-TRUSTEE MEMBERS

A person who is not a Trustee is eligible to be appointed to the Audit Committee only if they,

- a) have accounting, financial management or other relevant business experience that would enable them her to understand the accounting and auditing standards applicable to the board;
- b) are not an employee or officer of the HDSB or of any other school board at the time of their appointment;
- c) do not have a conflict of interest at the time of their appointment; and
- d) are identified by the selection committee described in herein as a potential candidate for appointment to the Audit Committee.²

SELECTION COMMITTEE

The Halton District School Board (the "**HDSB**") shall form a selection committee for the purpose of identifying potential non-Trustee candidates for appointment to the Audit Committee, to be comprised of:

- a) the Director of Education;
- b) a senior business official of the HDSB; and
- c) the Chair of the Board or a Trustee designated by the Chair.³

TERM

A Trustee member of the Audit Committee shall be appointed for a term of four (4) years.⁴ A Trustee may be appointed for an unlimited number of terms.⁵

A non-Trustee member of the Audit Committee shall be appointed for a term of three (3) years,⁶ and may serve a maximum of two terms,⁷ unless:

¹ Section 3(1)2

² Section 4(1)

³ Section 5(1) and (2)

⁴ Section 7(1)

⁵ Section 7(3)

⁶ Section 7(2)

⁷ Section 7(4)

- a) HDSB has advertised the position for at least thirty (30) days; and
- b) after thirty (30) days the selection committee has not identified any potential candidates.⁸

in which case a non-Trustee member may serve an additional term or terms.

When the term of a member of the Audit Committee expires, the person shall continue to be a member until such time as a successor is appointed or the member is reappointed.⁹

VACANCIES

An Audit Committee member who is a Trustee vacates their position if:

- a) they are convicted of an indictable offence; or
- b) they are 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.¹⁰

An Audit Committee member who is non-Trustee vacates their position if,

- a) they are convicted of an indictable offence;
- b) they are 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) they become an employee or officer of the HDSB or of any other school board; or
- d) it is discovered that they had a conflict of interest at the time of their appointment and failed to disclose it.¹¹

If a position on the Audit Committee becomes vacant, the position shall be filled as soon as possible in accordance with the appointment process described herein.¹²

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.¹³ A partial term shall nonetheless constitute a full term for the purposes of calculating the maximum number of terms.

DECLARATION OF CONFLICT OF INTEREST

A conflict of interest for the purposes of this Procedure is defined as having a parent, child, or spouse who is employed by HDSB.¹⁴

Each member of the Audit Committee shall, upon appointment and at the first meeting of the fiscal year every year of their term thereafter, submit a written declaration to the Chair stating whether they have a conflict of interest.¹⁵

A committee member who becomes aware of a conflict subsequent to having made such a written declaration shall immediately disclose the interest in a written statement to the Chair.¹⁶

In addition to the foregoing, where a committee member's parent, child or spouse could derive any financial benefit relating to an item on the committee's agenda, the committee member shall declare the potential benefit at the start of the committee meeting and withdraw from the meeting during the

⁸ Section 7(4)

⁹ Section 7(5)

¹⁰ Section 8(1)

¹¹ Section 8(2)

¹² Section 8(3)

¹³ Section 8(4)

¹⁴ Section 4(2)

¹⁵ Section 14(1)

¹⁶ Section 14(2)

discussion of the matter, and shall not vote on the matter.¹⁷ The minutes of the meeting shall include a detailed description of the potential benefit so declared.¹⁸

Quorum shall not be affected by reason of the absence of a committee member who has declared a conflict of interest or potential benefit.¹⁹

COMMITTEE CHAIR AND VICE-CHAIR

The Chair of the Audit Committee shall be elected by and from amongst the members of the committee at the first meeting in each fiscal year,²⁰ for a one year term.²¹

The duties of the Chair shall include:

- a) presiding over Audit Committee meetings;
- b) ensuring the development of meeting agenda which reflect the priorities and responsibilities of the Audit Committee;
- c) communicating with the Board, as authorized by resolution of the committee; and
- d) such other duties as may be assigned by the committee from time to time.

