



# Halton District School Board

## AUDIT COMMITTEE

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

Tuesday, April 30, 2019

**Public Session: 3 p.m.**

### **PUBLIC SESSION AGENDA**

#### **1.0 – Opening**

- 1.1 Welcome and Call to Order
- 1.2 New Trustee Representative – Audit Committee
- 1.3 Declarations of Possible Conflicts of Interest *page 2*
- 1.4 Approval of the Agenda

#### **2.0 – Ratification / Action**

***page***

- 2.1 Minutes of the Audit Committee Meetings
  - 2.1.1 Audit Committee Meeting, November 13, 2018 *pages 3-5*
- 2.2 Approval of Business Transacted in Private Session – January 22, 2019  
Approval of Business Transacted in Private Session – April 30, 2019
- 2.3 Action Items
  - 2.3.1 Appointment of the External Auditor for the 2018-19 Financial Statement Audit (R. Negoj) *page 6*
  - 2.3.2 External Audit Plan for 2018/2019 and Finance and Human Resources/ Payroll Implementation Audit (D. Tonin) *pages 7-20*
  - 2.3.3 Regional Internal Audit Updates (J. Baker) *page 21*
  - 2.3.4 Regional Internal Audit Plan for 2018/2019 and Revised Plan for 2018/2019 (J. Baker) *pages 22-24*

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

***page***

- 3.1 For Information
  - 3.1.1 Audit Committee Training Resources *pages 25-272*
  - 3.1.2 Schedule of Budget and Financial Reports 2018/2019 and 2019/2020 Expected Dates (R. Negoj) *page 273*

#### **4.0 – Other Business**

***page***

#### **5.0 – Adjournment**

Date of Next Meeting – to be determined (before September 30, 2019)

*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 2018;
- ☐ 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 18<sup>th</sup> day of September, 2018.**

---

**Audit Committee Member**

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

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

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

**Attendance:**

**Trustee Members:** J. Gray, A. Harvey Hope, A. Collard

**Trustee Guests:** A. Grebenc, T. Ehl Harrison

**Public Representative:** M. Caputi, D. McKerrall

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

**Regional Internal Audit Team:** J. Baker

**External Auditor:** D. Tonin, L. Cheung

**Regrets:**

**Agenda Item 1.0**

*1.1 Call to Order*

- The Chair called the meeting to order at 3:24 p.m.

*1.2 Declarations of Possible Conflict of Interest*

- No conflicts of interest were declared.

*1.3 Approval of the Agenda*

**Motion: A. Collard / D. McKerrall**

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

**Carried Unanimously.**

**Agenda Item 2.0**

*2.1 Minutes of the Audit Committee Meetings*

*2.1.1 Audit Committee Meeting, September 18, 2018*

.

**Motion: M. Caputi / A. Collard**

Be it resolved that the minutes from the Public Session Audit Committee Meeting held on September 18, 2018 be approved as distributed. **Carried Unanimously.**

*2.2 Approval of Business Transacted in Private Session*

**Motion: D. McKerrall / A. Harvey Hope**

Be it resolved that the Audit Committee ratify the motions approved in the private session: Audit Committee Review of the External Auditors Management Letters of Recommendation; Receipt of The Regional Internal Auditor's Report on Board Partnerships and Sponsorships and the Regional Internal Audit Status Update, and that the reports be sent to the Board of Trustees for acceptance. **Carried Unanimously.**

## 2.3 Action Items:

### 2.3.1 2017/2018 Financial Statements and Accumulated Surplus Balances

- The Superintendent of Business Services and Treasurer presented the financial statements and responded to questions.
- Confirmation that gains of the sale of land accrues to the board. Only the portion originally acquired through EDCs has to be returned to the EDC fund.
- Request that an explanation regarding the annual surplus/accumulated surplus included in the financial statements, be provided when the statements are presented in the public forum.
- Confirmation that benefit costs are still a part of the expenses reported in the statements. Only difference is that the Board now pays the individual Trusts instead of board's benefits provider/insurance company.
- Superintendent of Business Services to follow up with Trustees on Contractual obligations, and details of Note 17 regarding disbursements on trust funds exceeding earnings and contributions.

### 2.3.2 Report to the Audit Committee on the 2017/2018 Audit

- Deloitte presented the report to the Audit Committee and responded to questions.
- Engagement letter only includes Audit Services. Engagement Letter is now part of the Master Service Agreement.
- Confirmation from Superintendent of Business Services that a separate engagement letter will be prepared for additional services approved by the Audit Committee.
- Confirmation that no note disclosure is required for the new PSAB reporting requirement on related party transactions.

### 2.3.3 Audit Committee Approval of the 2017/2018 Financial Statements

#### **Motion: A. Harvey Hope / M. Caputi**

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, 2018 be approved by the Board of Trustees. **Carried Unanimously.**

## **Agenda Item 3.0**

### 3.1 Information Items

#### 3.1.1 Supplementary Reporting

- Annual Statement of Education Development Charges (EDC) Report
  - Director spoke to the letter he sent to the Ministry of Education describing HDSBs circumstances and the financial impact the EDC freeze has had on our Board.
  - Noted that there is a real gap between EDCs we are allowed to charge and land prices in Halton.

- Superintendent of Business Services to provide an explanation regarding the EDC refund included on Appendix A.
- Summary of Trustee Expenses Report as of 2017/2018
  - Suggestion made by Trustee that they have an explanation prepared in case of questions regarding the Professional Development expenditure amount.

#### **Agenda Item 4.0**

##### **4.1 Special Acknowledgements**

- A. Collard left the meeting at 4:31pm.
- Special acknowledgement made by the Director in regards of A. Harvey Hope's service on the Audit Committee and as a Trustee for the HDSB.
- Special acknowledgement made by the Director in regards to L. Veerman and her service as Superintendent of Business Services and Treasurer for HDSB.
- Director also reminded Committee of Election Audit Compliance Committee's role and request for participation.

#### **Agenda Item 5.0**

##### **5.1 Adjournment**

##### **Motion: M. Caputi / A. Harvey Hope**

Be it resolved that the Public Session of the Audit Committee Meeting held on November 13th, 2018 be adjourned at 4:37pm. **Carried Unanimously.**



# Halton District School Board

---

Date: April 30, 2019

**FOR DECISION**

TO: Audit Committee

FROM: Roxana Negoï,  
Superintendent of Business Services and Treasurer

RE: **Appointment of External Auditor for 2018/2019 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 statement audit of the 2018/2019 fiscal year.***

---

**Background**

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 2018, the external audit firm, Deloitte, was recommended for appointment for a 5-year term beginning in the 2017/2018 fiscal year. This will be the second year of their term.

The fee for the 2018/2019 HDSB year-end consolidated financial statement audit is quoted at \$67,500 + HST.

*Respectfully submitted,*

---

Roxana Negoï  
Superintendent of Business Services and  
Treasurer



+

## **Halton District School Board** 2019 Audit service plan

For the year ending August 31, 2019  
To be presented to the Audit Committee  
April 30, 2019



Deloitte LLP  
1005 Skyview Drive  
Suite 200  
Burlington ON L7P 5B1  
Canada

Tel: 905-315-6770  
Fax: 905-315-6700  
[www.deloitte.ca](http://www.deloitte.ca)

April 30, 2019

**Private and confidential**

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

**2019 Audit service plan**

Dear Audit Committee members:

We are pleased to provide you with our audit service plan for Halton District School Board and its related entities ("the School Board") for the year ending August 31, 2019. This document describes the key features of our plan including our audit scope and approach, our planned communications with you, our team and an estimate of our fees.

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

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

Yours truly,

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants  
Licensed Public Accountants

# Table of contents

Our audit explained	1
Audit risks	3
Appendix 1 – Communication requirements	7
Appendix 2 – Group audit and timing	9
Appendix 3 – New and revised public sector accounting standards	10

# Our audit explained

## Audit scope and terms of engagement

We have been asked to perform an audit of the School Board's consolidated financial statements (the "consolidated financial statements") in accordance with the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("Financial Reporting Framework") as at and for the year ending August 31, 2019. Our audit will be conducted in accordance with Canadian generally accepted auditing standards ("Canadian GAAS").

The terms and conditions of our engagement are described in the master services agreement dated April 1, 2018, which has been signed on behalf of the Board and management.

Scope and terms of engagement

Materiality

Audit risks

## Materiality

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

Materiality levels are determined on the basis of 2.5% of total expenses.

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

## Audit risks

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

### Fraud risk

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

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

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

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

### Complete engagement reporting

#### Audit reporting

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

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

#### Business insights

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



### Audit fees

The quoted fees for the 2019 audits and other related work, excluding applicable taxes, are as follows and are in line with our quotation submitted January 22, 2019:

Audit	Current year	Previous year
School Board's statutory audit (including Pre and Post Audit Committee Reports, school visits and Management Letter)	\$67,500	\$67,500
Seven month stub period report	\$8,400	\$8,400
<b>Total</b>	<b>\$75,900</b>	<b>\$75,900</b>

Included in our audit plan are proposed procedures with respect to the implementation of the payroll/HR system, which is outside the scope of our normal audit. Depending on the definition of the scope of work and the timing of work, we will provide an appropriate estimate of cost.

# Audit risks

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

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

## Revenue recognition\*

### Audit risk

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

This represents a fraud risk for the 2019 audit.

### Our proposed audit response

- We will test cut-off, completeness, occurrence and accuracy by obtaining confirmation of the 2019 revenues.
- We will review agreements with third parties.
- We will review grant stipulations.
- We will review related disclosure.

## Management override of controls\*

### Audit risk

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

This represents a fraud risk for the 2019 audit.

### Our proposed audit response

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

## School Generated Funds and School Council Funds\*

### Audit risk

There is an increased risk of misstatement of School Generated Funds and School Council Funds due to the large volume of cash collected.

This represents a fraud risk for the 2019 audit.

### Our proposed audit response

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

## Accounting for and disclosure of relationship between the School Board and Fast Track

### Audit risk

In the current year, it was determined that Fast Track – The Centre for Skills Development and Training (the “Centre”) met the definition of a private career college as defined by the Ministry of Training, Colleges and Universities (“MTCU”). Previously, the Centre was treated as part of the School Board reporting entity as it had previously obtained exception from the MTCU from registration as a private career college. This exemption was based on the understanding that the programs run by the Centre are part of the School Board’s continuing education program, and that the students who attended the Centre are registered students of the School Board.

During the year, the Centre learned that it should have been registered as a private career college and governed by the MTCU, the School Board undertook steps to sever its control relationship over the Centre. Going forward, the Centre should no longer be consolidated within the operations of the School Board.

### Our proposed audit response

- We will review the steps undertaken by the School Board to sever its control relationship over the Centre
- We will review the impact of this change in control on any funding implications for the School Board. It was noted that previously, students who attended the Centre were counted as students of the School Board for funding purposes under the *Education Act*.
- We will evaluate whether this change in relationship has any implications on payroll expenses (i.e. if there were any employees of the Centre who may have been paid via the School Board)
- We will review disclosures in the School Board financial statements to ensure they appropriately reflect the relationship between the School Board and the Centre

## Implementation of SparkRock financial and payroll/HR system

### Audit risk

The School Board implemented a new financial system, SparkRock, in the current year. There is a risk that data converted and migrated to the new system are not accurate and complete.

### Our proposed audit response

- We will obtain an understanding of the scope of the systems implementation, and the impact on key financial reporting cycles and modules.
- With involvement from our IT specialists, we will obtain documentation surrounding the data conversion and systems implementation to evaluate the internal controls surrounding the process (i.e. testing plans and results for test and live environments, cutover and data conversion strategy, etc.).
- We will compare data pre- and post-conversion and migration to ensure accuracy and completeness.
- We will test any systems-related internal controls to evaluate the sufficiency of their design and implementation post-implementation, including segregation of duties and access provisioning.
- With respect to the implementation of the payroll/HR system, we will meet with management to determine the scope of testing. Tentatively, we propose the procedures below, with timing of testing to be determined depending on the go live date:
- We will review the migration of employee data from legacy to the new system, including employee payroll, time and attendance, and HR information
  - We will review the assignment of access authority and assess the appropriateness given the sensitivity of employee information, including proper segregation of duties
  - We will review the set up of payroll deductions including rates table
  - We will review the revised payroll process, from time and attendance management/entry, approval, deductions, payment, and reconciliation, to ensure there are no internal control gaps

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

### Risk identified

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

### Our proposed audit response

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

## Accounts payable and accrued liabilities

### Risk identified

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

### Our proposed audit response

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

## Employee future benefits

### Risk identified

Employee future benefits liabilities and expenses may be understated.

### Our proposed audit response

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

## Payroll

### Risk identified

Payroll expense is not accurately recorded.

### Our proposed audit response

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

\*significant risk

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

# Appendix 1 – Communication requirements

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

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

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

# Appendix 2 – Group audit and timing

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

Procedures	Timing
Presentation of audit plan to the Audit Committee	April 30, 2019
Seven month stub period report	Week of April 29, 2019
Interim audit	Week of May 27, 2019
School Generated Funds/School Council Funds audit	Tentatively week of September 22, 2019
Year-end audit	Tentatively October 20-November 1, 2019

## Meetings with the Audit Committee to:

Issuance of draft consolidated financial statements to the Audit Committee	Tentatively November 12, 2019
Review the result of our audit and provide audit report	Tentatively November 12, 2019

# Appendix 3 – New and revised public sector accounting standards

The following is a summary of certain new Public Sector Accounting Standards, amendments and proposals that will become effective in 2018 and beyond.

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

## Public Sector Accounting Standards

Topic	Description	Effective date
<b>Section PS 3430 - Restructuring transactions</b>	This new section was published by PSAB in June 2015. It establishes standards on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.	This section applies to restructuring transactions occurring in fiscal years beginning on or after April 1, 2018. Earlier adoption is permitted.
<b>Section PS 1201 - Financial statement presentation</b>	This new section was published by PSAB in June 2011. It revises and replaces Section PS 1200 Financial statement presentation. It establishes general reporting principles and standards for the disclosure of information in government financial statements.	This Section is effective when Sections PS 2601 and PS 3450 are adopted.
<b>Section PS 2601 - Foreign currency translation</b>	This section revises and replaces PS 2600, Foreign currency translation. It establishes standards on how to account for and report transactions that are denominated in a foreign currency in government financial statements.	This Section is effective for fiscal years beginning on or after April 1, 2021. For government organizations that applied the CPA Canada Handbook – Accounting prior to adopting the CPA Canada Public Sector Accounting Handbook, this Section applies to fiscal years beginning on or after April 1, 2012. Governments and government organizations would also adopt Section <a href="#">PS 3450</a> at the same time. Earlier adoption is permitted.
<b>Section PS 3041 - Portfolio investments</b>	This section revises and replaces PS 3040, Portfolio investments. It establishes standards on how to account for and report portfolio investments in government financial statements.	This Section is effective when Sections PS 1201, PS 2601 and PS 3450 are adopted.

Topic	Description	Effective date
<b>Section PS 3450 - Financial instruments</b>	This new section was published by PSAB in June 2011. It establishes standards on how to account for and report all types of financial instruments including derivatives.	This section is effective for fiscal years beginning on or after April 1, 2021. For government organizations that applied the CPA Canada Handbook – Accounting prior to adopting the CPA Canada Public Sector Accounting Handbook, this Section applies to fiscal years beginning on or after April 1, 2012. Governments and government organizations would also adopt <u>PS 2601</u> at the same time. Earlier adoption is permitted.
<b>Section PS 3280 – Asset retirement obligations</b>	This Section establishes standards for reporting legal obligations associated with the retirement of long lived tangible capital assets currently in productive use.	This Section is effective for fiscal years beginning on or after April 1, 2021. Earlier adoption is permitted.
<b>Section PS 3400 - Revenue</b>	This Section establishes standards that apply to revenues of governments and government organizations other than government transfers and tax revenue. This standard addresses recognition, measurement and presentation.	This Section is effective for fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted.

## MEMO

To: Halton District School Board Audit Committee  
From: Jenny Baker, Regional Internal Audit Manager  
Date: 30 April 2019  
Subject: Regional Internal Audit Status Report – Public Session

---

This memorandum will serve to update the Audit Committee of the Regional Internal Audit Team's work since January 22, 2019.

### **A. Audit in Progress**

The Special Education Audit is in progress and is expected to be complete by the end of May.

### **B. 2018-2019 Risk Assessment Update and Audit Plan Proposal**

Attached for your information is a summary describing the annual risk assessment update and the presentation of the 2019-2020 regional internal audit plan for your approval.

### **C. Other**

#### **Annual Independence Assertion**

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

#### ***Motion:***

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



## MEMO

TO: Halton District School Board Audit Committee  
FROM: Jenny Baker, Regional Internal Audit Manager  
DATE: 30 April 2019  
SUBJECT: 2019-20 Internal Audit Plan

---

On March 22nd, the Regional Internal Audit Manager met with the Director and the Superintendent of Business Services (SBO) to determine whether the proposed audit plan for 2019-20 as presented on April 17, 2018 could be recommended to the audit committee for approval or it required revision due to changes in the risk profile identified during the 2018-19 school year. Information provided by the Director and SBO resulted in the development of this revised audit plan.

### **Recommendation:**

- 1. Be it resolved that the Continuing Education audit approved as part of the 2018-19 regional internal audit plan be deferred due to the review of continuing education programs currently underway by the Associate Director.*
- 2. Be it resolved that the Audit Committee recommends that the 2019-20 Regional Internal Audit Plan which includes an audit of Privacy and Information Management and follow-up reviews of Information Technology Vulnerability and Security Assessment, Insurance Administration and Board Sponsorships be approved by the Board of Trustees.*

### **For 2019-2020**

#### **1. Privacy**

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

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

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

The scope of this audit is deemed to equate to two equivalent audit projects.

## **2. Audit Follow up Reviews**

- i. Information Technology Vulnerability and Security Assessment**
- ii. Insurance Program Administration**
- iii. Board Partnerships and Sponsorships**

### **For 2020-21 Topics Identified for Discussion Only**

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

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

#### **2. Attendance Support Program**

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

#### **3. Continuing Education**

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

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

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

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

#### **4. Audit Follow up Reviews**

- i. Special Education**
- ii. Board Sponsorships**

## Audit Committee New Member Orientation and Training Resources

Item	Description	Page
1	Audit Committee Regulation 361/10 <a href="https://www.ontario.ca/laws/regulation/100361">https://www.ontario.ca/laws/regulation/100361</a>	2
2	Open vs. Closed Sessions – Audit Committee Meetings	9
3	Recent Ministry Memos: 2017: SB26 Audit Committee Annual Report to the Ministry 2017: SB23 Update on Ministry Support for Audit Committees and Internal Audit 2016: B10 – Increasing Consistency Amongst Regional Internal Audit Teams 2016: SB31 – Update on Regional Internal Audit Consistency Measures 2016: SB14 – Update on Internal Audit Leading Practice Repository 2016: SB05 – Trustee Training Module on IA and the Role of Audit Committees 2015: SB30 – 2014-15 Audit Committee Annual Report to the Ministry 2015: SB19 – Audit Committees and Regional Internal Audit Updates 2014: SB02 – Audit Committees and Internal Audit on School Business Support Branch Website 2010: SB45 – Audit Committee Regulation	34
4	Internal Audit Process & Audit Committees OPSBA Presentation (June 2017)	59
	Audit Committee Training Slides and Q&A (2015 PD Session)	92
5	Regional Internal Audit Team Background Information	159
	Regional Internal Audit Team Mandate	160
6	Halton District School Board – 2017/18 Financial Statements <a href="https://www.hdsb.ca/our-board/Documents/Financial-Statements-2017-2018.pdf">https://www.hdsb.ca/our-board/Documents/Financial-Statements-2017-2018.pdf</a>	166
7	Halton District School Board- 2018/19 Operating and Capital Budget <a href="https://www.hdsb.ca/our-board/Documents/Budget-2018-2019.pdf">https://www.hdsb.ca/our-board/Documents/Budget-2018-2019.pdf</a>	192
8	Halton District School Board Senior Administration and Responsibilities <a href="https://www.hdsb.ca/our-board/Pages/Administration-and-Superintendents.aspx">https://www.hdsb.ca/our-board/Pages/Administration-and-Superintendents.aspx</a>	236
9	Halton District School Board Board of Trustees 2018-2022 <a href="https://www.hdsb.ca/our-board/Pages/Board-of-Trustees.aspx">https://www.hdsb.ca/our-board/Pages/Board-of-Trustees.aspx</a>	243
10	Halton District School Board Audit Committee Public Agendas and Minutes <a href="https://www.hdsb.ca/our-board/Pages/Board%20of%20Trustees/Audit-Committee-Agenda-and-Minutes.aspx">https://www.hdsb.ca/our-board/Pages/Board%20of%20Trustees/Audit-Committee-Agenda-and-Minutes.aspx</a>	See Link
11	Ministry of Education Funding Information <a href="http://www.edu.gov.on.ca/eng/funding/index.html">http://www.edu.gov.on.ca/eng/funding/index.html</a>  2018-19 Education Funding - A Guide to the Grants for Student Needs <a href="http://www.edu.gov.on.ca/eng/funding/1819/GSNGuide2018-19Revised.pdf">http://www.edu.gov.on.ca/eng/funding/1819/GSNGuide2018-19Revised.pdf</a>  Memorandum 2018 B06: Grants for Student Needs for 2018-19 <a href="http://www.edu.gov.on.ca/eng/funding/1819/B06_memo_2018_19_gsn_en.pdf">http://www.edu.gov.on.ca/eng/funding/1819/B06_memo_2018_19_gsn_en.pdf</a>	See Link
12	Other Resources: CPA Website – Guidance and Tools for Audit Committees <a href="https://www.cpacanada.ca/en/business-and-accounting-resources/audit-and-assurance/enhancing-audit-quality/publications/guidance-and-tools-for-audit-committees">https://www.cpacanada.ca/en/business-and-accounting-resources/audit-and-assurance/enhancing-audit-quality/publications/guidance-and-tools-for-audit-committees</a>	See Link

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

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

Last amendment: O. Reg. 204/15.