The Vice-Chair of the Audit Committee shall be elected by and from amongst the members of the committee at the first meeting in each fiscal year, for a one year term.

The Vice-Chair will preside over the meeting as Chair if the Chair is not physically present at the meeting. The Vice-Chair shall preside over the discussion, debate and vote of a particular agenda item or resolution if the Chair declares a conflict of interest relating to the that agenda item or resolution.

If neither the Chair nor the Vice-Chair are able to preside, the members who are present in person or by electronic means may elect a member to act as Chair.²²

The Chair of the Audit Committee shall ensure that minutes are taken at each meeting, and provided to committee members within the month following the meeting.²³

MEETINGS

The Audit Committee shall meet at least three (3) times in each fiscal year, at the call of the Chair, and at such other times as the Chair considers advisable.²⁴

The first meeting of each fiscal year shall be held no later than September 30.²⁵

Committee members other than the Chair may attend a meeting by electronic means, and any members so attending shall be deemed to be present.²⁶

Meetings of the Audit Committee shall be open to the public, except that the committee may meet *in camera* as allowable under Section 207(2) of the *Education Act*, reproduced at Appendix G of this Procedure.

The Audit Committee will provide members of the public with two-way, participatory access to meetings through delegation and/or the gathering of electronically submitted questions.

¹⁷ Section 14(3)

¹⁸ Section 14(5)

¹⁹ Section 14(4)

²⁰ September 1 to August 31

²¹ Section 6(2)

²² Section 6(2)

²³ Section 11(7)

²⁴ Section 11(1)

²⁵ Section 11(2)

²⁶ Regulation 463/97

SUPPORT

The Audit Committee may request that any of the following staff attend a meeting:

- a) Director of Education or designate;
- b) Superintendent of Business Services and Treasurer;
- c) Controller of Financial Services;
- d) External Auditor(s);
- e) Regional Internal Audit Team;
- f) Manager of Accounting; and/or
- g) Staff assigned to take minutes.

VOTING

The Audit Committee shall make decisions by resolution.²⁷

Each member of the Audit Committee shall have one vote.²⁸ In the event of a tie vote, the Chair is entitled to cast a second and deciding vote.²⁹

QUORUM

The Audit Committee shall have quorum if:

- a) a majority of the committee members are present; and
- b) there is at least one member present who is not a Trustee.³⁰

DUTIES OF THE AUDIT COMMITTEE

The Audit committee has the following duties as outlined in Regulation 361/10 and reproduced in the Appendices to this Procedure, as follows:

- a) related to the HDSB's financial reporting process, Appendix A;
- b) related to the HDSB's internal controls, Appendix B;
- c) related to the HDSB's internal auditor, Appendix C;
- d) related to the HDSB's external auditor, Appendix D;
- e) related to the HDSB's compliance matters, Appendix E;
- f) related to the HDSB's risk management, Appendix F.

REPORT TO THE BOARD

The Audit Committee shall report to the Board annually, and at any other time required by the Board, on the committee's performance of its duties.³¹

The Audit Committee shall submit a written annual report to the Board, by a date specified by the Board, to include:

- (a) any annual or multi-year audit plan of the HDSB'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.³²

²⁷ Section 11(4)

²⁸ Section 11(3)

²⁹ Section 11(5)

³⁰ Section 11(6)

³¹ Section 9(7)

³² Section 15(1)

The Board shall submit the information in clauses (c) and (e) above to the Minister in each fiscal year on or before a date specified by the Minister.³³

The Audit Committee 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 HDSB'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.³⁴

POWERS OF THE AUDIT COMMITTEE

In carrying out its functions and duties, the Audit Committee has the power to,

- (a) retain counsel, accountants or other professionals to advise or assist the committee, providing the committee obtains the prior approval of the Board;
- (b) meet with, or require the attendance at a committee meeting of:
 - i. member(s) of the Board of Trustees;
 - ii. HDSB's staff;
 - iii. HDSB internal or external auditor; or
 - iv. legal counsel or representatives from a reporting entity of the HDSB,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 HDSB's external or internal auditor, or with any HDSB staff, without the presence of other HDSB staff or Trustees, other than Trustees who are members of the Audit Committee;
- (d) require HDSB's internal or external auditor to provide reports to the committee; and
- (e) have access to all HDSB records that were examined by the internal or external auditor.