*This is the English version of a bilingual regulation.*

**Interpretation**

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

(2) In this Regulation,

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

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

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

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

**Establishment of audit committee**

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

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

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

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

**Composition of audit committee**

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

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

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

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

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

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

**Eligibility for appointment of persons who are not board members**

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

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

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

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

**Selection committee**

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

(2) The selection committee shall be composed of,

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

**Chair of the audit committee**

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

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

**Term of appointment**

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

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

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

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

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

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

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

#### **Vacancies**

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

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

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

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

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

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

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

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

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

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

#### **Duties of an audit committee**

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

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

i. Relevant accounting and reporting practices and issues.

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

iii. Material judgments and accounting estimates of the board.

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

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

i. the results of the annual external audit,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Powers of an audit committee**

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

**Meetings**

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

**Codes of Conduct**

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

**Remuneration and compensation**

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

**Declaration of conflicts**

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

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

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

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

### Reporting

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

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

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

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

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

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

### Français



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



November 2015

# Table of contents

---

Executive summary	1
Role of the audit committee	4
Balancing transparency and risk	5
Open and candid communication	8
Ombudsman of Ontario reports	10
Ontario public sector legislation review	12
Recommendations	16
Appendix A – Duties of the Audit Committee	20

---

# Executive summary

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

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

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

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

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

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

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

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

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

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

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

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

### Distinguishing the different types of meetings

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

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

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

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

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

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

# Role of the audit committee

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

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

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

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

The audit committee has oversight responsibility for:

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

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

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

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

# Balancing transparency and risk

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

## Significance of transparency

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

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



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

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

## Audit committee effectiveness

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

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

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

### Reputational risk

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

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

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

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

### Fraud risk

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

### Legal risk

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

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

### Privacy risk

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

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

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

# Open and candid communication

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

## Relationship with Board of Trustees

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

## Relationship with external parties

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

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

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

## Relationship with stakeholders

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

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

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

# Ombudsman of Ontario reports

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

## Ontario’s Sunshine Law

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

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

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



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

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

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

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

## Prior investigations

### Various municipal meeting investigations

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

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

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

### LHIN investigation (July 2010)

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

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

## Potential implications to school boards in Ontario

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

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

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

---

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

# Ontario public sector legislation review

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

## EDUCATION ACT SECTION 207

### Open meetings of boards

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

### Closing of certain committee meetings

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

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

### Closing of meetings re certain investigations

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

### Exclusion of persons

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

### Inspections of books and accounts

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

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

### Higher education

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

#### ONTARIO REGULATION 34/03 – SECTION 5

Ontario Colleges of Applied Arts and Technology Act, 2002

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

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

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

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

### Example of an Ontario University

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

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

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

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

## Municipalities

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

### MUNICIPAL ACT, 2001

#### S.O. 2001, CHAPTER 25

#### Meetings open to public

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

#### Exceptions

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

#### Other criteria

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

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

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

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

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

## Healthcare

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

### LOCAL HEALTH SYSTEM INTEGRATION ACT, 2006

S.o. 2006, chapter 4

#### Public meetings

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

#### Exceptions

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

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

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

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

# Recommendations

## Striking the right balance

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

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

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

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

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

### Recommendation #1 - Trustee attendance at audit committee meetings:

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

## In-camera meetings

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

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

### Purpose and benefit of different audience types

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

#### Recommendation #2 – In-camera sessions

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

### Communicating closed sessions

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

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

#### Recommendation #3 – Communications of closed sessions

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

## Conducting meetings in a closed session

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

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

### Recommendation #4 – Decision making in closed sessions

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

## Minutes of closed and in-camera meetings

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

### Recommendation #5 – Access to minutes

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

## Guidance on when to close audit committee meetings

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

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

### Recommendation #6 – Guidance on closing audit committee meetings

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

## Accessibility of information

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

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

# Appendix A – Duties of the Audit Committee

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

## Items for consideration for Open Sessions

### Duties as per Regulation 361/10

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

## Items for consideration for Closed Sessions

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

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

### Other duties

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

**[www.deloitte.ca](http://www.deloitte.ca)**

Deloitte, one of Canada's leading professional services firms, provides audit, tax, consulting, and financial advisory services. Deloitte LLP, an Ontario limited liability partnership, is the Canadian member firm of Deloitte Touche Tohmatsu Limited.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

© Deloitte LLP and affiliated entities.

**Ministry of Education**

School Business Support Branch  
2 Carlton Street, #710  
Toronto, ON M5B 1J3

**Ministère de l'Éducation**

Direction du soutien aux activités  
scolaires  
2 Rue Carlton, #710  
Toronto ON M5B 1J3

**2017: SB26**

**MEMORANDUM TO:** Senior Business Officials

**FROM:** Cheri Hayward  
Director  
School Business Support Branch

**DATE:** **September 7, 2017**

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

---

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

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

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

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

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

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

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

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

Signed reports should be submitted by email to [annette.amin@ontario.ca](mailto:annette.amin@ontario.ca) or by mail to:

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

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

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

*Original signed by*

Cheri Hayward  
Director  
School Business Support Branch

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

**Ministry of Education**

School Business Support Branch  
2 Carlton Street, #710  
Toronto, ON M5B 1J3

**Ministère de l'Éducation**

Direction du soutien aux activités  
scolaires  
2 Rue Carlton, #710  
Toronto ON M5B 1J3

**2017: SB23**

**MEMORANDUM TO:** Senior Business Officials  
Regional Internal Audit Managers

**FROM:** Cheri Hayward  
Director  
School Business Support Branch

**DATE:** **September 1, 2017**

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

---

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

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

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

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

Andrea can be reached at 416-326-1170 or by email at [Andrea.Eltherington@ontario.ca](mailto:Andrea.Eltherington@ontario.ca).

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

*Original signed by*

Cheri Hayward  
Director  
School Business Support Branch

cc: Dan Duszczyszyn, Regional Internal Audit Coordinator

**Ministry of Education****Office of the ADM**

Financial Policy and Business Division  
900 Bay Street  
20th Floor, Mowat Block  
Toronto ON M7A 1L2

**Ministère de l'Éducation****Bureau du sous-ministre adjoint**

Division des politiques financières et des  
opérations  
900, rue Bay  
20<sup>e</sup> étage, Édifice Mowat  
Toronto ON M7A 1L2

**2016: B10**

**MEMORANDUM TO:** Directors of Education  
Senior Business Officials

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

**DATE:** May 26, 2016

**SUBJECT:** Increasing Consistency Amongst Regional Internal  
Audit Teams

---

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

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

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

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

### **Engagements per Year**

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

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

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

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

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

### **Engagement Follow-up Activities**

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

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

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

### **Internal Audit Report**

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

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

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

### **RIAT Performance Review**

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

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

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

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

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

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

*Original signed by:*

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

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

**Ministry of Education**

School Business Support Branch  
900 Bay Street  
19<sup>th</sup> Floor, Mowat Block  
Toronto, ON M7A 1L2

**Ministère de l'Éducation**

Direction du soutien aux activités  
scolaires  
900 rue Bay  
19<sup>e</sup> étage, édifice Mowat  
Toronto ON M7A 1L2

**2016: SB31**

**MEMORANDUM TO:** Directors of Education  
Senior Business Officials

**FROM:** Cheri Hayward  
Director  
School Business Support Branch

**DATE:** **September 26, 2016**

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

---

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

**Regional Internal Audit Performance Review**

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

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

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

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

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

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

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

### **Regional Internal Audit Mandate**

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

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

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

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

### **Regional Internal Audit Coordinator**

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

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

Key responsibilities under the contract extension are as follows:

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

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

**Contacts**

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

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

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

*Original signed by*

Cheri Hayward  
Director  
School Business Support Branch

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

**Ministry of Education**

School Business Support Branch  
900 Bay Street  
19<sup>th</sup> Floor, Mowat Block  
Toronto, ON M7A 1L2

**Ministère de l'Éducation**

Direction du soutien aux activités  
scolaires  
900 rue Bay  
19<sup>e</sup> étage, édifice Mowat  
Toronto ON M7A 1L2

**2016: SB14**

**MEMORANDUM TO:** Senior Business Officials  
Regional Internal Audit Managers

**FROM:** Cheri Hayward  
Director  
School Business Support Branch

**DATE:** April 29, 2016

**SUBJECT:** Update on the Internal Audit Leading Practice  
Repository

---

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

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

**Pilot**

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

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

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

## Submission Process

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

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

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

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

## Eligible Leading Practices

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

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

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

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

*Original signed by*

Cheri Hayward  
Director  
School Business Support Branch

cc: Dan Duszczyzyn, Regional Internal Audit Coordinator

**Ministry of Education**

School Business Support Branch  
900 Bay Street  
19<sup>th</sup> Floor, Mowat Block  
Toronto, ON M7A 1L2

**Ministère de l'Éducation**

Direction du soutien aux activités  
scolaires  
900 rue Bay  
19<sup>e</sup> étage, édifice Mowat  
Toronto ON M7A 1L2

**2016: SB05**

**MEMORANDUM TO:** Directors of Education  
Senior Business Officials

**FROM:** Cheri Hayward  
Director  
School Business Support Branch

**DATE:** March 1, 2016

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

---

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

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

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

The material is provided in three parts:

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

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

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

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

*Original signed by*

Cheri Hayward  
Director  
School Business Support Branch

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

**Ministry of Education**

**School Business Support Branch**  
19th Floor, Mowat Block  
900 Bay Street  
Toronto ON M7A 1L2

**Ministère de l'Éducation**

**Direction du soutien aux activités  
scolaires**  
19<sup>e</sup> étage, Édifice Mowat  
900, rue Bay  
Toronto ON M7A 1L2

**2015: SB30**

**MEMORANDUM TO:** Senior Business Officials

**FROM:** Cheri Hayward  
Director  
School Business Support Branch

**DATE:** **October 8, 2015**

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

---

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

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

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

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

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

Please submit the report to:

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

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

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

*Original signed by:*

Cheri Hayward  
Director  
School Business Support Branch

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

## Internal Audit Expenditure Envelope Guideline

### Background

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

### Enveloping Rules

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

Allowable costs:

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

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

Disallowed costs:

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

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

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

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

## Internal Audit Expenditure Envelope Guideline

### Background

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

### Enveloping Rules

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

Allowable costs:

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

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

Disallowed costs:

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

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

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

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

**Ministry of Education**

School Business Support Branch  
900 Bay Street  
20<sup>th</sup> Floor, Mowat Block  
Toronto, ON M7A 1L2

**Ministère de l'Éducation**

Direction du soutien aux activités  
scolaires  
900, rue Bay  
20<sup>e</sup> étage, édifice Mowat  
Toronto ON M7A 1L2

**2014: SB02**

**MEMORANDUM TO:** Directors of Education  
Senior Business Officials

**FROM:** Cheri Hayward  
Director  
School Business Support Branch

**DATE:** January 28, 2014

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

---

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

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

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

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

*Original Signed by*

Cheri Hayward  
Director  
School Business Support Branch

cc: Regional Internal Audit Managers

**Ministry of Education**  
Financial Analysis and  
Accountability Branch  
21<sup>st</sup> Floor, Mowat Block  
900 Bay Street  
Toronto, Ontario M7A 1L2  
Tel.: (416) 327-9356  
Fax: (416) 325-2007  
Email: [Andrew.Davis@Ontario.ca](mailto:Andrew.Davis@Ontario.ca)

**Ministère de l'Éducation**  
Direction de l'analyse et de la  
responsabilité financières  
21<sup>e</sup> étage, édifice Mowat  
900, rue Bay  
Toronto, Ontario M7A 1L2  
Tél. : (416) 327-9356  
Téléc.: (416) 325-2007  
Courriel: [Andrew.Davis@Ontario.ca](mailto:Andrew.Davis@Ontario.ca)



**2010: SB45**

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

**FROM:** Andrew Davis  
Director  
Financial Analysis and Accountability Branch

**DATE:** September 23, 2010

**SUBJECT:** Audit Committee Regulation

---

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

The regulation sets out the following major aspects:

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

### **Training**

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

be communicated to the sector in early fall.

### **External Member Recruitment**

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

### **Website Link**

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

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

Some of the key documents are as follows:

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

### **Regional Internal Audit Teams (RIAT)**

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

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

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



Andrew Davis  
Director  
Financial Analysis and Accountability Branch

cc: Superintendents of Business



INTERNAL  
AUDIT TEAM

## INTERNAL AUDIT PROCESS & AUDIT COMMITTEES

OPSBA Annual General Meeting & Program – June 9, 2017

## Agenda

- IA Overview
- Risk Assessment
- Financial Reporting
- Flow of Information



*«...strategic advisors and catalysts for change...»*

## Who we are

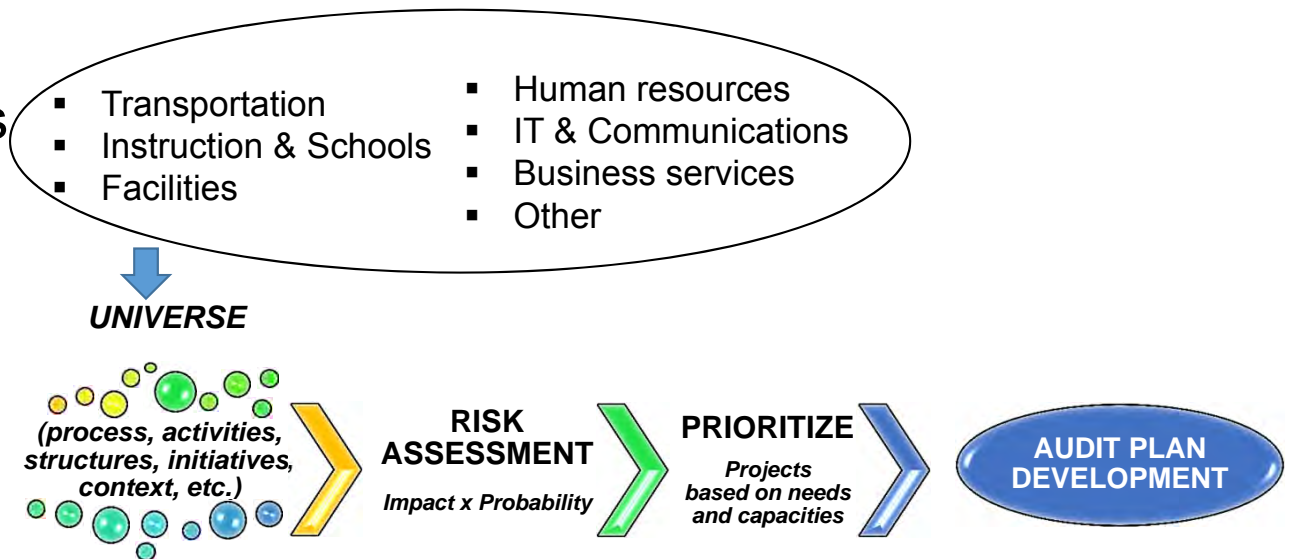
- Internal audit mandate
- Ontario Reg. 361/10
- 8 regions for 72 school boards
- Independent and objective
- Working for school boards
- Diverse skill set
- Professional standards
- Adding value

*IA ..... a necessary evil or  
an untapped wealth ....*

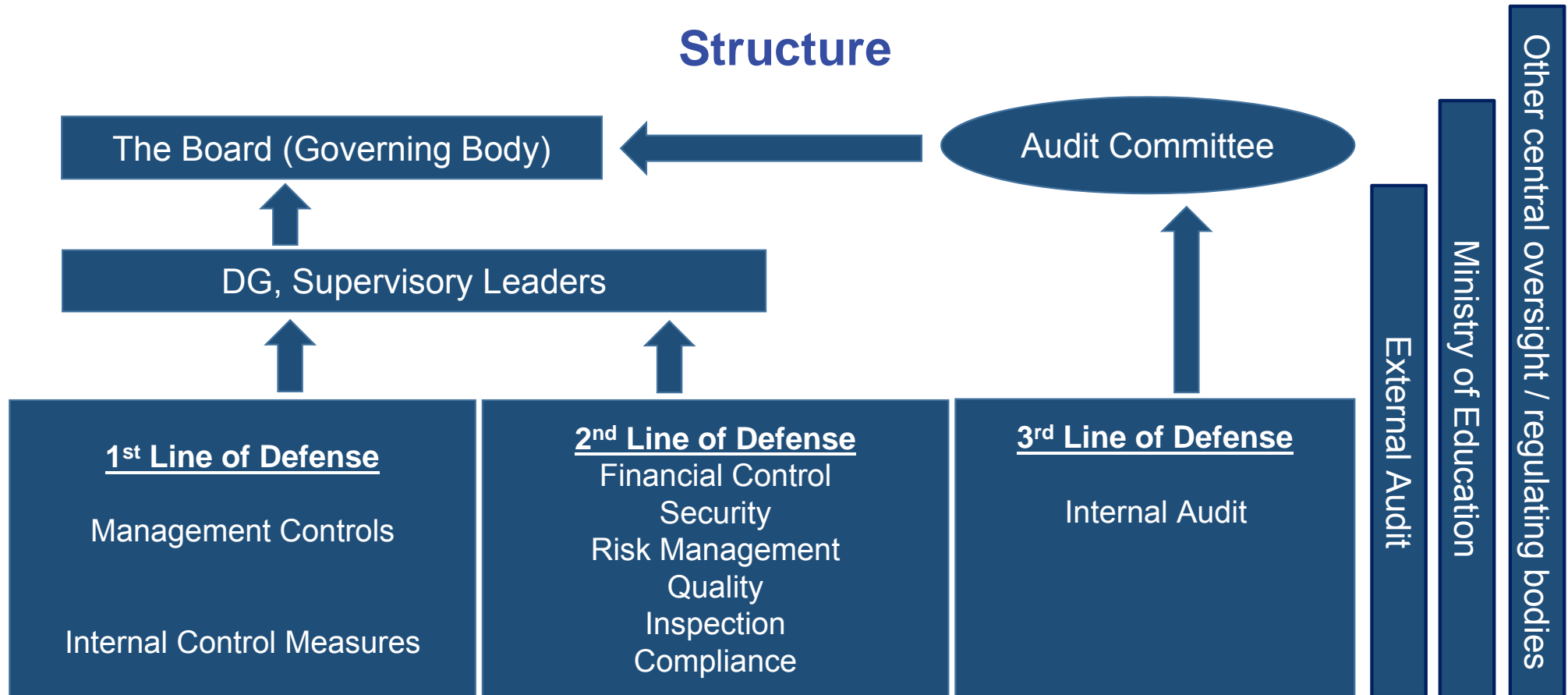


## What we do

- Governance, Risk Management, Compliance, Internal Controls
- Audit universe
- Type of engagements
  - Audits
  - Consulting
  - Continuous monitoring



- Dual reporting relationship



## Past Developments

- Changes to Ontario Regulation 361/10: Audit Committees (July 2015)
  - Allows any audit committee member to be Chair (previously only trustee members);
  - The audit committee is now required to make recommendations to the Board on the content of the external audit plan and on all proposed major changes to the plan; and
  - Amendments to Ministry reporting requirements.
- Guidance on what to include in open and closed audit committee sessions (Deloitte, Nov 2015)
- Internal Audit and The Role of Audit Committees (Module 19, 2016: SB05)
- Province-wide trustee training (held early 2015)
- Regional Internal Audit Coordinator

## Recent Accomplishments

- Internal Audit Professional Development Conferences
- Auditor training on the education sector
- Development & implementation of a leading practice repository (Dec. 2016)
- Standardization across Regional Internal Audit Teams (where possible)
  - Regional internal audit branding
  - Increasing consistency
    - Number of audits per year
    - Audit follow-up activities
    - Performance Reviews
    - Update and use of standardized internal audit templates and tools (mandate, internal audit report, manual)

## Join Us

- For further information:
  - Trustee Professional Development Program - <http://www.ontarioschooltrustees.org>
  - Ontario Regulation 361/10 - <http://www.ontario.ca/laws/regulation>
  - Good Governance: A Guide for Trustees, School Boards, Directors of Education and Communities - <http://cge.ontarioschooltrustees.org/fr/download.html>
  - The Institute of Internal Auditors - <https://na.theiia.org/Pages/IIAHome.aspx>



INTERNAL  
AUDIT TEAM

## RISK ASSESSMENT

OPSBA Annual General Meeting & Program – June 9, 2017

## What is Risk?

Risk is the possibility of an event occurring that will impact the achievement of your school board's objectives



## Examples of Risk

A school board faces risk from a variety of sources:

- A young student is dropped off at the wrong bus stop
- EQAO math scores drop sharply year over year
- A hacker gains access to confidential employee and/or student data
- Cash is stolen from a fundraising event
- A school is heavily damaged in a tornado, causing the school to be closed for a long period

## Risk Assessment

- Limited resources to manage risks
  - Prioritize through risk assessment
- Risks are typically assessed in terms of likelihood and impact
  - **Likelihood:** The probability that the event will occur
  - **Impact:** The extent to which the event might affect the school board

Typically considers multiple criteria (financial, reputational, operational, etc.)

## Sample Risk Rating Scales

Likelihood	Description
High	Almost certain to occur at least once in the next year
Medium	May occur in the next 2-9 years
Low	Not likely to occur in the next 10 years

Impact	Description
High	One or more strategic objectives not achieved
Medium	Moderate impact on achievement of objectives
Low	Minor or no impact on the achievement of objectives

## Risk Matrix

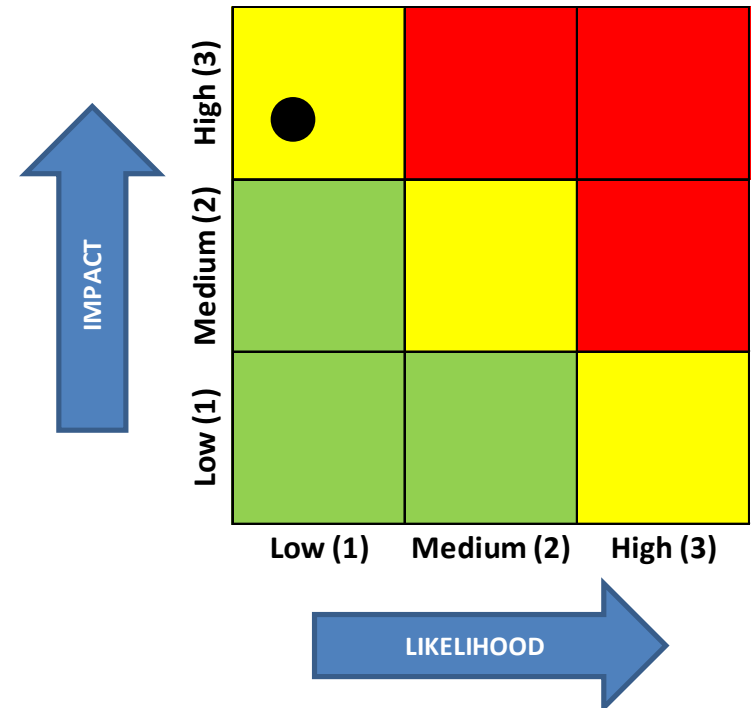
### Risk

A school is heavily damaged by a tornado, causing a long-term closure

Likelihood = Low (1)

Impact = High (3)

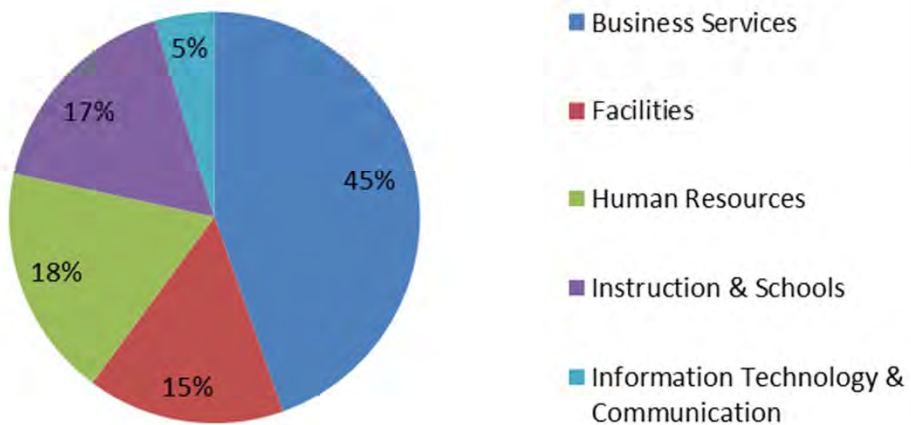
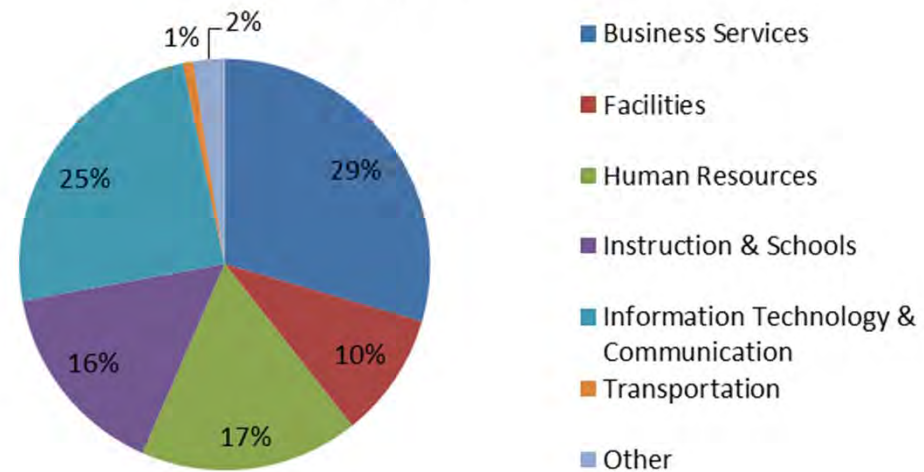
Overall Risk Score = Medium (3 x 1)



## Developing the Internal Audit Plan

- Minimum two audits per school board – limited capacity
  - Focus internal audit resources on highest risks and greatest capacity to provide value, as identified:
    - Through discussions with management on areas of concern
    - Through the risk assessment
  - Keep the audit plan current (1- 3 years)
    - Velocity of change in risk
    - Flexibility
  - Internal audit presents the plan to the audit committee, which then recommends the content of the plan to the Board
-

## Changing Audit Focus

**2012-13****2015-16**

## Top Audits

### 2012-13

- Procurement & Accounts Payable/ Purchasing Cards/ Expense Reporting
- Budget Planning, Development & Control
- School Generated Funds
- Enrolment

### 2015-16

- Payroll, Compensation & Benefits
- Manage IT Security, Network & Application Access Management
- Special Education
- Attendance Support

## Table Discussion

1. Individually, take five minutes and determine what you feel are the top three risks for your school board
2. Discuss these with your table group
3. For three of the risks identified at your table, work together and plot these risks on a 3x3 risk matrix

## Table Discussion

IMPACT				
		LIKELIHOOD		
		Low	Medium	High
High		Medium	High	High
Medium		Low	Medium	High
Low		Low	Low	Medium





INTERNAL  
AUDIT TEAM

## FINANCIAL REPORTING

OPSBA Annual General Meeting & Program – June 9, 2017

## Financial Reports

- Key topic identified by participants of previous audit committee training sessions/presentations

*‘As an audit committee member I am expected to review and make recommendations to the Board on the financial statements, how can I be better informed to make a recommendation?’*

- Desire to know more about what to look for- where, when & how
- What types of financial reports will assist in informing your understanding of the fiscal health of the Board?
- What are some of the key indicators to look for and inquire of management?
- What types of reports can management provide?

## Financial Reporting and Review

Audit committees must:

- Discuss significant financial risks and measures to monitor and manage these risks
- Review materials from the external auditor including the audited financial statements
- Review and recommend approval of the financial statements to the Board
- May also review financial information from other sources, in line with leading practices

## Reporting

- Management has various reporting tools that provide key financial information
- Reports developed by management communicate their monitoring of budget to actual tracking with prior year(s) comparisons
- Tracking of budget to actual includes: staffing levels, enrolment, revenues (from all sources) and expenditures
- Important to note that there is no one 'right' reporting tool
- Management will develop and use the tools that work best for their needs and system capabilities
- For illustrative purposes and to support Boards in developing interim financial reporting tools the Ministry developed a sample template (2015:SB10 Interim Financial Reporting)

## Sample Reporting Template

Interim Financial Reporting Template

[2015 SB10 Interim Financial Reporting.xls](#)



INTERNAL  
AUDIT TEAM

## FLOW OF INFORMATION

OPSBA Annual General Meeting & Program – June 9, 2017

## Guideline on Audit Committee Reporting

- Annual Reports:
  - Detailed report to the Board
  - High level report to the Ministry
- By-laws may require a meeting report to the Board after every audit committee meeting
- Both annual reports are typically brought forward at the September or November audit committee meeting

## Approval by the Board

- The audit committee will recommend for Board approval:
  - Internal audit plan
  - External audit plan
  - Audited financial statements

## Open vs. Closed Meetings

- Evolving area across the sector
- Each audit committee should develop criteria for topics to be included in their open or closed committee sessions
- Follow principles of transparency and accountability
- Consider each agenda item
- Guidance report from Deloitte

## Open vs. Closed vs. In-Camera

- Open meetings
  - Open to the public, announced on Board website
  - Transparency
- Closed meetings
  - Limited to audit committee members, Board of Trustees, management, auditors, legal counsel
- In-camera sessions
  - No decision making

## Open vs. Closed Meeting Agenda Items

Agenda Item	Open	Closed
Internal audit reports		X
Auditing team's performance review		X
Internal audit follow-up reports		X
Audited financial statements	X	
Internal audit mandate	X	
Audit engagement letter	X	
Discussion of the Board's significant risks		X
Interim financial reports	X	
Annual internal/external audit plans	X	X
Annual report to the Board of Trustees	X	X

## Activity

1. A review of 20 expense reports from a principal at a local school identified a number of trivial purchases made by the principal. The review identified a claim where two televisions were purchased. When the auditor asked to physically see the televisions to ensure they were being used for educational purposes, the principal was able to show the auditor one. When questioned where the other television was the principal broke down and admitted he took it home for personal use. Looking at the expense claim, the auditor noticed the principal's claim was not reviewed and signed off by the superintendent as required by Board policy. Should this matter relating to fraud be disclosed in an open or closed session of the audit committee?

## Activity

2. At a recent audit committee meeting the external auditors presented the year-end financial statements as required. After the review the Chair presented a motion to recommend approval of the financial statements to the Board of Directors. Should this event be disclosed in an open or closed session of the audit committee?
3. The audit committee Chair opened the meeting and immediately after asked members of the Board for a motion to approve the minutes of the last meeting. Should this be disclosed in an open or closed session of the audit committee?

## Additional Resources

- Ministry of Education's School Business Support Branch  
Includes resources for audit committees- such as Deloitte report (Open vs. Closed Meetings) and Guideline on Audit Committee Reporting  
<https://sbsb.edu.gov.on.ca/VDIR1/Internal%20Audit/AuditCommittee.aspx?Link=InternalAudit>
- Guidance and format for Interim Reporting to Audit Committees  
[https://efis.fma.csc.gov.on.ca/faab/Memos/SB2015/SB10E\\_AODA.pdf](https://efis.fma.csc.gov.on.ca/faab/Memos/SB2015/SB10E_AODA.pdf) (memo)  
[https://efis.fma.csc.gov.on.ca/faab/Memos/SB2015/SB10\\_EN\\_attach\\_Revised.xls](https://efis.fma.csc.gov.on.ca/faab/Memos/SB2015/SB10_EN_attach_Revised.xls)  
(sample template)

Show starts in five minutes...



# Internal Audit and Audit Committees



# Objectives

Today, you will learn:

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

# Our role in meeting Ontario's education goals

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

# Why Audit Committees and Internal Audit?

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

## How did we get here?

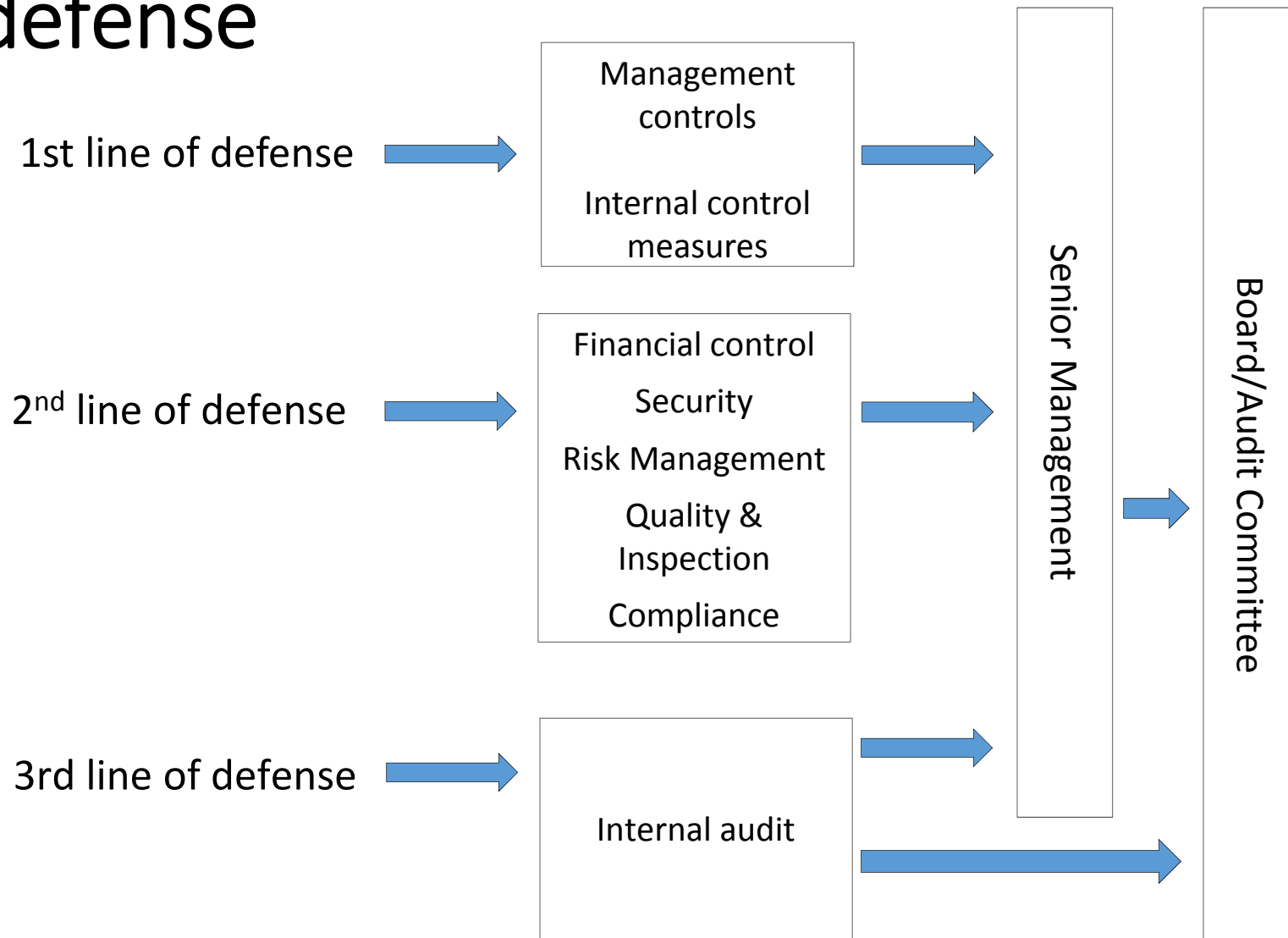
- Opportunities identified through the Ministry of Education's Operational Reviews
- Legislation received royal assent in 2009
- Audit committee regulation drafted in consultation with host board workgroup
- Extensive sector consultation
- Mandated audit committees by January 31, 2011
- Regional Internal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

# What is Internal Audit?

Here's the Plain Language definition:

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

# Internal Audit as the third line of defense



# What does Internal Audit do?

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

# Management support is vital

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

# Regional Internal Audit Model



# Eight regions across the province

- **Region**

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

- **Host Board**

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

# Internal Auditors work independently

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

# Governance, Risk Management, Internal Controls



## Specific benefits to our sector

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

# Accountability and Transparency

News / GTA

## OPP to investigate misspending by Brampton Mayor Susan Fennell and council

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

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



# Internal Audit in the public sector



# Effective Internal Audit

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

# Managing risk



# What is risk?

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

# How best to manage risks?

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

# Managing risk with internal controls

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

## RIAT: Preventive action

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

# *After the break:* Ontario Regulation 361/10 and you



# Audit Committees



# What does an Audit Committee do?

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

## Responsibilities:

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

# Working with Internal Audit

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

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

# Composition of Audit Committee

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

# Audit Committee Members

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

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

# Non-Board Members

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

# Selection Committee

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

# Terms of Appointment

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

# The role of the Audit Committee Chair

## The Audit Committee chair:

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

# Managing committee vacancies

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

# Powers of an Audit Committee

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

# Audit Committee Meetings

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

# Audit Committee Meetings

## Leading practices:

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

# Open versus Closed Meetings

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

# Code of Conduct

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

# Remuneration/Compensation

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

## Identify conflicts of interest

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

# Reporting to the Board

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

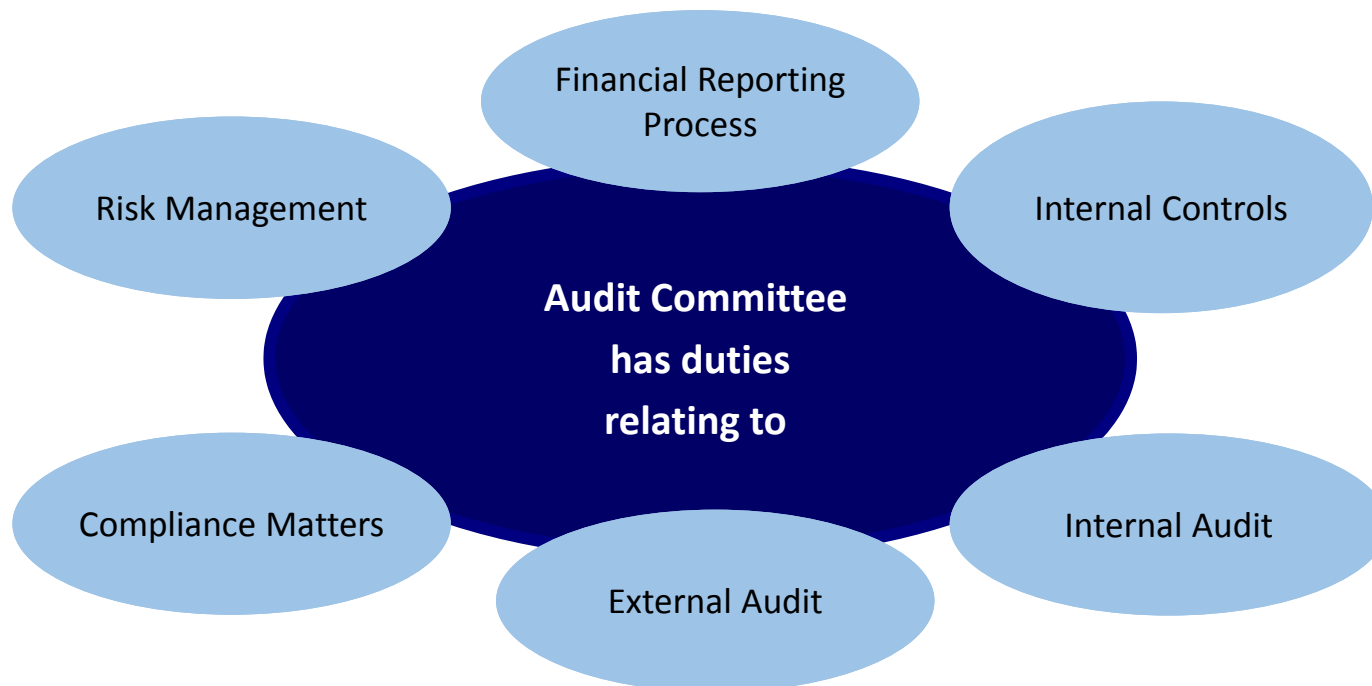
# Reporting to the Ministry

The Board of Trustees reports to the Ministry to:

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

# Audit Committee Role Overview

Regulation 361/10 outlines duties in six main areas:



# Financial Reporting

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

# Financial Reporting

Review all materials from the external auditor including:

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

# Internal Controls

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

# Internal Controls

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

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

# Internal Audit

The Audit Committee will:

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

Internal Audit will present for review:

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

# External Audit

Audit Committees must:

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

# Compliance

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

# Risk Management

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

# Reporting on Committee Performance

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

# Objectives Revisited

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

# Benefits of a well-run Audit Committee

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

# Linkage between Internal Audit & Audit Committees

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

# Working together in the public interest

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

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

## **Audit Committee & Internal Audit Training – Questions & Answers**

### **Internal Audit**

#### ***Internal Audit Roles and Responsibilities***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### ***Other***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **Audit Committees**

### ***Composition of Audit Committee***

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

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

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

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

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

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

***Eligibility for appointment of persons who are not board members***

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

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

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

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

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

***Selection Committee***

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

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

***Vacancies***

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

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

***Duties of an Audit Committee – Financial Reporting Process***

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

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

9. Question – What is the Financial Administration Act?

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

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

***Duties of an Audit Committee – Compliance Matters***

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

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

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

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

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

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

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

### ***Duties of an Audit Committee – Risk Management***

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

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

### ***Declaration of Conflicts***

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

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

**Reporting**

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

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

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

**Open vs. Closed Meetings**

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

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

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

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

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

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

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

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

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

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

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

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

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

### ***Other***

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

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

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

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

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

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

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

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

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

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

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



The Regional Internal Audit Team (RIAT) is hosted by the Waterloo Region District School Board for the West of Central Region, Ontario Canada. The West of Central Region is composed of the District School Board of Niagara, Niagara Catholic District School Board, Halton Catholic District School Board, Halton District School Board, Hamilton-Wentworth Catholic District School Board, Hamilton-Wentworth District School Board, Upper Grand District School Board, Waterloo Region District School Board, Waterloo Catholic District School Board, and Wellington Catholic District School Board.

RIAT is responsible for providing internal audit services to each of the school boards within their region based on each Board's approved audit plan and reporting on the results to the Audit Committee of the applicable Board. The goal of RIAT is to evaluate processes which may pose risks to the school board(s) reputation and/or financial well-being and recommend actions to mitigate the risk.

The Regional Internal Audit team is composed of four internal audit professionals and a manager.

**Jenny Baker, CPA, CA, CISA, CFE**

REGIONAL INTERNAL AUDIT MANAGER

(O) 519-570-0003 ext 4683

(M) 519-588-4519 • 51 Ardelt Avenue, Portable 3  
Kitchener, ON, N2C 2R5

## Regional Internal Audit Mandate

### PURPOSE AND DEFINITION

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

### ROLE

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

### PROFESSIONALISM

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

### AUTHORITY

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

### ORGANIZATION

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

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

- Approve the regional internal audit mandate;
- Recommend for approval the risk based internal audit plan;

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

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

## **INDEPENDENCE AND OBJECTIVITY**

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

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

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

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

## **RESPONSIBILITY**

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

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

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

## **INTERNAL AUDIT PLAN**

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

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

## **REPORTING AND MONITORING**

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

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

## **QUALITY ASSURANCE**

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

The Regional Internal Audit Manager will communicate to district school board management and the Audit Committee of the Board of Trustees on the internal audit activity's quality assurance and improvement program, including the results of ongoing internal assessments and external assessments conducted as appropriate, usually on a five year cycle.

---

Regional Internal Audit Manager

---

Audit Committee Chair

---

Director of Education or designate

---

February 13, 2018

**DEFINITION OF SELECTED TERMS**

Add Value	Value is provided by improving opportunities to achieve organizational objectives, identifying operational improvement, and/or reducing risk exposure through both assurance and consulting services.
Advisory/Consulting Services	Advisory and related client service activities, the nature and scope of which are agreed to with the client and which are intended to add value and improve a school board's governance, risk management and control processes without the regional internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training.
Assurance	An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Results can be relied upon for supporting informed decision making.
Board of Trustees	A legislative body that has overall responsibility and accountability for the district school board. For purposes of this Mandate, this also includes committees that support the Board of Trustees including the audit committee.
Compliance	Conformity and adherence to policies, plans, procedures, laws, regulations, contracts or other requirements.
Control Environment	<p>The attitude and actions of the Board of Trustees and district board management regarding the significance of control within the organization. The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The control environment includes the following elements:</p> <ul style="list-style-type: none"> <li>Integrity and ethical values.</li> <li>Management's philosophy and operating style.</li> <li>Organizational structure.</li> <li>Assignment of authority and responsibility.</li> <li>Human resource policies and practices.</li> <li>Competence of personnel.</li> </ul>
Control/Internal Controls	<p>Any action taken by district board management and other parties to enhance risk management and increase the likelihood that established objectives and goals will be achieved. Management plans, organizes and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.</p> <p>The system of management controls (business plans, capturing and analyzing data, performance reporting, code of conduct, etc.) that are implemented within a school board to ensure that assets (human, physical and information) are protected and to provide reasonable assurance that its objectives can be achieved.</p>
Control Processes	The policies, procedures and activities that are part of a control framework, designed to ensure that risks are contained within the risk tolerances established by the risk management process.

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

---

## Consolidated financial statements of Halton District School Board

August 31, 2018

---

---

Management Report.....	1
Independent Auditor’s Report.....	2-3
Consolidated statement of financial position.....	4
Consolidated statement of operations.....	5
Consolidated statement of cash flows.....	6
Consolidated statement of change in net debt .....	7
Notes to the consolidated financial statements .....	8-24

---

# Management Report

## **Management's responsibility for the consolidated financial statements**

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

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

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

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

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

Director of Education

Superintendent of Business Services  
And Treasurer

---

November 21, 2018

## Independent Auditor's Report

To the Trustees of the  
Halton District School Board

We have audited the accompanying consolidated financial statements of the Halton District School Board (the "Board"), which comprise the consolidated statement of financial position as at August 31, 2018, and the consolidated statements of operations, cash flows and change in net debt for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the consolidated financial statements of the Halton District School Board as at and for the year ended August 31, 2018 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

**Emphasis of Matter**

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

Chartered Professional Accountants  
Licensed Public Accountants  
November 21, 2018

Draft

**Halton District School Board****Consolidated statement of financial position**

As at August 31, 2018

	Notes	2018	2017
		\$	\$
<b>Financial assets</b>			
Cash and cash equivalents		<b>88,194,188</b>	86,166,167
Accounts receivable		<b>38,622,710</b>	38,160,009
Accounts receivable – Government of Ontario	2	<b>284,174,112</b>	295,682,715
		<b>410,991,010</b>	420,008,891
<b>Liabilities</b>			
Accounts payable and accrued liabilities		<b>72,925,980</b>	63,975,297
Other	4	<b>2,819,264</b>	2,290,984
Net long-term liabilities	5	<b>263,328,356</b>	274,935,788
Deferred revenue	7	<b>28,291,246</b>	29,509,571
Employee future benefits payable	9	<b>25,799,241</b>	26,759,674
Deferred capital contributions	8	<b>570,408,258</b>	550,502,882
		<b>963,572,345</b>	947,974,196
Net debt		<b>(552,581,335)</b>	(527,965,305)
<b>Non-financial assets</b>			
Prepaid expenses		<b>785,297</b>	960,023
Tangible capital assets	10	<b>786,012,120</b>	749,917,938
		<b>786,797,417</b>	750,877,961
Contractual obligations and contingent liabilities	14		
<b>Accumulated surplus</b>	11	<b>234,216,082</b>	222,912,656

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

Approved by the Board

\_\_\_\_\_, Director of Education

\_\_\_\_\_, Chair of the Board

**Halton District School Board****Consolidated statement of operations**

Year ended August 31, 2018

Notes			2017 Actual
	Budget	2018 Actual	
	\$	\$	\$
<b>Revenue</b>			
Provincial grants – Grants for Student Needs	677,453,349	671,982,061	649,379,073
Provincial grants – other	9,031,921	15,679,403	10,320,745
Investment income	1,250,000	2,263,692	1,325,959
Federal grants	3,863,793	4,171,216	3,431,282
School fundraising and other revenues	19,000,000	19,987,840	21,353,914
Deferred capital contributions – grants recognized	8 28,211,674	28,728,872	28,547,307
Other fees and revenues	21,669,584	27,959,450	35,390,386
	<b>760,480,321</b>	<b>770,772,534</b>	749,748,666
<b>Expenses</b>			
Instruction	591,671,008	590,194,498	560,329,685
Administration	15,575,466	15,828,431	14,753,337
Transportation	16,889,885	16,284,344	15,966,101
Pupil accommodation	105,372,989	105,041,077	103,699,571
Other	2,944,179	11,646,295	5,708,760
School funded activities	19,000,000	20,474,463	20,538,167
	12 <b>751,453,527</b>	<b>759,469,108</b>	720,995,621
Annual surplus	9,026,794	11,303,426	28,753,045
Accumulated surplus, beginning of year	201,023,447	222,912,656	194,159,611
<b>Accumulated surplus, end of year</b>	11 <b>210,050,241</b>	<b>234,216,082</b>	222,912,656

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

**Halton District School Board****Consolidated statement of cash flows**

Year ended August 31, 2018

	Notes	2018 \$	2017 \$
<b>Operating transactions</b>			
Annual surplus		<b>11,303,426</b>	28,753,045
Non-cash items			
Amortization	10	<b>29,286,622</b>	29,105,902
Deferred capital contributions – grants recognized	8	<b>(28,728,872)</b>	(28,547,307)
Gain on sale of tangible capital assets		<b>(1,687,860)</b>	—
Net change in non-cash working capital balances			
Accounts receivable		<b>(462,701)</b>	1,504,229
Accounts payable and accrued liabilities		<b>8,950,683</b>	10,890,338
Other liabilities		<b>528,280</b>	(963,485)
Deferred revenue - operating		<b>(120,678)</b>	48,535
Employee future benefits payable		<b>(960,433)</b>	(2,187,584)
Prepaid expenses		<b>174,726</b>	174,779
		<b>18,283,193</b>	38,778,452
<b>Capital transactions</b>			
Proceeds on sale of tangible capital assets		<b>2,888,033</b>	—
Acquisition of tangible capital assets	10	<b>(66,580,977)</b>	(55,510,748)
		<b>(63,692,944)</b>	(55,510,748)
<b>Financing transactions</b>			
Principal repayments on long-term liabilities	6	<b>(11,607,432)</b>	(11,048,158)
Net long-term liabilities issued		—	1,434,441
Additions to deferred capital contributions	8	<b>48,634,248</b>	42,073,980
Decrease in deferred revenues – capital		<b>(1,097,647)</b>	(1,357,247)
Decrease (increase) in accounts receivable – Government of Ontario		<b>11,508,603</b>	(1,350,803)
		<b>47,437,772</b>	29,752,213
Increase in cash and cash equivalents		<b>2,028,021</b>	13,019,917
Cash and cash equivalents, beginning of year		<b>86,166,167</b>	73,146,250
<b>Cash and cash equivalents, end of year</b>		<b>88,194,188</b>	86,166,167

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

**Halton District School Board****Consolidated statement of change in net debt**

Year ended August 31, 2018

	Notes	<b>2018</b>	2017
		<b>\$</b>	<b>\$</b>
<b>Annual surplus</b>		<b>11,303,426</b>	28,753,045
Tangible capital asset activity			
Acquisition of tangible capital assets	10	<b>(66,580,977)</b>	(55,510,748)
Net book value of tangible capital asset disposals	10	<b>1,200,173</b>	—
Amortization of tangible capital assets	10	<b>29,286,622</b>	29,105,902
		<b>(36,094,182)</b>	(26,404,846)
Other non-financial asset activity			
Acquisition of prepaid expenses		<b>(987,678)</b>	(1,100,202)
Use of prepaids		<b>1,162,404</b>	1,274,981
		<b>174,726</b>	174,779
(Increase) decrease in net debt		<b>(24,616,030)</b>	2,522,978
Net debt, beginning of year		<b>(527,965,305)</b>	(530,488,283)
<b>Net debt, end of year</b>		<b>(552,581,335)</b>	(527,965,305)

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

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2018

---

## **1. Significant accounting policies**

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

### *Basis of accounting*

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

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

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

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

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

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

### *Reporting entity*

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

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

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

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2018

---

**1. Significant accounting policies (continued)**

*Reporting entity (continued)*

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

*Trust funds*

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

*Cash and cash equivalents*

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

*Tangible capital assets*

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

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

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

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

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

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

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2018

---

**1. Significant accounting policies (continued)**

*Deferred revenue*

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

*Deferred capital contributions*

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

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

*Retirement and other future benefits*

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

*(a) Employee Life and Health Trusts*

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the principals and vice-principals associations, a number of Employee Life and Health Trusts (ELHTs) were established. The ELHTs provide health, life and dental benefits to teachers, education workers and other school board staff and retired individuals starting with a school board's participation date into the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario.

As of the end of 2017-18, the following ELHTs have been established: Elementary Teachers' Federation of Ontario (ETFO), Elementary Teachers' Federation of Ontario Education Workers (ETFO-EW), Ontario Secondary School Teachers' Federation (OSSTF), Ontario Secondary School Teachers' Federation Education Workers (OSSTF-EW), Education Workers' Alliance of Ontario (EWA), Canadian Union of Public Employees (CUPE), Education Council of Associations for Benefits (ECAB), and ONE-T for non-unionized employees including principals and vice-principals

The Board is no longer responsible to provide these benefits to ETFO, OSSTF, OCTU (under OSSTF-EW), PSSP (under OSSTF-EW), DECE (under ETFO-EW), CUPE, HDEAA (under EWA), Principals and Vice-Principals and non-unionized employees.

Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN) and additional ministry funding in the form of a Crown contribution and Stabilization Adjustment. School boards are required to remit the negotiated amount per full-time equivalency (FTE) on a monthly basis.

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2018

---

**1. Significant accounting policies (continued)**

*Retirement and other future benefits (continued)*

*(a) Employee Life and Health Trusts (continued)*

The Board continues to provide health and dental benefits for retired individuals in certain employee groups and continues to have a liability for payment of benefits for individuals who are retired under these plans.

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

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

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

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

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

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

*Government transfers*

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

**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2018

---

**1. Significant accounting policies (continued)**

*Government transfers (continued)*

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

*Investment income*

Investment income is reported as revenue in the period earned.

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

*Budget figures*

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

*Property tax revenue*

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

*Use of estimates*

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

**2. Accounts receivable - Government of Ontario**

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

The balance in this account is an account receivable from the Government of Ontario with respect to capital grants.

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2018

### 3. Temporary borrowing

The Board's banking resolutions allow aggregate borrowings to the maximum of \$135 million. The Board has credit facilities available to the maximum of \$85 million with a Canadian chartered bank to address operating requirements, bridge capital expenditures and education development charges outstanding. As at August 31, 2018, the amount drawn was nil (nil in 2017).

### 4. Other liabilities

The balance in other liabilities represents the Group Life Premium Stabilization Fund.

### 5. Net long-term liabilities

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

	2018	2017
	\$	\$
Debentures		
OSBFC, Series 2003-A2, 5.800%, maturing November 2028	16,718,759	17,848,021
OSBFC, Series 2004-A1, 5.483%, maturing November 2029	25,302,349	26,846,581
OSBFC, Series 2005-A1, 4.789%, maturing August 2030	7,526,681	7,981,717
OFA, Bylaw 06090, 4.560%, maturing November 2031	13,652,271	14,370,493
OFA, Bylaw 08012, 4.900%, maturing March 2033	28,196,358	29,469,287
OFA, Bylaw 09037, 5.062%, maturing March 2034	935,465	973,300
OFA, Bylaw 09036, 5.062%, maturing March 2034	5,059,941	5,264,591
OFA, Bylaw 09125, 5.384%, maturing May 2034	7,798,211	8,099,377
OFA, Bylaw 10052, 5.232%, maturing May 2035	10,603,875	10,986,576
OFA, Bylaw 10107, 4.947%, maturing May 2035	16,768,111	17,385,633
OFA, Bylaw 11034, 4.833%, maturing March 2035	16,411,277	16,981,530
OFA, Bylaw 11155, 3.970%, maturing November 2036	13,331,773	13,812,344
OFA, Bylaw 12024, 3.564%, maturing March 2037	16,512,798	17,120,174
OFA, Bylaw 13030, 3.799%, maturing March 2038	43,063,132	44,496,147
OFA, Bylaw 13120, 4.037%, maturing October 2028	13,289,342	14,292,497
OFA, Bylaw 14025, 4.003%, maturing March 2039	25,471,337	26,243,339
OFA, Bylaw 15010, 2.993%, maturing March 9, 2040	1,128,825	1,165,061
OFA, Bylaw 16024, 3.242%, maturing March 15, 2041	160,007	164,679
OFA, Bylaw 17020, 3.594%, maturing March 14, 2042	1,397,844	1,434,441
Net long-term liabilities	263,328,356	274,935,788

**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2018

**5. Net long-term liabilities (continued)**

Of the net long-term liabilities outstanding of \$263,328,356, principal plus interest payable over the next five years and subsequent payments to maturity are as follows:

	Principal	Interest	Total
	\$	\$	\$
2018/19	12,156,748	11,880,928	24,037,676
2019/20	12,732,677	11,304,999	24,037,676
2020/21	13,336,535	10,701,141	24,037,676
2021/22	13,969,707	10,067,969	24,037,676
2022/23	14,633,648	9,404,028	24,037,676
Total	66,829,315	53,359,065	120,188,380
Thereafter	196,499,041	56,492,839	252,991,880
Net long-term liabilities	263,328,356	109,851,904	373,180,260

Interest payments on long-term liabilities amounted to \$12,277,012 (\$12,791,049 in 2017) (Note 6).