DECORUM

All Audit Committee members shall participate in committee meetings in a manner which adheres to the Board's Code of Conduct.³⁵

The presiding officer may expel or exclude from the meeting any person who has been guilty of improper conduct at a meeting.³⁶

REMUNERATION AND EXPENSES

Audit Committee members shall not receive remuneration for serving as a member of the committee, except that:

- a) Trustee members may receive an attendance honorarium in accordance with the Board's Trustee Honorarium Policy;
- b) a committee member may be reimbursed for expenses incurred as a member of the Audit Committee, in accordance with the HDSB Expense policy.³⁷

³³ Section 15(2)

³⁴ Section 15(3)

³⁵ Section 12

³⁶ *Education Act*, Section 207(3), reproduced at Appendix G

³⁷ Section 13

Related Statutes

Education Act, RSO 1990 c E.2, S.207(2) (*in camera*); S.208.1 (*electronic meetings*); S.191 (*Honoraria*); S.253.1(1)(*Audit Committee*)

Related Education Act Regulations

Regulation 361/10 "*Audit Committee*"

Regulation 463/97 "*Electronic Meetings*"

Regulation 357/06 "*Honoraria for Board Members*"

Related Board Policies and Procedures

Electronic Meetings

Operational Leadership

Policy Development and Review

Governance By-Law

Trustee Honoraria

Related Ministry Documents

Ministry B and SB Memoranda

APPENDIX A**AUDIT COMMITTEE
Duties Related to the Board's Financial Reporting Process**

Subsection 9(1) of Regulation 361/10 states as follows:

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.*

APPENDIX B
AUDIT COMMITTEE

Duties Related to the Board's Internal Controls

Subsection 9(2) of Regulation 361/10 states as follows:

9(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.*

APPENDIX C

AUDIT COMMITTEE

Duties Related to the Board's Internal Auditor

Subsection 9(3) of Regulation 361/10 states as follows:

9(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.*

APPENDIX D

AUDIT COMMITTEE

Duties Related to the Board's External Auditor

Subsection 9(4) of Regulation 361/10 states as follows:

9(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.*

APPENDIX E

AUDIT COMMITTEE

Duties Related to the Board's Compliance Matters

Subsection 9(5) of Regulation 361/10 states as follows:

9(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.*

APPENDIX F
AUDIT COMMITTEE

Duties Related to the Board's Risk Management

Subsection 9(6) of Regulation 361/10 states as follows:

9(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.*

APPENDIX G
AUDIT COMMITTEE
IN CAMERA MEETINGS

Education Act

Open meetings of the board

S.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.

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.*

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.

Halton District School Board

Date: February 9, 2021
FOR INFORMATION

TO: Audit Committee
FROM: R. Negoï, Superintendent of Business Services and Treasurer
RE: **Reports from the Auditor General**

Background

The Office of the Auditor General of Ontario has released the 2020 Annual Report covering value-for-money audits in the Ontario public sector and broader public sector. School Board sector audits are included in their mandate. Under the *Auditor General Act* audit results are reported through the Ontario Legislature.

The following audits were included in the 2020 Annual Report and are provided to the Audit Committee for information.

1. Value-for-Money Audit – December 2020

[Curriculum Development, Implementation and Delivery](#)

Boards audited – Toronto District School Board, Catholic District School Board of Eastern Ontario, District School Board Ontario North East, Near North District School Board.

2. Value-for-Money – Follow-up Audit, Original Audit 2018

[IT Systems and Technology in the Classroom](#)

Boards audited – Toronto District School Board, Waterloo Catholic School Board, Algoma District School Board, Peel District School Board

Respectfully submitted,

*Roxana Negoï,
Superintendent of Business Services and Treasurer*

Report Number: 21022**Date: January 29, 2021****FOR INFORMATION**

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

FROM: R. Negoi, Superintendent of Business Services and Treasurer
S. Miller, Director of Education

RE: 2021/2022 Budget Development

Background

This report is intended to present the 2021/2022 Budget Development Schedule and the Board's Budget Objectives.