**6. Debt charges and capital loan interest**

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

	2018	2017
	\$	\$
Principal payments on long-term liabilities	<b>11,607,432</b>	11,048,158
Interest payments on long-term liabilities (Note 5)	<b>12,277,012</b>	12,791,049
Interest payments on temporary financing of capital projects	<b>342,603</b>	119,147
	<b>24,227,047</b>	23,958,354

**7. Deferred revenue**

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

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2018

**7. Deferred revenue (continued)**

Deferred revenue set-aside for specific purposes by legislation, regulation or agreement as at August 31, 2018 is comprised of:

	Balance as at August 31, 2017	Externally restricted revenue and investment income	Revenue recognized in the period	Transfers to deferred capital contributions	Balance as at August 31, 2018
	\$	\$	\$	\$	\$
Renewable energy – capital	142,793	—	—	—	142,793
School renewal	6,462,986	9,792,391	2,060,326	6,538,984	7,656,067
Special education	2,708,887	88,600,868	89,433,844	—	1,875,911
Legislative grants	1,667,359	31,604,277	28,711,972	3,406,563	1,153,101
Other provincial grants	229,366	7,204,731	6,807,387	—	626,710
Other Ministry of Education grants	185,823	9,490,393	9,091,098	—	585,118
Education development charges	—	14,484,370	14,484,370	—	—
Other third party	424,928	3,786,395	3,737,449	133,287	340,587
Proceeds of disposition	17,687,429	1,687,860	2,160	3,462,170	15,910,959
Total deferred revenue	29,509,571	166,651,285	154,328,606	13,541,004	28,291,246

**8. Deferred capital contributions**

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

	2018	2017
	\$	\$
Balance, beginning of year	550,502,882	536,976,209
Net additions to deferred capital contributions	48,634,248	42,073,980
Deferred capital contributions – grants recognized	(28,728,872)	(28,547,307)
Balance, end of year	570,408,258	550,502,882

**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2018

**9. Retirement and other employee future benefits**

	<b>2018</b>						2017
	<b>Retirement gratuities</b>	<b>Post retirement benefits</b>	<b>Workplace safety insurance board</b>	<b>Sick leave top-up benefits</b>	<b>Long-term disability plans</b>	<b>Total employee future benefits</b>	<b>Total employee future benefits</b>
	\$	\$	\$	\$	\$	\$	\$
Accrued employee future benefit obligations	<b>19,378,638</b>	<b>108,989</b>	<b>6,959,406</b>	<b>390,188</b>	—	<b>26,837,221</b>	28,419,180
Unamortized actuarial (losses)	<b>(1,037,980)</b>	—	—	—	—	<b>(1,037,980)</b>	(1,659,506)
Employee future benefits liability	<b>18,340,658</b>	<b>108,989</b>	<b>6,959,406</b>	<b>390,188</b>	—	<b>25,799,241</b>	26,759,674

The Board has designated reserves for certain of these employee future benefit obligations. The balance of these reserves totaled \$ 3,482,211 at August 31, 2018 (\$4,615,211 in 2017).

	<b>2018</b>						2017
	<b>Retirement gratuities</b>	<b>Post retirement benefits</b>	<b>Workplace safety insurance board</b>	<b>Sick leave top-up benefits</b>	<b>Long-term disability plans</b>	<b>Total employee future benefits</b>	<b>Total employee future benefits</b>
	\$	\$	\$	\$	\$	\$	\$
Recognition of unamortized actuarial (gains) losses	<b>286,080</b>	<b>(603)</b>	—	<b>(20,107)</b>	—	<b>265,370</b>	491,754
Current year benefit cost	—	—	<b>2,620,559</b>	<b>390,188</b>	<b>(32,051)</b>	<b>2,978,696</b>	1,905,700
Gain on plan amendments	—	—	—	—	—	—	38,875
Interest on accrued benefit obligation	<b>522,372</b>	<b>3,946</b>	<b>162,836</b>	—	<b>862</b>	<b>690,016</b>	606,022
Employee future benefits expense	<b>808,452</b>	<b>3,343</b>	<b>2,783,395</b>	<b>370,081</b>	<b>(31,189)</b>	<b>3,934,082</b>	3,042,351

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

*Actuarial assumptions*

The accrued benefit obligations for employee future benefit plans as at August 31, 2018 are based on actuarial valuations completed for accounting purposes as at August 31, 2018. These actuarial valuations take into account any plan changes and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	<b>2018</b>	2017
	%	%
Inflation		
Retirement gratuities	<b>1.50</b>	1.50
Healthcare cost escalation		
Dental	<b>3.75</b>	4.00
Health	<b>7.75</b>	8.00
Discount on accrued benefit obligation		
Retirement gratuities	<b>2.90</b>	2.55
Post-retirement benefits	<b>2.90</b>	2.55

**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2018

---

**9 Retirement and other employee future benefits (continued)**

*Ontario Teachers' Pension Plan*

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

During the year ended August 31, 2018, the employee contributions to this plan were \$44,856,684 (\$45,668,244 in 2017).

*Ontario Municipal Employees Retirement System*

All permanent non-teaching employees of the Board are eligible to be members of Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ending August 31, 2018, the Board contributed \$8,272,071 (\$8,123,745 in 2017) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements, as these obligations are a direct responsibility of OMERS.

*Retirement gratuities*

The Board provides retirement gratuities to certain groups of employees hired prior to specified dates. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. As a result of the 2012 plan change, the amount of the gratuities payable to eligible employees at retirement is based on their salary, accumulated sick days, and years of service at August 31, 2012. Retirement gratuities expensed amounted to \$808,452 (\$858,508 in 2017).

*Post-retirement benefits*

The Board continues to provide post-retirement health and dental benefits to certain employee groups after retirement until the members reach 65 years of age. The premiums are based on the Board experience and retirees' premiums are subsidized by the board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the Board's consolidated financial statements. Employees retiring on or after December 15, 2020, no longer qualify for board subsidized premiums or contributions.

*Other employee future benefits*

*Workplace Safety Insurance Board*

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

**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2018

---

**9. Retirement and other employee future benefits (continued)**

*Other employee future benefits (continued)*

*Workplace Safety Insurance Board (continued)*

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

As of August 31, 2018, these obligations, as actuarially determined, amounted to \$6,959,406 (\$5,974,868 in 2017) and are included in Employee Future Benefits Payable. The change in this amount from the previous year has been reflected in the statement of operations.

*Long-term disability benefits*

The Board provides long-term disability benefits including payment of life insurance premiums and health care benefits to employees who are not yet members of an ELHT, during the period an employee is unable to work. The benefit costs related to this plan are included in the Board's consolidated financial statements. As of August 31, 2018, all employees have been transferred to an ELHT.

*Sick leave top-up benefits*

A maximum of 11 unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The accrued benefit obligation for the sick leave top-up is based on an actuarial valuation for accounting purposes as of August 31, 2018. This actuarial valuation is based on assumptions about future events.

**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2018

**10. Tangible capital assets**

		Cost			
	Balance at August 31, 2017	Additions and betterments	Disposals	Transfer to/from construction in progress	August 31, 2018
	\$	\$	\$	\$	\$
Halton District School Board					
Land	190,542,807	17,880,217	(1,200,173)	66,460	207,289,311
Land improvements	35,731,176	2,647,507	—	—	38,378,683
Buildings (40 yrs)	749,984,411	24,203,049	—	135,653	774,323,113
Other buildings	112,268	—	—	—	112,268
Portable structures	9,054,193	—	(147,400)	—	8,906,793
Construction in progress	2,856,605	16,169,151	—	629,491	19,655,247
Pre-acquisition costs – land	223,266	69,112	—	(66,460)	225,918
Pre-acquisition costs – building	1,242,697	1,914,342	—	(765,144)	2,391,895
Equipment (5 years)	188,711	168,469	—	—	357,180
Equipment (10 years)	4,182,332	191,160	(71,873)	—	4,301,619
Equipment (15 years)	1,474,770	254,214	—	—	1,728,984
First time equipping	14,573,380	554,261	(68,851)	—	15,058,790
Furniture	587,169	107,639	—	—	694,808
Computer hardware	7,068,669	2,026,452	—	—	9,095,121
Computer software	1,473,482	375,261	—	—	1,848,743
	1,019,295,936	66,560,834	(1,488,297)	—	1,084,368,473
The Centre					
Computers	30,114	20,143	—	—	50,257
Leasehold improvements	1,305,422	—	—	—	1,305,422
Equipment and furniture	907,667	—	—	—	907,667
	2,243,203	20,143	—	—	2,263,346
	1,021,539,139	66,580,977	(1,488,297)	—	1,086,631,819

**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2018

**10. Tangible capital assets (continued)**

	Balance at August 31, 2017	Accumulated amortization			Net book value
		Amortization	Disposals	Balance at August 31, 2018	
	\$	\$	\$	\$	\$
Halton District School Board					
Land	—	—	—	—	207,289,311
Land improvements	12,689,479	2,506,380	—	15,195,859	23,182,824
Buildings (40 yrs)	235,567,212	22,428,541	—	257,995,753	516,327,360
Other buildings	19,646	5,613	—	25,259	87,009
Portable structures	6,312,809	459,287	(147,400)	6,624,696	2,282,097
Construction in progress (a)	—	—	—	—	19,655,247
Pre-acquisition costs – land (a)	—	—	—	—	225,918
Pre-acquisition costs – building (a)	—	—	—	—	2,391,895
Equipment (5 years)	93,481	51,790	—	145,271	211,909
Equipment (10 years)	1,754,841	413,656	(71,873)	2,096,624	2,204,995
Equipment (15 years)	259,725	98,069	—	357,794	1,371,190
First time equipping	8,014,313	1,439,345	(68,851)	9,384,807	5,673,983
Furniture	268,919	61,430	—	330,349	364,459
Computer hardware	4,035,454	1,472,697	—	5,508,151	3,586,970
Computer software	805,456	299,898	—	1,105,354	743,389
	269,821,335	29,236,706	(288,124)	298,769,917	785,598,556
The Centre					
Computers	30,114	1,489	—	31,603	18,654
Leasehold improvements	862,085	48,427	—	910,512	394,910
Equipment and furniture	907,667	—	—	907,667	—
	1,799,866	49,916	—	1,849,782	413,564
	271,621,201	29,286,622	(288,124)	300,619,699	786,012,120

*(a) Assets under construction*

Assets under construction which include construction in progress, pre-acquisition costs – land and pre-acquisition costs – building for a total value of \$22,273,060 (\$4,322,567 in 2017) have not been amortized. Amortization of these assets will commence when the asset is put into service.

**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2018

**11. Accumulated surplus**

Accumulated surplus consists of the following:

	2018	2017
	\$	\$
Non-designated surplus	—	5,000,000
Amounts internally restricted for future use of the Board		
Retirement gratuities	3,482,211	4,615,211
Fast Track Centre for Skills, Development & Training	1,697,939	1,598,914
Other operating	13,086,051	12,997,451
Accommodation	39,837,430	39,017,224
Committed capital projects and sinking fund interest	8,089,029	8,646,777
	<b>66,192,660</b>	<b>66,875,577</b>
Unavailable for compliance		
Employee future benefits	(9,320,581)	(13,776,664)
Interest accrual	(3,425,378)	(3,578,610)
	<b>(12,745,959)</b>	<b>(17,355,274)</b>
Revenue recognized for land		
Land (Note 10)	207,289,311	190,542,807
Pre-acquisition costs land (Note 10)	225,918	223,266
Education development charges outstanding (i)	(32,494,504)	(28,608,998)
	<b>175,020,725</b>	<b>162,157,075</b>
School generated funds	5,748,656	6,235,278
Total accumulated surplus	<b>234,216,082</b>	<b>222,912,656</b>

- (i) The Education Act, Part IX, Division E and Ontario Regulation 20/98 (amended by Ontario Regulation 95/02) provide requirements for determining a board's eligibility to impose Education Development Charges ("EDC") on new development, and the calculation of these charges. The accumulated eligible education development charge expenditures may be financed through cash and cash equivalents or temporary borrowing on the consolidated statement of financial position. Interest on education development charges outstanding amounted to \$369,326 (\$355,185 in 2017).

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2018

**12. Expenses by object**

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

	<b>2018</b>		2017
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	\$	\$	\$
Salary and wages	<b>502,849,052</b>	<b>499,326,813</b>	476,987,068
Employee benefits	<b>84,241,780</b>	<b>83,575,435</b>	78,287,219
Staff development	<b>4,793,552</b>	<b>6,933,185</b>	5,970,093
Supplies and services	<b>64,942,754</b>	<b>64,882,752</b>	63,003,449
Interest charges on capital	<b>13,197,024</b>	<b>12,988,940</b>	13,265,381
Rental expenses	<b>147,615</b>	<b>181,574</b>	121,031
Fees and contract services	<b>37,394,539</b>	<b>38,473,310</b>	37,002,459
Other	<b>15,049,163</b>	<b>23,820,477</b>	17,253,019
Amortization of tangible capital assets	<b>28,838,048</b>	<b>29,286,622</b>	29,105,902
	<b>751,453,527</b>	<b>759,469,108</b>	720,995,621

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

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

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

**14. Contractual obligations and contingent liabilities**

- (a) The Board has the following annual lease and contract commitments over the next 5 years with respect to furniture, equipment, computer hardware and software, construction, and portables, totaling \$24,754,783.

	\$
2019	11,940,866
2020	2,757,640
2021	2,417,574
2022	2,046,098
2023	5,592,605

- (b) As of August 31, 2018 the Board had guarantees outstanding of \$876,436 (\$1,230,217 in 2017) relating to construction projects in progress.
- (c) In the normal course of operations, the Board becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at August 31, 2018 cannot be predicted with certainty, it is in the opinion of the Board that their resolution will not have a material adverse effect on the Board's financial position or results of operations.

**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2018

**15. Partnership in Halton Student Transportation Services**

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

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

The following provides condensed financial information:

	<b>2018</b>		<b>2017</b>	
	<b>Total</b>	<b>Board portion</b>	<b>Total</b>	<b>Board portion</b>
	\$	\$	\$	\$
Financial position				
Financial assets	<b>22,412</b>	<b>14,019</b>	71,877	45,714
Liabilities	<b>47,539</b>	<b>29,736</b>	102,151	64,968
Non-financial assets	<b>25,887</b>	<b>16,192</b>	31,034	19,738
Accumulated surplus	<b>760</b>	<b>475</b>	760	484
Operations				
Revenue	<b>23,667,377</b>	<b>15,790,265</b>	22,813,652	15,470,334
Expenses	<b>23,667,377</b>	<b>15,790,265</b>	22,813,652	15,470,334
Annual surplus	—	—	—	—

**16. Repayment of "55 School Board Trust" funding**

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

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

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2018

---

**17. Funds administered by the Board**

Trust funds administered by the Board amounting to \$1,776,599 (\$1,397,704 in 2017) have not been included in the consolidated financial statements, as they are not controlled by the Board.

	<b>2018</b>			2017
	<b>Trust funds</b>	<b>Deferred leave plan</b>	<b>Total</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Opening balance at September 1, 2017	<b>698,612</b>	<b>698,692</b>	<b>1,397,304</b>	1,408,184
Contributions received in 2018	<b>3,900</b>	<b>592,848</b>	<b>596,748</b>	387,599
Earnings on investments in 2018	<b>11,751</b>	<b>6,221</b>	<b>17,972</b>	7,356
	<b>714,263</b>	<b>1,297,761</b>	<b>2,012,024</b>	1,803,139
Disbursements in 2018	<b>32,137</b>	<b>203,288</b>	<b>235,425</b>	405,435
Closing balance at August 31, 2018	<b>682,126</b>	<b>1,094,473</b>	<b>1,776,599</b>	1,397,704

**18. Subsequent events**

In accordance with the Long term Accommodation Plan, in September 2018, the Board purchased a land site in Georgetown to be used as a future elementary school site for approximately \$7,739,000.



# 2018/2019 Operating & Capital Budget

June 2018



# Halton District School Board

## 2018/2019 Budget

### Index

#### Executive Summary

#### Section 1: Key Highlights

Highlight of Resources Included in the Operational Budget to Support Multi-Year Plan

Enrolment Statistics - Average Daily Enrolment (ADE)

Chart - Enrolment History

#### Section 2: Operating Revenue

Summary of Revenue

Provincial Grants - Grants for Student Needs (GSN)

Charts - Total Revenue; Total Provincial Grants (GSN)

Glossary of Terms - Total Provincial Grants (GSN) Chart

Education Program Other (EPO) - Outside GSN

#### Section 3: Operating Expense

Summary of Operating Expense by Ministry Category

Charts - Total Operating Expense; Total Instruction

Glossary of Terms - Total Instruction Chart

Operating Expense by Ministry Category Variance Description

Summary of Full Time Equivalent (FTE) by Ministry Category

Expense by Funding Source

Instruction Expense

Detail of Instruction - Textbooks and Supplies Expense

Decentralized School Budget Allocation Model

Detail of Instruction - Computers Expense

Detail of Instruction - Staff Development Expense

Administration Expense

Transportation Expense

Pupil Accommodation Expense

Other Expense

#### Section 4: Capital Budget Detail

Capital Budget

#### Section 5: Ministry Compliance

Detail of Special Education Compliance

Transfer to/(from) Accumulated Surplus per Ministry Compliance

## **Halton District School Board**

### **2018/2019 Budget**

#### **Message from the Director**

On June 20, 2018 the Board of Trustees approved the 2018/2019 budget for the Halton District School Board. With a staff of 6,669 people, 64,600 students and a budget of approximately 763 million, it is truly a daunting task to develop, approve and implement this budget. I would like to congratulate and acknowledge the profound difference Superintendent Lucy Veerman and her staff, all System Leaders and the Board of Trustees are making in the success of our students.

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

We at the HDSB are also grateful to the Government of Ontario as the bulk of the funding (90.1%) for this budget comes from them. Through this funding they have allowed us to continue to support each and every one of the HDSB's students. Clearly this investment in the HDSB by the Ontario government demonstrates a continued commitment to the students and families of Halton.

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

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

**Stuart Miller**

## **Halton District School Board**

### **2018/2019 Budget**

#### **Executive Summary**

The Halton District School Board has always been financially responsible with a clear focus on providing the system with the resources and supports necessary to ensure that we inspire and support learning; create safe, healthy and engaging environments; and provide opportunities for challenge and choice. The budget presented for the 2018/2019 school year continues this approach.

In 2018/2019, the Halton District School Board welcomes approximately 64,642 students in 87 elementary and 17 secondary schools. This enrolment projection results in an overall increase of 0.6% as compared to the 2017/2018 school year. Enrolment growth will continue to be experienced in Milton (164 students), Oakville (460 students) for the 2018/2019 school year. This is as a result of new residential development and a younger demographic in these communities. Burlington and Halton Hills will experience a decline in growth, with enrolment projected to decrease by 220 students. As we move forward, overall enrolment in HDSB is projected to increase marginally into 2027. This will be primarily as a result of new residential development in Milton and Oakville.

The Ministry of Education allocates funding to School Boards using a model that is based on enrolment and the needs of students in each board. For 2018/2019, the HDSB expects to receive 90.1% (approximately \$699 million) of total operating revenue from the Ministry of Education. On April 27, 2018, the Ministry of Education released information with respect to education funding for 2018/2019. The 2018/2019 Grants for Student Needs (GSN) supports the education sector's continued focus on key student achievement goals. The level of funding demonstrates the government's sustained commitment to investing in education, despite declining enrolment (provincially) and a challenging fiscal situation.

The key objective of the Budget Development Process is to align the allocation of resources with the Strategic Plan of the Board, the Multi-Year Plan, and the Special Education Plan, identify school based staffing requirements, identify budget challenges and opportunities, and gather input from the various stakeholder groups. Updates on the Budget Development Process were presented to the Trustees in April and May 2018. In addition, communication and stakeholder input was requested via HDSB website. All budget development documentation was posted on the HDSB website; invitation for parental and community input was made available using Checkbox Software on HDSB website. This opportunity for input was communicated using news releases to parents/school councils and newspaper advertisements in all local newspapers.

The Halton District School Board is committed to every student. The 2018/2019 Budget Development process included challenges resulting from an increase in operational

pressures (such as utility costs, fuel, facility maintenance etc.); increased demand in resources to support student achievement; Ministry of Education redistribution of the Special Education Grant (Differentiated Special Education Needs Amount); and a per pupil level of funding that is significantly below the provincial average. Despite these challenges, we were able to increase our staffing complement and allocate resources to support the Multi-Year Plan.

### **Ministry of Education Regulations**

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

The fiscal year for all School Boards in Ontario is in alignment with the school year and runs from September 1 to August 31. According to Ministry of Education reporting and accountability requirements, a School Board's budget must be submitted to the Ministry by the end of June preceding the start of the fiscal year in question. Consequently, the 2018/2019 budget will be submitted prior to the end of June 2018.

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

### **Conclusion**

The 2018/2019 Operating and Capital Budgets of the Halton District School Board have been developed with the vision that every student will explore and enhance their potential, passions, and strengths to thrive as contributing global citizens.

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

# **Section 1**



## **2018/2019 Budget**

### ***Key Highlights***

**Halton District School Board**  
**2018/2019 Budget**  
**Highlight of Resources Included in the Operational Budget**  
**to Support Multi-Year Plan**

**Engagement & Achievement:**

**Student:**

- Students with Learning Disabilities Project Expansion:
  - Continuation of the Renewed Math Strategy (RMS) work with a focus on improving instruction of students with learning disabilities, and to ultimately improve the achievement of these students which will include expansion to more grades and possibly other subjects: complete training with remaining 50% of secondary schools working with feeder schools.
- All About Me (grades 1-6) and My Blueprint (grades 7-12):
  - This is the software that allows for the curation of self, goal setting, personal reflection, as well as secondary course selection. In the past, this has been work specific to a small group of students; career education and life planning is in the curriculum for all students and training continues for all teachers.
  - Note: All course selection is completed in My Blueprint.
- Primary Literacy and Junior Math:
  - Student engagement fostered through hands-on science and technology learning opportunities and resources.
- English Language Learners (ELL):
  - On-going academic support for English Language Learners.
  - Supported through on-going opportunities to connect with other students in their first language and have access to appropriate resources and technology to support their learning.
- Experiential and Outdoor Education Opportunities:
  - Funding to support opportunities outside of the classroom and collaborative inquiry.
- Applied Strategy:
  - Specific goals of increasing achievement and engagement in Applied Level courses through the “Applied Strategy” which includes core subject PD institutes (Math, English, Science, Geography/History); in-school team support and collaborative inquiries, student and staff/voice/focus groups, board-wide “super” field trips (experiential education, and more).

**Halton District School Board**  
**2018/2019 Budget**  
**Highlight of Resources Included in the Operational Budget**  
**to Support Multi-Year Plan**

*Applied Strategy Cont'd.*

- In addition, each of our high schools has set a specific goals designed to improve achievement and engagement of students in grade 9 and 10 Applied pathway classes and Instructional Program Leads work with schools to support these goals.
- The Aldershot I-STEM resources responsive to student engagement.

**Staff:**

- Aldershot I-STEM Implementation:
  - Program development, resources, marketing, professional learning. For September 2019 implementation, staff will develop a 4 year plan for I-STEM; develop marketing/promotion resources (program selection is Fall 2018), identify resources for program delivery and engage in STEM learning.
- Program Viability Committee Recommendations/Implementation:
  - Professional training for teachers new to teaching math and literacy in English and providing instructional and assessment strategies as well as training and resources for teachers in the grades 2 and 3 in the new French Immersion Model.
- Elementary Science and Technology:
  - Professional learning to build educator confidence with science and technology specific content knowledge and to improve access to materials and equipment needed to deliver a rich minds-on/hands-on science and technology program.
- Primary Literacy Teacher Training:
  - Continuation of training to develop confidence and competence in using data to guide instructional practices and deepen learning of effective assessment and instructional strategies.
  - Continuation of the Emergent Literacy Project supporting educator learning about effective assessment and instructional strategies for kindergarten to grade 2.
- Primary Literacy and Junior Math
  - Professional learning opportunities and resources.

**Halton District School Board****2018/2019 Budget****Highlight of Resources Included in the Operational Budget  
to Support Multi-Year Plan****System:**

- HDSB Mobile App:
  - Mobile app is intended to better engage and inform stakeholders (e.g. parents), optimize resources and enhance consistency in our communications and access to key resources.
  - Will also result in replacement of student agendas.
- Innovation and Ingenuity:
  - Continue with the strategies to support shared culture of innovative thinking and engagement.
  - SHIFT Expansion:
    - Additional sections to support expansion of the SHIFT initiative and support the Aldershot I-STEM initiative.
    - Building a shared culture of innovation by improving a process, product or understanding within academic and corporate staff.
- Branding & Communications:
  - In promoting the Multi-Year Plan, the HDSB engaged a third-party consulting firm to assist with the development of a board Branding and Communications Strategy.
  - This Branding and Communications Strategy identifies specific goals and tactics to enable increased reach with our various stakeholder groups.
  - This strategy is about communications and engagement in support of student success.
  - The recent release of a Parent Engagement App and professional learning session with all system leaders are evidence of our commitment to enhancing our relationships within and beyond the HDSB.

**Equity & Well-Being:****Student:**

- All students will be engaged in learning about First Nations, Métis, Inuit perspectives, histories, culture, traditions (e.g. additional supports for elementary and secondary implementation of curriculum enhancements).

**Staff:**

- Collaborative Problem-Solving (CPS) Strategy Support
  - Additional support to build and implement sustainable CPS Plan across the System.

**Halton District School Board**  
**2018/2019 Budget**  
**Highlight of Resources Included in the Operational Budget**  
**to Support Multi-Year Plan**

*Collaborative Problem-Solving (CPS) Strategy Support Cont'd.*

- One year release of a CPS Lead to establish structures and processes to deepen and broaden this work over time, and to align CPS with other system initiatives.
- Program, Student Services, and Safe Schools has been supporting a CPS framework for many years; a one year staffing commitment allows us to ensure a baseline of knowledge and skills across the system.
- Equity Training:
  - Equity is focussed on ensuring safe and inclusive spaces in our schools through ensuring inclusive design and culturally responsive and relevant pedagogy.
  - By incorporating into teacher practice, we will ensure ALL students are valued and able to see themselves reflected in their learning resources, etc.
  - Currently, 16 schools have been engaged in a learning series based on this topic.
  - Professional development modules being developed for the Fall of 2018 to support elementary teachers with improving the positive learning climates in their classrooms.
  - Expanded training for Restorative Practices in schools.

**System:**

- Welcome Centre:
  - Continue to welcome, register, and support newcomer families to HDSB.

**Stewardship & Resources:**

**Student:**

- Student Voice:
  - Focus on supporting students through a deeper understanding of learner strengths and needs and responsive learning strategies (Closing the Gap for Students with Learning Disabilities Project, Emergent Literacy Project, Monitoring Student Achievement Protocols, All About Me and MyBlueprint).
  - Focus on increasing student voice regarding the number of students who report “the teacher knows me as a learner” and “I know myself as a learner”.
  - This work is targeted through a focus on education and career life planning in all secondary subjects as well as the use of MyBlueprint across the curriculum and in all grades.

**Halton District School Board****2018/2019 Budget****Highlight of Resources Included in the Operational Budget  
to Support Multi-Year Plan***Student Voice Cont'd.*

- It is further supported through Student Success initiatives in grades 7- 12 such as Student Success Profiles, grade 8-9 transition activities, and individualized supports such as Self-Paced Learning, Credit Recovery, and more.
- Student Services:
  - On-going support provided by Itinerant staff and PSSP staff (social workers, speech and language, Child and Youth Counsellors, etc.).
  - Continuation of Collaborative Problem Solving approach to help students with behavioural challenges.
- International Students:
  - Continue to support and resource international fee paying students.
- School Cash Online:
  - Continue with the implementation of School Cash Online in all schools in order to achieve the target of 90% of all funds collected online.

**Staff:**

- Math and Literacy:
  - Investment in lead teachers to deepen the learning of classroom based teachers to support the implementation of our HDSB math and literacy plans (Math Coaches, Literacy Resource Teachers, in-school lead Math and Literacy Teachers).
- Student Services:
  - Professional development and support to schools to continue closing the achievement gap for students with special needs.
  - Development of resources and professional development opportunities continue in support of schools creating Individual Education Plans to individualize instruction and assessment for students.
- Respectful Workplace:
  - Continue work of Respectful Workplace Committee and consultant.
  - Analyze the results of survey and formulate and deliver training targeted to identified gaps.

**Halton District School Board****2018/2019 Budget****Highlight of Resources Included in the Operational Budget  
to Support Multi-Year Plan**

- Facility Review
  - Program Services to partner with Facilities Services to review the condition of program areas within secondary schools and create a plan for facility maintenance and upgrades in order to provide equity of opportunity for students.

**System:**

- Special Education Review Continuation:
  - Continue the work of the Special Education Review to enhance understanding of the efficacy of programs and supports for students with special needs.
- Chemical Safety Support:
  - One year term position to ensure compliance with updated WHMIS requirements.
- Information Technology:
  - Continue to reach target of 100% of technology enabled environment.

**Halton District School Board  
2018/2019 Budget  
Enrolment Statistics  
Average Daily Enrolment (ADE)**

<b>Description</b>	<b>Budget 2018/2019</b>	<b>Budget 2017/2018</b>	<b>Projected Growth</b>	<b>% Change</b>
<b>Elementary</b>				
Burlington	12,863.00	12,914.00	(51.00)	(0.4%)
Oakville	15,679.00	15,586.00	93.00	0.6%
Milton	12,648.00	12,443.00	205.00	1.7%
Halton Hills	4,490.00	4,603.00	(113.00)	(2.5%)
<b>Elementary ADE</b>	<b>45,680.00</b>	<b>45,546.00</b>	<b>134.00</b>	<b>0.3%</b>
<b>Secondary - pupils less than 21 years</b>				
Burlington	5,796.02	5,844.28	(48.26)	(0.8%)
Oakville	8,670.06	8,303.27	366.79	4.4%
Milton	2,598.61	2,639.64	(41.03)	(1.6%)
Halton Hills	1,896.79	1,904.81	(8.02)	(0.4%)
<b>Secondary - pupils less than 21 years ADE</b>	<b>18,961.48</b>	<b>18,692.00</b>	<b>269.48</b>	<b>1.4%</b>
<b>Total Day School</b>				
Burlington	18,659.02	18,758.28	(99.26)	(0.5%)
Oakville	24,349.06	23,889.27	459.79	1.9%
Milton	15,246.61	15,082.64	163.97	1.1%
Halton Hills	6,386.79	6,507.81	(121.02)	(1.9%)
<b>Total Day School ADE</b>	<b>64,641.48</b>	<b>64,238.00</b>	<b>403.48</b>	<b>0.6%</b>
<b>Students 21 years and over - ADE</b>	<b>221.00</b>	<b>194.00</b>	<b>27.00</b>	<b>13.9%</b>

**Notes:**

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

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

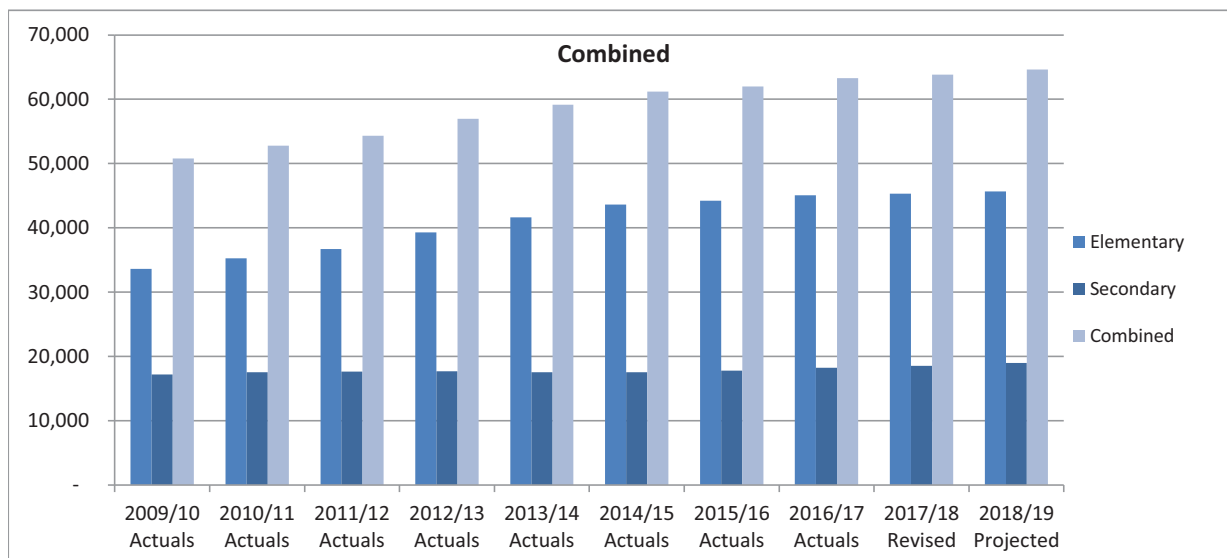
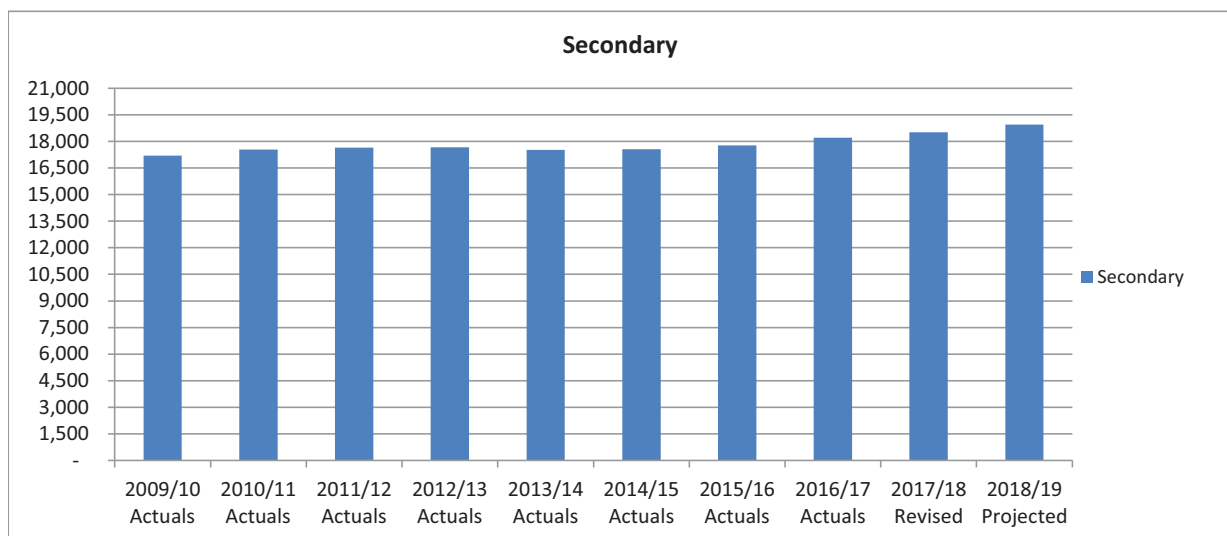
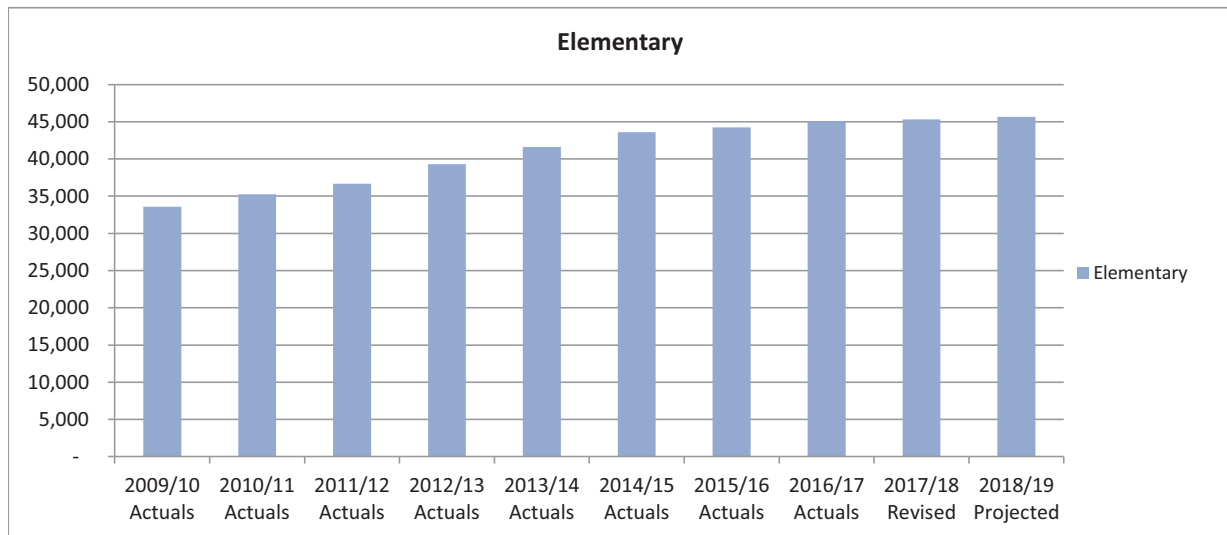
Secondary includes ADE for those students exceeding 34 credits.

PUBLIC SESSION

# Halton District School Board

## 2018/2019 Budget

### Enrolment History



## **Section 2**



**2018/2019 Budget**

***Operating Revenue***

**Halton District School Board  
2018/2019 Budget  
Summary of Revenue**

	Budget 2018/2019	Budget 2017/2018	Increase/ (Decrease)
<b>Revenue</b>			
Provincial Grants - Grants for Student Needs	698,694,351	677,453,349	21,241,002
Provincial Grants - Other	2,725,454	2,122,327	603,127
Federal Grants & Fees	420,000	283,393	136,607
School Generated Funds	19,000,000	19,000,000	-
Investment Income	500,000	1,250,000	(750,000)
<b>Other Fees &amp; Revenues</b>			
Tuition Fees	7,775,000	6,583,000	1,192,000
Rental Income	2,345,372	1,522,725	822,647
Cafeteria Income	45,000	90,000	(45,000)
Miscellaneous Income	223,129	399,591	(176,462)
Education Development Charge (EDC)	15,000,000	12,000,000	3,000,000 *
<b>Other Fees &amp; Revenues Subtotal</b>	<b>25,388,501</b>	<b>20,595,316</b>	<b>4,793,185</b>
Amortization of Deferred Capital Contributions	28,874,331	28,211,674	662,657
<b>Total Revenue</b>	<b>775,602,637</b>	<b>748,916,059</b>	<b>26,686,578</b>
Transfer to/(from) Accumulated Surplus	12,296,470	9,120,184	3,176,286 **
<b>Total Revenue Net of Transfer to Accumulated Surplus</b>	<b>763,306,167</b>	<b>739,795,875</b>	<b>23,510,292</b>
<b>Total Expense</b>	<b>763,306,167</b>	<b>739,795,875</b>	<b>23,510,292</b>