Reporting

The fiscal year for all School Boards in Ontario is in alignment with the school year and runs from September 1 to August 31. According to Ministry of Education reporting and accountability requirements, a School Board's budget must be submitted to the Ministry by the end of June preceding the start of the fiscal year in question. Consequently, the 2021/2022 budget must be submitted prior to the end of June 2021.

Provincial Perspective

The COVID-19 pandemic has portrayed a challenging landscape for the education sector, resulting in three education models, in person, virtual and hybrid. Throughout the course of the current year, the ongoing collaboration of the education sector, Trustee Associations and the Ministry of Education, in consultation with public health, has resulted in many investments into the sector to address the increasing cost pressures of school boards.

Throughout 2020/2021, additional funding has been provided to school boards, both by the Provincial and Federal governments, to assist with the hiring of additional staff to reduce class sizes in areas of need, support virtual schools, enhance cleaning and disinfection of schools, improve ventilation, and provide much needed technology and personal protective equipment (PPE). In addition to increasing operating costs, additional staffing, technology and PPE, school boards across the province have experienced decreased enrolment and more notably at the entry grades (kindergarten). Other factors contributing to reduced growth include an increase in homeschooling, decrease in international students and lower levels of immigration.

Planning for 2021/2022 is going to be challenging and full of unknowns. The Ministry of Education is planning for a normal year in terms of funding, with additional information to be provided to the sector, in consultation with public health experts. School boards thus need to have a contingency plan for staffing and budgeting, in the event that both in person and virtual learning continues. It is also difficult to determine the enrolment projections and pupil accommodation pressures, without a clear direction on learning models.

On December 3, 2020, the Ministry released the [2021/2022 Education Funding Consultation Guide](#), soliciting input into the budgeting process. This year's guide focuses on areas around the COVID-19 outbreak response, reducing administrative burden and red tape, the school board administration and governance grant, census data and secondary class size compliance. The Superintendent of Business Services participated in the development of the Council of Senior Business Officials (COSBO) education funding submission, which considered input from all school boards, as well as the Trustee Associations. The submission can be accessed through this [link](#).

Revenue – Grants for Student Needs (GSN)

The Ministry of Education allocates funding to school boards using a model referred to as Grants for Student Needs (GSN) that is based on enrolment and the needs of students in each board. In

2020/2021, the HDSB projected to receive 91.4% (approximately \$737.3 million) of total operating revenue from GSN funding. Specific funding allocation details are normally provided to Boards following the provincial budget. In the past few years, this information has been made available in late March or early April, although for the current year, the GSN announcement was delayed until June. The timing of these funding announcements present challenges for boards in the province given that certain major decisions such as staffing need to be made in advance of final budget discussions.

The information from the Education Funding consultation may influence the direction of the GSN, however it is expected that overall, the grants will remain consistent to the current year, with some adjustments for online learning and any updates based on census data, should that be contemplated. The impact of the pandemic on immigration levels and migration into the Halton region will have a negative impact on the language grant allocation, while lower enrolment growth, expected to continue into next year, will reduce the overall funding level. Outside of the GSN, rental revenues and community use of schools are anticipated to continue to be impacted.

Board Perspective

Objectives of Budget Development Process

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

The 2021/2022 budget timelines are attached to this report. A survey will be developed in February, seeking input into the upcoming budget process. Results will be presented to the Board of Trustees during April. A budget presentation will be scheduled during April 2021 at the Committee of the Whole meeting, with a draft budget proposed for May 2021. The final budget will be presented to the Board for final approval in June 2021.