\* Revenue adjustments per PSAB requirement

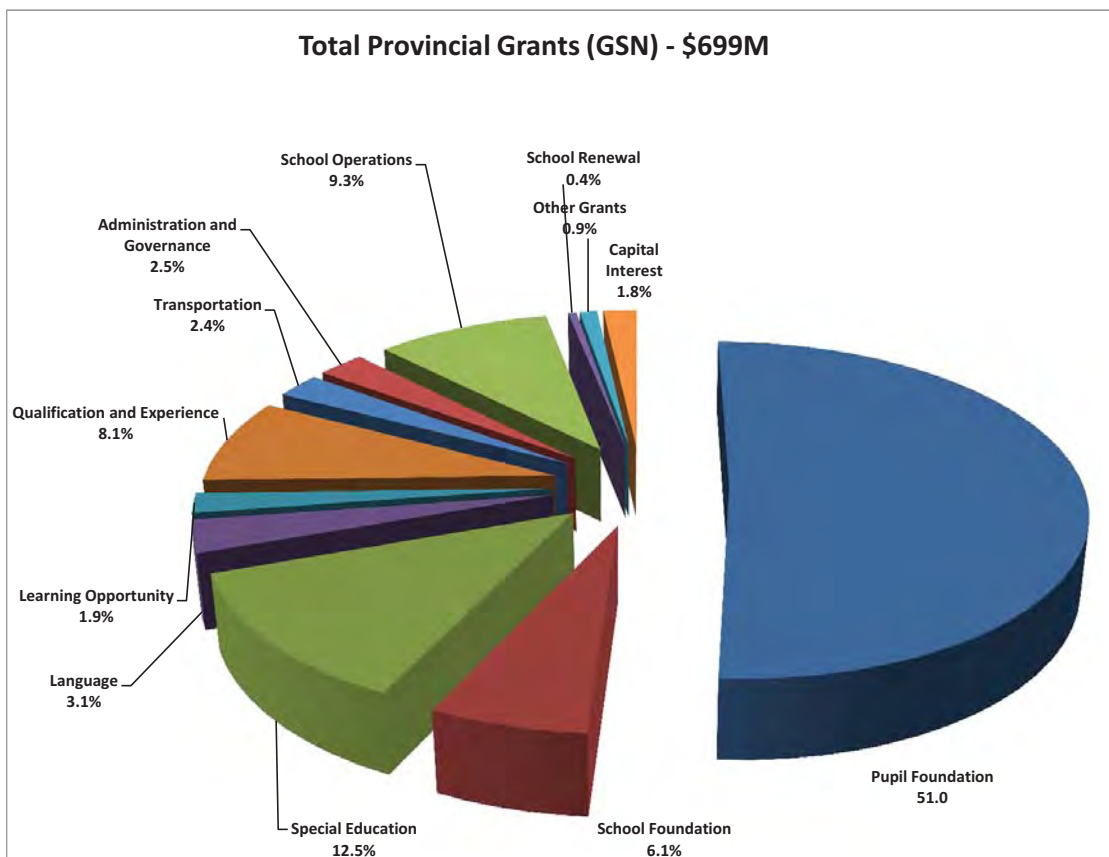
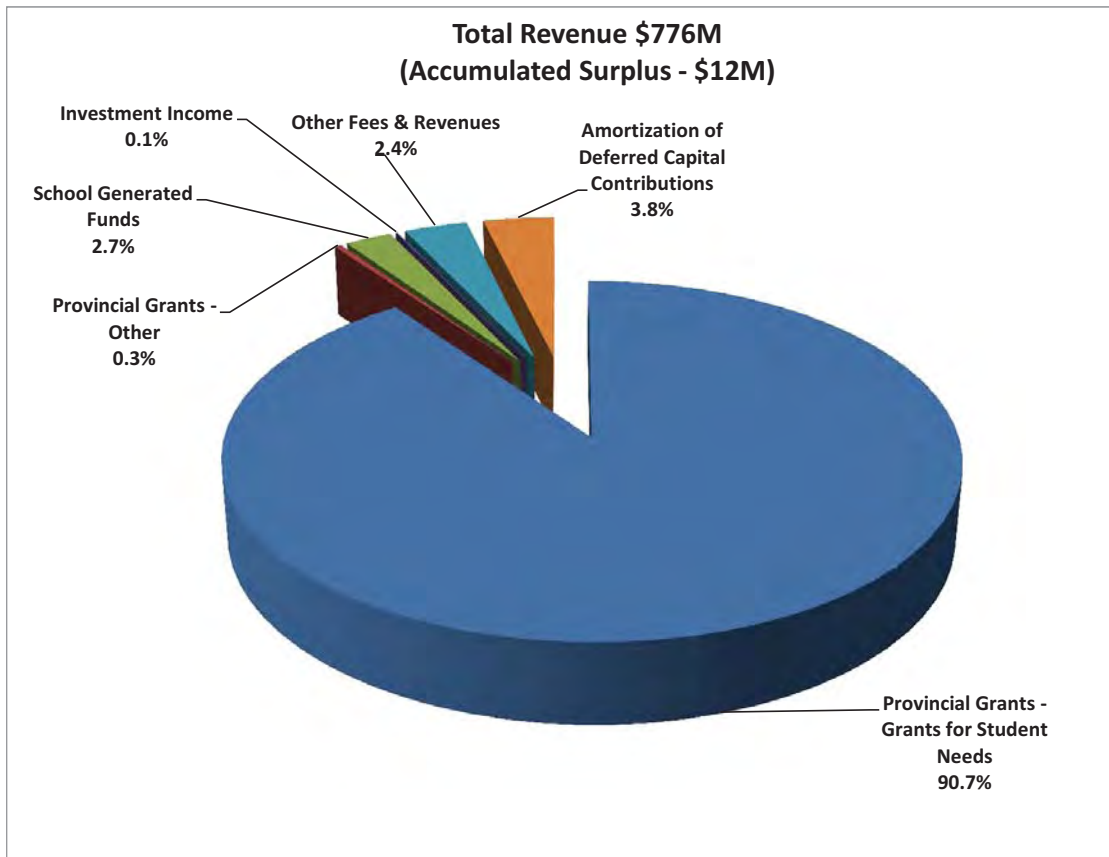
\*\* Additional information included on ***Transfer to/from Accumulated Surplus per Ministry Compliance Definition***

**Halton District School Board**  
**2018/2019 Budget**  
**Provincial Grants - Grants for Student Needs (GSN)**

	Budget 2018/2019	Budget 2017/2018	Increase/ (Decrease)
<b>Provincial Grants - Grants for Student Needs</b>			
<b>General Operating Allocation</b>			
Pupil Foundation	356,216,499	346,969,306	9,247,193
School Foundation	42,639,848	41,850,587	789,261
Special Education	87,370,265	84,068,552	3,301,713
Language	21,580,083	19,222,751	2,357,332
Learning Opportunity	13,218,391	13,373,537	(155,146)
Adult and Continuing Education and Summer School	3,219,417	3,200,805	18,612
Qualification and Experience	52,217,253	49,318,483	2,898,770
Early Childhood Educator Qualification and Experience	4,309,820	4,245,570	64,250
New Teacher Induction Program (NTIP)	602,051	561,983	40,068
Transportation	16,657,997	15,958,383	699,614
Administration and Governance	17,907,333	16,914,166	993,167
School Operations	61,953,280	60,607,003	1,346,277
Community Use of Schools	855,593	845,732	9,861
Indigenous Education	1,085,986	881,290	204,696
Safe Schools	1,047,551	1,027,558	19,993
Temporary Accommodation	2,106,957	2,384,534	(277,577)
School Renewal	9,929,351	9,861,952	67,399
<b>Capital Interest (Debt and Short Term)</b>			
Short Term Interest on Capital	400,000	199,682	200,318
Capital Debt Support Payments - Interest Portion	11,880,928	12,430,244	(549,316)
Capital Grant Land	-	-	-
<b>Other</b>			
Permanent Financing of NPF	543,389	543,389	-
Restraint Savings	(266,661)	(266,661)	-
Rural and Northern Education	31,917	-	31,917
<b>Transferred to Deferred Capital Contribution</b>			
School Renewal	(6,812,897)	(6,745,498)	(67,399) *
<b>Total Provincial Grants - Grants for Student Needs</b>	<b>698,694,351</b>	<b>677,453,349</b>	<b>21,241,002</b>

\* Grant adjustment per PSAB requirement

## Halton District School Board 2018/2019 Budget



**Halton District School Board****2018/2019 Budget****Glossary of Terms - Total Provincial Grants (GSN) Chart**

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

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

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

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

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

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

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

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

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

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

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

**Other Grants** - includes grants for Continuing Education, Indigenous Education, New Teacher Induction Program, Safe Schools and Rural and Northern Education.

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

## Halton District School Board

### 2018/2019 Budget

#### Education Program Other (EPO) - Outside GSN

##### Community Use of Schools - Outreach Coordinators

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

**\$108,000**

##### Highly Skilled Workforce Strategy K-12: Experiential Learning

Funds to support a dedicated Leader in Experiential Learning as well as enable the expansion of experiential learning opportunities and professional learning for educators.

**\$218,500**

##### Innovation in Learning Fund

Funds to foster greater innovation in learning and teaching to support the development of global competencies with a focus on transferable skills. These funds support "innovation projects" and professional development for educators to promote collaborative professionalism and facilitate the sharing of experiences and expertise with a transferable skills focus.

**\$108,111**

##### Mental Health Workers in Schools

Investment to hire regulated health professionals with specialized training in mental health which may include social workers, psychologists and psychotherapists. Funding includes an annual base to support province-wide research and evaluation of the new supports. This funding will address the increasing need to support students who have mental health concerns through continued and expanded mental awareness and education, early identification and assessment, and improve timely referrals to community health services.

**\$479,325**

##### Renewed Math Strategy

Funds to provide dedicated annual support to improve achievement in mathematics. The general funding model is to support all schools and increased or intensive supports to a select group of schools with the greatest needs in math achievement.

**\$772,099**

##### Well Being: Safe Accepting and Healthy Schools and Mental Health

Funds to address local needs and priorities, such as those identified in the school climate surveys, to enhance well-being in the classroom and across the school to support the cognitive, social, emotional and physical development of students, as well as their sense of self, spirit and identity, and staff.

**\$276,638**

##### Specialist High Skills Major (SHSM)

Funds to address the delivery of SHSM programs for student certification and training; tracking student achievement; equipment purchases; promotion and marketing; and teacher professional development

**\$594,137**

##### Ontario Youth Apprenticeship Program (OYAP)

Funds to address the delivery of the OYAP program, a school to work program that opens the door for students to explore and work in apprenticeship occupations starting in Grades 11 or Grade 12.

**\$168,644**

## **Section 3**



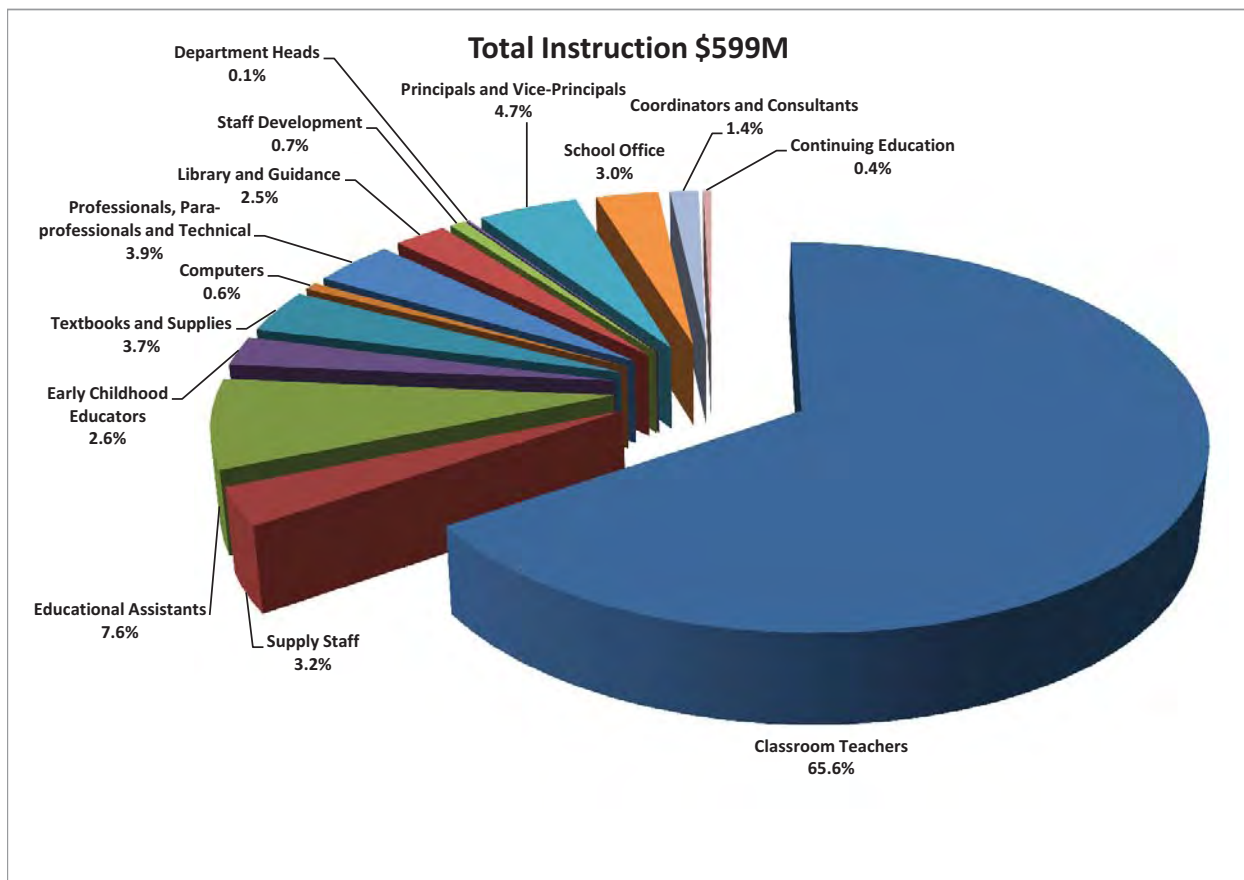
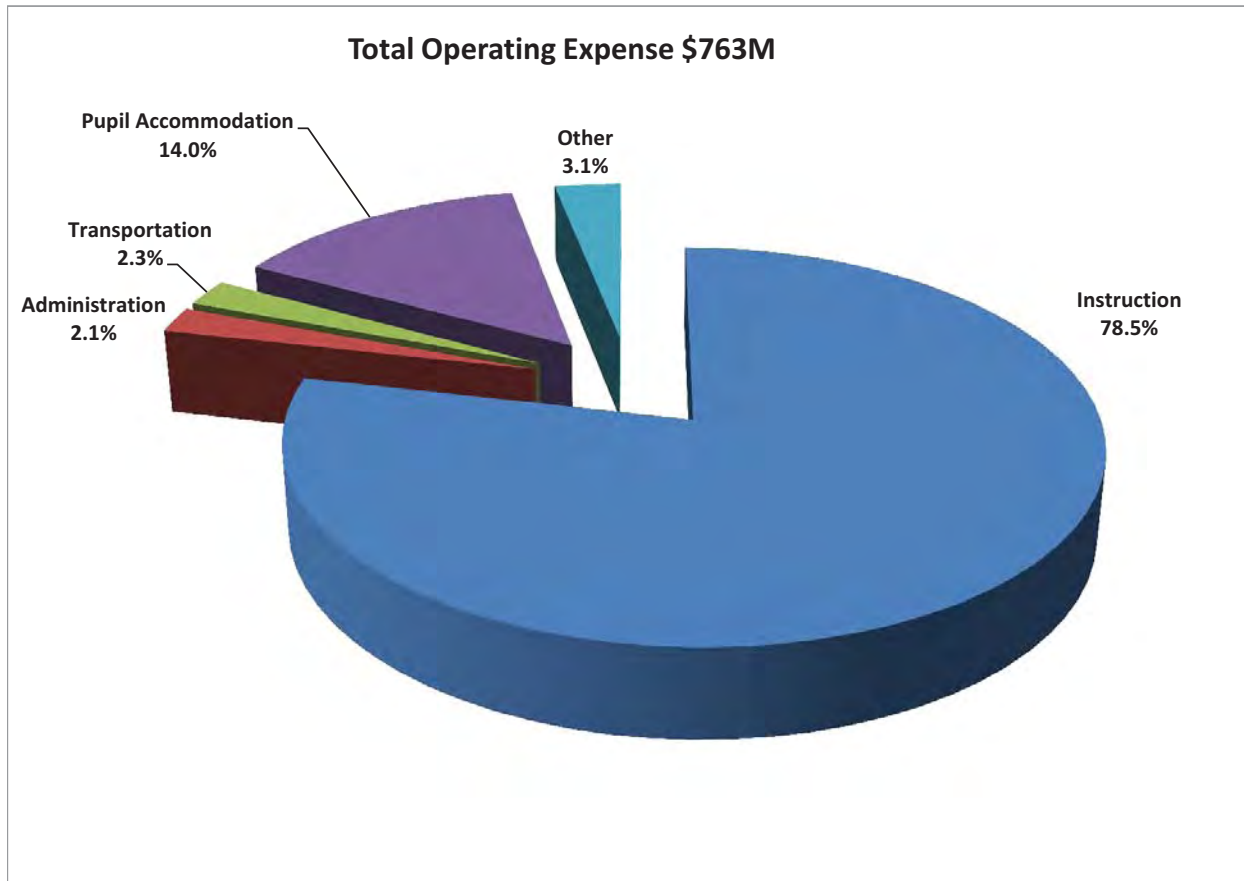
**2018/2019 Budget**

***Operating Expense***

**Halton District School Board**  
**2018/2019 Budget**  
**Summary of Operating Expense by Ministry Category**

	Budget 2018/2019	Budget 2017/2018	Increase/ (Decrease)
<b>Instruction</b>			
Classroom Teachers	393,148,427	382,605,591	10,542,836
Supply Staff	19,334,798	18,125,698	1,209,100
Educational Assistants	45,413,538	43,851,263	1,562,275
Early Childhood Educators	14,933,810	14,998,827	(65,017)
Textbooks and Supplies	22,170,777	20,436,447	1,734,330
Computers	3,778,240	2,892,041	886,199
Professionals, Paraprofessionals & Technical	23,242,564	22,675,157	567,407
Library and Guidance	15,068,884	13,794,594	1,274,290
Staff Development	4,423,307	4,201,840	221,467
Department Heads	835,666	823,271	12,395
Principals and Vice-Principals	28,432,299	27,877,801	554,498
School Office	17,868,754	17,639,166	229,588
Coordinators and Consultants	8,123,668	7,761,286	362,382
Continuing Education	2,358,438	2,330,374	28,064
<b>Instruction Total</b>	<b>599,133,170</b>	<b>580,013,356</b>	<b>19,119,814</b>
<b>Administration</b>			
Trustees	376,583	324,553	52,030
Director and Supervisory Officers	2,890,515	2,777,706	112,809
Board Administration	12,994,139	12,347,519	646,620
Amortization - Administration	125,750	125,688	62
<b>Administration Total</b>	<b>16,386,987</b>	<b>15,575,466</b>	<b>811,521</b>
<b>Transportation</b>			
Pupil Transportation	17,063,793	16,669,735	394,058
Transportation - Provincial Schools	224,600	220,150	4,450
<b>Transportation Total</b>	<b>17,288,393</b>	<b>16,889,885</b>	<b>398,508</b>
<b>Pupil Accommodation</b>			
School Operations and Maintenance	61,565,878	60,264,992	1,300,886
School Renewal	3,116,454	3,116,454	-
Amortization - Pupil Accommodation	29,307,114	28,644,519	662,595
Other Pupil Accommodation	12,729,737	13,347,024	(617,287)
<b>Pupil Accommodation Total</b>	<b>106,719,183</b>	<b>105,372,989</b>	<b>1,346,194</b>
<b>Other Expense</b>			
Recoverable Projects and EPO's	2,443,317	1,900,790	542,527
Enterprise Resource Planning System	1,291,728	-	1,291,728
Provision for Contingencies	500,000	500,000	-
Permanent Financing of NPF	543,389	543,389	-
School Generated Funds	19,000,000	19,000,000	-
<b>Other Expense Total</b>	<b>23,778,434</b>	<b>21,944,179</b>	<b>1,834,255</b>
<b>Grand Total</b>	<b>763,306,167</b>	<b>739,795,875</b>	<b>23,510,292</b>

2018/2019 Budget



# Halton District School Board

## 2018/2019 Budget

### Glossary of Terms - Total Instruction Chart

#### **Classroom Teachers Elementary & Secondary**

Salaries, benefits and mileage related to Teachers.

#### **Supply Staff**

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

#### **Educational Assistants**

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

#### **Early Childhood Educators**

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

#### **Textbooks and Supplies**

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

#### **Computers**

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

#### **Professionals & Para-professionals and Technical**

Salaries and benefits for staff who provide support services to students and Teachers, such as Student Supervisors, Social Workers, Child and Youth Counsellors, Speech Language Pathologists, Psychoeducational Consultants, and Computer Technicians.

#### **Library & Guidance**

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

#### **Staff Development**

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

#### **Department Heads**

Includes Department Head allowance only.