Multi-Year Plan 2020-2024 and Operational Plan

The 2020-2024 Multi Year Plan (report number 20107) was presented for approval to the Board of Trustees on November 4, 2020. The new strategic plan focuses on equity and inclusion, mental health and well-being, learning and achievement, environmental leadership and Indigenous perspectives and awareness. The 2021/2022 Operational Plan and Special Education Plan will be developed and approved in June 2021, and will build on the current year plans. The budget development process will align the allocation of resources in order to support these plans.

Enrolment

The Halton District School Board is projected to continue to grow by 309 Average Daily Enrolment (ADE) or 0.5% into 2021/2022, as compared to 2020/2021 Revised Budget Estimates, however the overall enrolment projected is lower than the original projection for 2020/2021, as a direct result of the COVID-19 pandemic. The growth over the current year is expected to occur at the secondary panel, which will continue to put pressure on temporary accommodations for students in Milton and north Oakville.

Rationale:

The Halton District School Board has always been financially responsible with a clear focus on providing the system with the resources and supports necessary to champion inclusive and equitable practices, strengthen safe environments, create learning conditions for all, promote knowledge and understanding of Indigenous perspectives and take action for a sustainable world.

Respectfully submitted,

R. Negoj, Superintendent of Business and Treasurer

S. Miller, Director of Education

Timelines for 2021/2022 Budget Development

December 2020/January 2021

Education Funding Consultations

- Provide feedback to senior administration and include in the next Board report
- Collaborating with COSBO on GSN Consultation submission

Administrative Council budget planning meeting

February 2021

Administrative Council budget discussions continue

Senior Staff budget meetings

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

Budget Development Report

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

Budget Survey

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

March/April 2021

Administrative Council meetings to form recommendations

Trustee Budget Meeting(s)

- Discussion re: Alignment of Financial Resources
 - Multi-Year Plan
 - Annual Operational Plan
 - Special Education Plan
 - Corporate Risk Profile
- Review of Budget Parameters
 - Preliminary Enrolment
 - Revenue Assumptions
 - Expenditure Assumptions
 - Review ratified agreements implications
 - Review details of 2021/2022 GSN
 - Overview of Grant Revenue Calculation (based on GSN release)
 - Review Expenditures to ensure alignment with GSN
 - Discuss restraint measures if required
- Review of Accountability and Reporting Requirements
- Review Trustee Issues/Input
- Review Stakeholder Input
- Presentation/review with SEAC

May/June 2021

Trustee Budget Meeting(s)

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

Board Meeting

- Budget finalized



Halton District School Board

INFORMATION FOR AUDIT COMMITTEE

2019/2020 FISCAL YEAR

Budget Presentation	June 5, 2019	Budget-2019-2020 Link
Budget Approval	June 20, 2019	Approved Budget 2019-20 Link Report 19092, Page 38
Revised Estimates	December 2019	Revised Estimates 2019-20 Link Report 19147, Page 17
Financial Statements – Audit Committee	November 10, 2020	Included in Meeting Package
Financial Statements – Board Presentation and Board Approval	November 2020	Report 20124 Statements also posted online at Link

2020/2021 FISCAL YEAR

Budget Development	April 22, 2020 Committee of the Whole	Budget Development Link
Budget Presentation	July 15, 2020	Budget 2020-2021 Link Report 20071, Page 11
Budget Approval	July 22, 2020	Approved Budget 2020-21 Link
September Month End Financial Report	October 21, 2020	Interim Financial Update Report 20112
October Month End Financial Report	November 18, 2020	Interim Financial Update Report 20127
Revised Estimates	December 2, 2020	Revised Estimates 2020-21 Link Report 20140

November Month End Financial Report	January 6, 2021	Interim Financial Update Report 21003
January Month End Financial Report	February 17, 2021	
February Month End Financial Report	March 17, 2021	
March Month End Financial Report	April 21, 2021	
April Month End Financial Report	May 19, 2021	
May Month End Financial Report	June 16, 2021	
Financial Statements – Audit Committee	TBD - November 2021	
Financial Statements – Board Presentation and Board Approval	November 17, 2021	

2021/2022 FISCAL YEAR

Budget Development	February 3, 2021	Report 21022
Budget Presentation	June 2, 2021	
Budget Approval	June 16, 2021	