#### **Principals and Vice-Principals**

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

#### **School Office**

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

#### **Coordinators and Consultants**

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

#### **Continuing Education**

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

**2018/2019 Budget**

**Operating Expense by Ministry Category Variance Description**

\$K= Thousand

Classroom Teachers	The \$10,543K increase includes the addition of 25.1 Elementary Teachers and 24.4 Secondary Teachers and the impact of Contract Extension Agreements.
Supply Staff	The \$1,209K increase reflects the impact of projected rising trends in long-term occasional usage and the impact of Contract Extension Agreements.
Educational Assistants	The \$1,562K increase includes the addition of 9.5 new Educational Assistants and 5.0 Educational Assistants converted from supply coverage dollars, and the impact of Contract Extension Agreements.
Early Childhood Educators	The \$65K decrease is a reflection of the years of experience of the current complement partially offset by the impact of Contract Extension Agreements.
Textbooks and Supplies	The \$1,734K increase includes an increase in Special Equipment Amount claims, expansion of the Specialist High Skills Major program and costs related to PAR recommendations including I-STEM focus at Aldershot High School.
Computers	The \$886K increase represents the reinstitution of school technology operating budget funded from Close the Gap in prior year.
Professionals, Para-professionals & Technical	The \$567K increase includes the impact of Contract Extension Agreements partially offset by the re-alignment of 1.0 Mental Health Leader to the Co-ordinators and Consultants category to conform to new Ministry reporting requirements.
Library and Guidance	The \$1,274K increase includes the addition of 10.8 Grade 7 and 8 Student Success Elementary Teachers per Ministry initiative and the net reduction of 0.5 Library due to school closing. This also reflects the impact of Contract Extension Agreements.
Staff Development	The \$221K increase includes the addition of professional development and training resources to support the Multi-Year Plan.
Principals and Vice-Principals	The \$554K increase includes the addition of 1.0 Vice-Principals and net increase of 0.1 Principals to reflect school openings and closings. This also is reflective of the impact of Contract Extension Agreements.
School Office	The \$230K increase reflects the impact of Contract Extension Agreements partially offset by the reduction of 0.6 Secretarial and 1.0 Management and Support staff due to school closure.
Coordinators and Consultants	The \$362K increase includes the impact of Contract Extension Agreements and the re-alignment of 1.0 Mental Health Leader from the Professionals, Para-Professionals category to conform to new Ministry reporting requirements.
Administration	The \$812K increase includes the addition of a Communications Officer, the impact of Contract Extension Agreements and the implementation of pay evaluation results.
Transportation	The \$399K increase reflects an increase in operator costs per contractual agreements and projected service delivery.
Pupil Accommodation	The \$1,346K increase includes the net increase of 1.0 Caretaker and the impact of Contract Extension Agreements, projected increases in utilities, contract cleaning and amortization, partially offset by the reduction in temporary accommodation and day to day maintenance.
Other	The \$1,834K increase includes the year over year change in EPO projects announced to date and the one time implementation of the Corporate Enterprise Resource Planning System. (ERP)

## 2018/2019 Budget

## Summary of Full Time Equivalent (FTE) by Ministry Category

	Budget 2018/2019	Revised Budget 2017/2018*	Increase/ (Decrease)	
<b>Instruction</b>				
<b>Teachers</b>				
<b>Classroom Teachers Elementary</b>				
Classroom Teachers	2,300.1	2,288.1	12.0	Note 1
Classroom Support	105.5	100.5	5.0	Note 1
Classroom Special Education	352.7	344.6	8.1	Note 1
<b>Classroom Teachers Secondary</b>				
Classroom Teachers	1,097.1	1,077.3	19.8	Note 1
Classroom Support	28.5	29.2	(0.7)	Note 1
Classroom Special Education	135.0	129.7	5.3	Note 1
<b>Teachers Total</b>	<b>4,018.9</b>	<b>3,969.4</b>	<b>49.5</b>	
<b>Early Childhood Educators Total</b>	<b>282.0</b>	<b>282.0</b>	<b>-</b>	
<b>Educational Assistants Total</b>	<b>846.0</b>	<b>831.5</b>	<b>14.5</b>	Note 2, 3
<b>Professionals, Paraprofessionals and Technical</b>				
Educational Assistants	13.0	13.0	-	
Child & Youth Counsellors	49.0	49.0	-	
ABA Facilitators	4.0	4.0	-	
Psychoeducational Consultants	21.0	21.0	-	
Social Workers	24.0	24.0	-	
Speech-Language Pathologists	19.5	19.5	-	
Clerical & Secretarial	17.3	17.4	(0.1)	Note 3
Management And Support Staff	21.6	22.6	(1.0)	Note 3
Technical & Specialized	50.8	50.8	-	
Student Supervisors	71.8	71.8	-	
Continuing Education Assistants	3.8	3.8	-	
<b>Professionals, Paraprofessionals and Technical Total</b>	<b>295.8</b>	<b>296.9</b>	<b>(1.1)</b>	
<b>Library and Guidance</b>				
Classroom Teachers Elementary	75.0	64.2	10.8	Note 1
Classroom Teachers Secondary	59.5	60.0	(0.5)	Note 1, 2
Library Technicians	26.5	26.5	-	
<b>Library and Guidance Total</b>	<b>161.0</b>	<b>150.7</b>	<b>10.3</b>	
<b>Principals and Vice-Principals</b>				
Principals	103.6	103.5	0.1	Note 1, 2
Vice-Principals	106.0	105.0	1.0	Note 2
<b>Principals and Vice-Principals Total</b>	<b>209.6</b>	<b>208.5</b>	<b>1.1</b>	
<b>School Office</b>				
Clerical & Secretarial	261.1	261.7	(0.6)	Note 1, 2
Management And Support Staff	20.0	21.0	(1.0)	Note 2
<b>School Office Total</b>	<b>281.1</b>	<b>282.7</b>	<b>(1.6)</b>	

\*Revised Budget 2017/2018 includes in year reduction of (14.9) Teachers, (6.0) Early Childhood Educators, (0.5) Library and Guidance, (1.0) Caretaker, (1.0) Management Support Staff and the addition of 1.0 Instructional Program Leader, and 1.6 Clerical and Secretarial.

Note 1) Reflects impact of enrolment fluctuation and compliance

Note 2) Formula based adjustments due to enrolment, new schools or school closures

Note 3) Staff Realignment

## 2018/2019 Budget

## Summary of Full Time Equivalent (FTE) by Ministry Category

	Budget 2018/2019	Revised Budget 2017/2018*	Increase/ (Decrease)	
<b>Coordinators and Consultants</b>				
Clerical & Secretarial	9.6	10.4	(0.8)	Note 3
Director and Supervisory Officers	2.0	2.0	-	
Instructional Program Leaders (IPL)	43.0	44.0	(1.0)	Note 3
Management And Support Staff	7.0	5.0	2.0	Note 3
Principals	7.0	7.0	-	
Vice-Principals	3.0	3.0	-	
<b>Coordinators and Consultants Total</b>	<b>71.6</b>	<b>71.4</b>	<b>0.2</b>	
<b>Continuing Education</b>				
Management And Support Staff	1.0	1.0	-	
Vice-Principals	2.0	2.0	-	
<b>Continuing Education Total</b>	<b>3.0</b>	<b>3.0</b>	<b>-</b>	
<b>Instruction Total</b>	<b>6,169.0</b>	<b>6,096.1</b>	<b>72.9</b>	
<b>Administration</b>				
<b>Trustees (including Student Trustees) Total</b>	<b>13.0</b>	<b>13.0</b>	<b>-</b>	
<b>Director and Supervisory Officers Total</b>	<b>12.0</b>	<b>12.0</b>	<b>-</b>	
<b>Board Administration</b>				
Caretakers	3.0	3.0	-	
Cleaners	0.5	0.5	-	
Clerical & Secretarial	12.0	12.0	-	
Management And Support Staff	84.0	83.0	1.0	Note 3
<b>Board Administration Total</b>	<b>99.5</b>	<b>98.5</b>	<b>1.0</b>	
<b>Administration Total</b>	<b>124.5</b>	<b>123.5</b>	<b>1.0</b>	
<b>Pupil Accommodation</b>				
Caretakers	334.4	333.4	1.0	Note 2
Cleaners	3.1	3.1	-	
Clerical & Secretarial	5.0	5.0	-	
Management And Support Staff	33.0	33.0	-	
<b>Pupil Accommodation Total</b>	<b>375.5</b>	<b>374.5</b>	<b>1.0</b>	
<b>Grand Total</b>	<b>6,669.0</b>	<b>6,594.1</b>	<b>74.9</b>	

\*Revised Budget 2017/2018 includes in year reduction of (14.9) Teachers, (6.0) Early Childhood Educators, (0.5) Library and Guidance, (1.0) Caretaker, (1.0) Management Support Staff and the addition of 1.0 Instructional Program Leader, and 1.6 Clerical and Secretarial.

Note 1) Reflects impact of enrolment fluctuation and compliance

Note 2) Formula based adjustments due to enrolment, new schools or school closures

Note 3) Staff Realignment

**Halton District School Board  
2018/2019 Budget  
Expense by Funding Source**

Category	FTE	Revenue	Expense	Variance
Instruction	6,169.0	591,919,246	599,133,170	(7,213,924)
Administration	124.5	17,794,339	16,386,987	1,407,352
Transportation		16,722,747	17,288,393	(565,646)
Pupil Accommodation	375.5	113,591,401	106,719,183	6,872,218
Other		23,278,434	23,778,434	(500,000)
<b>Total</b>	<b>6,669.0</b>	<b>763,306,167</b>	<b>763,306,167</b>	<b>-</b>

# **Halton District School Board** **2018/2019 Budget** **Instruction Expense**

	Budget 2018/2019	Budget 2017/2018	Increase/ (Decrease)
<b>Instruction</b>			
<b>Classroom Teachers</b>			
Salaries and Benefits	393,043,427	382,500,591	10,542,836
Supplies and Services	105,000	105,000	-
<b>Classroom Teachers Total</b>	<b>393,148,427</b>	<b>382,605,591</b>	<b>10,542,836</b>
<b>Supply Staff</b>			
Salaries and Benefits	19,334,798	18,125,698	1,209,100
<b>Supply Staff Total</b>	<b>19,334,798</b>	<b>18,125,698</b>	<b>1,209,100</b>
<b>Educational Assistants</b>			
Salaries and Benefits	45,413,538	43,851,263	1,562,275
<b>Educational Assistants Total</b>	<b>45,413,538</b>	<b>43,851,263</b>	<b>1,562,275</b>
<b>Early Childhood Educators</b>			
Salaries and Benefits	14,933,810	14,998,827	(65,017)
<b>Early Childhood Educators Total</b>	<b>14,933,810</b>	<b>14,998,827</b>	<b>(65,017)</b>
<b>Textbooks and Supplies</b>			
Supplies and Services	18,472,628	18,060,408	412,220
Fees, Contractual and Rentals	3,593,549	2,271,439	1,322,110
Other	104,600	104,600	-
<b>Textbooks and Supplies Total</b>	<b>22,170,777</b>	<b>20,436,447</b>	<b>1,734,330</b>
<b>Computers</b>			
Supplies and Services	2,396,134	1,581,896	814,238
Fees, Contractual and Rentals	1,382,106	1,310,145	71,961
<b>Computers Total</b>	<b>3,778,240</b>	<b>2,892,041</b>	<b>886,199</b>
<b>Professionals, Paraprofessionals &amp; Technical</b>			
Salaries and Benefits	22,224,639	21,586,008	638,631
Supplies and Services	437,300	400,300	37,000
Fees, Contractual and Rentals	550,445	660,392	(109,947)
Other	30,180	28,457	1,723
<b>Professionals, Paraprofessionals &amp; Technical Total</b>	<b>23,242,564</b>	<b>22,675,157</b>	<b>567,407</b>

# Halton District School Board 2018/2019 Budget Instruction Expense

	Budget 2018/2019	Budget 2017/2018	Increase/ (Decrease)
<b>Instruction</b>			
<b>Library and Guidance</b>			
Salaries and Benefits	15,046,884	13,772,594	1,274,290
Supplies and Services	22,000	22,000	-
<b>Library and Guidance Total</b>	<b>15,068,884</b>	<b>13,794,594</b>	<b>1,274,290</b>
<b>Staff Development</b>			
Staff Development	4,423,307	4,201,840	221,467
<b>Staff Development Total</b>	<b>4,423,307</b>	<b>4,201,840</b>	<b>221,467</b>
<b>Department Heads</b>			
Salaries and Benefits	835,666	823,271	12,395
<b>Department Heads Total</b>	<b>835,666</b>	<b>823,271</b>	<b>12,395</b>
<b>Principals and Vice-Principals</b>			
Salaries and Benefits	28,021,474	27,470,421	551,053
Staff Development	301,825	300,625	1,200
Supplies and Services	59,500	58,750	750
Other	49,500	48,005	1,495
<b>Principals and Vice-Principals Total</b>	<b>28,432,299</b>	<b>27,877,801</b>	<b>554,498</b>
<b>School Office</b>			
Salaries and Benefits	17,161,946	16,929,670	232,276
Staff Development	20,000	20,000	-
Supplies and Services	218,500	245,060	(26,560)
Fees, Contractual and Rentals	468,308	444,436	23,872
<b>School Office Total</b>	<b>17,868,754</b>	<b>17,639,166</b>	<b>229,588</b>
<b>Coordinators and Consultants</b>			
Salaries and Benefits	7,896,368	7,494,756	401,612
Supplies and Services	222,100	218,500	3,600
Fees, Contractual and Rentals	2,000	44,930	(42,930)
Other	3,200	3,100	100
<b>Coordinators and Consultants Total</b>	<b>8,123,668</b>	<b>7,761,286</b>	<b>362,382</b>
<b>Continuing Education</b>			
Salaries and Benefits	1,996,853	1,968,789	28,064
Supplies and Services	77,445	77,445	-
Fees, Contractual and Rentals	284,140	284,140	-
<b>Continuing Education Total</b>	<b>2,358,438</b>	<b>2,330,374</b>	<b>28,064</b>
<b>Grand Total</b>	<b>599,133,170</b>	<b>580,013,356</b>	<b>19,119,814</b>

**Halton District School Board**  
**2018/2019 Budget**  
**Detail of Instruction - Textbooks and Supplies Expense**

	Budget 2018/2019	Budget 2017/2018	Increase/ (Decrease)
<b>Instruction</b>			
<b>Textbooks and Supplies</b>			
<b>Supplies and Services</b>			
Care, Treatment, Custody & Corrections	81,693	88,693	(7,000)
Decentralized School Budgets	12,669,069	12,615,970	53,099
Family of Schools	214,400	213,000	1,400
Full Day Kindergarten	17,315	13,815	3,500
Health Supplies	119,277	130,000	(10,723)
Integration/Boundary Reviews	55,864	60,000	(4,136)
Math Software	10,000	10,000	-
Media & Library	102,802	119,876	(17,074)
Outdoor Education	360,086	384,985	(24,899)
Program Services Subject Specific	993,614	949,914	43,700
Safe Schools	38,900	43,366	(4,466)
School Effectiveness Framework	-	35,586	(35,586)
School Innovations	25,000	25,000	-
Special Education Resources and Support	142,700	73,000	69,700
Special Equipment Amount	3,069,498	2,847,291	222,207
Specialist High Skills Major	-	8,000	(8,000)
Student Success	5,280	5,280	-
Tell Them From Me Survey	77,310	-	77,310
Other Resources and Support	489,820	436,632	53,188
<b>Supplies and Services Total</b>	<b>18,472,628</b>	<b>18,060,408</b>	<b>412,220</b>
<b>Fees, Contractual and Rentals</b>			
Copyright	6,606	6,606	-
e-Learning Tuition Other Boards	2,334	6,840	(4,506)
International Student Agent Fees	540,825	441,820	99,005
Internet Connectivity	193,328	189,569	3,759
Media & Library	66,000	66,000	-
PAR Implementation Costs	490,694	-	490,694
Parent Engagement	56,454	67,827	(11,373)
School Innovations	114,100	15,000	99,100
Science & Tech Ed Safety	167,000	117,000	50,000
Software Fees	635,016	560,261	74,755
Special Education Resources and Support	109,500	27,500	82,000
Specialist High Skills Major	1,101,037	732,401	368,636
Other Resources and Support	110,655	40,615	70,040
<b>Fees, Contractual and Rentals Total</b>	<b>3,593,549</b>	<b>2,271,439</b>	<b>1,322,110</b>

**Halton District School Board**  
**2018/2019 Budget**  
**Decentralized School Budget Allocation Model**

<b>ELEMENTARY BUDGET MODEL</b>		<b>SECONDARY BUDGET MODEL</b>	
Base Allocation per school	\$5,300.00	Base Allocation per school	\$5,300.00
General per pupil	\$38.00	General per ADE	\$58.00
Student Fee Offset per pupil	\$20.00	Student Fee Offset ADE	\$35.00
School Council Allocation per school	\$200.00	School Council Allocation per school	\$200.00
School Council Meeting Expense Supplement	\$300.00	School Council Meeting Expense Supplement	\$300.00
School PD - per FTE	\$4.50	School PD - per ADE	\$4.50
Textbooks per pupil Grades 1 - 3	\$20.00	Textbook Allocation per ADE	\$60.00
Textbooks per pupil Grades 4 & 5	\$30.00	Library Allocation per ADE	\$25.00
Textbooks per pupil Grades 6, 7 & 8	\$38.00	School Office Allocation per ADE	\$20.00
Textbooks per pupil Self Contained (incl. Gifted)	\$38.00	Native Studies Start-up Yr. 1 per course	\$2,000.00
Library Allocation per pupil	\$20.00	Native Studies Yr. 2 and beyond per course	\$1,000.00
School Office Allocation per pupil	\$20.00	Immersion Library per school	\$1,000.00
New Classes FDK	\$6,100.00	Core Library per school	\$1,170.00
New Classes Gr. 1-8	\$3,500.00	ESL Supplement (per identified student)	\$25.00
French Immersion Library – Primary (1-3)	\$10.50	Tech - Level 1 per credit	\$30.00
French Immersion Library – Junior (4,5)	\$12.00	Tech - Level 2 per credit	\$50.00
French Immersion Library – Int. (6,7,8)	\$14.00	Students with IEPs - Regular Class	\$15.00
ESL Supplement (per identified student)	\$25.00	Resource Support	\$15.00
Grade 7-8 (tech / music) Allocation	\$20.00	<b>Self Contained - Secondary per student:</b>	
Elementary SPED JK - 8 FTE	\$2.00	Positive Return of Pupils to School (PROPS)	\$20.00
Resource Support	\$10.00	Life Skills	\$100.00
Students with IEPs - Regular Class	\$10.00	Centres	\$100.00
Self Contained per pupil – (except Life Skills)	\$20.00		
Self Contained per pupil - Life Skills	\$200.00	<b>Special Supplements:</b>	
<b>Special Supplements:</b>		New School Opening Celebration	\$1,000.00
New School Opening Celebration	\$1,000.00	50th Anniversary Celebration	\$1,000.00
50th Anniversary Celebration	\$1,000.00	International Baccalaureate	\$12,000.00
Athletic Supplement	Variable	Athletic Supplement	Variable
School Needs Index	Variable		

**Halton District School Board**  
**2018/2019 Budget**  
**Detail of Instruction - Computers Expense**

	Budget 2018/2019	Budget 2017/2018	Increase/ (Decrease)
<b>Instruction</b>			
<b>Computers</b>			
<b>Supplies and Services</b>			
Classroom Computer Support	2,123,769	1,309,531	814,238
Computers & Audio Visual	149,638	149,638	-
Repairs-Furniture & Equipment	117,727	117,727	-
Vandalism	5,000	5,000	-
<b>Fees, Contractual and Rentals</b>			
Classroom Computer Support	75,000	68,556	6,444
Maintenance Fees	353,444	286,932	66,512
Wide Area Network	833,662	843,200	(9,538)
Wireless Technology	120,000	111,457	8,543
<b>Computers Total</b>	<b>3,778,240</b>	<b>2,892,041</b>	<b>886,199</b>
<b>Grand Total</b>	<b>3,778,240</b>	<b>2,892,041</b>	<b>886,199</b>

**Halton District School Board**  
**2018/2019 Budget**  
**Detail of Instruction - Staff Development Expense**

	Budget 2018/2019	Budget 2017/2018	Increase/ (Decrease)
<b>Instruction</b>			
<b>Staff Development</b>			
Contractual PD	283,830	283,830	-
e-Learning	18,000	18,000	-
Full Day Kindergarten	25,800	-	25,800
Health & Safety	193,200	193,200	-
Leadership	16,500	16,500	-
New Teacher Induction Program	552,051	511,983	40,068
Research	1,400	3,000	(1,600)
Safe Schools	90,371	93,704	(3,333)
Safety & Well Being	60,100	64,000	(3,900)
Special Education	736,000	428,504	307,496
Student Success	778,346	860,621	(82,275)
Technology	69,779	69,779	-
Program Services Subject Specific	1,597,930	1,658,719	(60,789)
<b>Staff Development Total</b>	<b>4,423,307</b>	<b>4,201,840</b>	<b>221,467</b>

**2018/2019 Budget**

**Administration Expense**

	Budget 2018/2019	Budget 2017/2018	Increase/ (Decrease)
<b>Administration</b>			
<b>Trustees</b>			
<b>Salaries and Benefits</b>			
Trustees	211,492	206,612	4,880
Student Trustees	5,066	5,066	-
<b>Supplies and Services</b>			
Computer Lease	50,150	3,000	47,150
Mileage	12,375	12,375	-
Telephone/Cell/Fax	25,000	25,000	-
Trustee Supplies	55,000	55,000	-
Student Trustees	17,500	17,500	-
<b>Trustees Total</b>	<b>376,583</b>	<b>324,553</b>	<b>52,030</b>
<b>Director and Supervisory Officers</b>			
<b>Salaries and Benefits</b>	2,734,215	2,618,406	115,809
<b>Staff Development</b>	79,000	82,000	(3,000)
<b>Supplies and Services</b>			
Other	77,300	77,300	-
<b>Director and Supervisory Officers Total</b>	<b>2,890,515</b>	<b>2,777,706</b>	<b>112,809</b>
<b>Board Administration</b>			
<b>Salaries and Benefits</b>	9,959,426	9,086,209	873,217
<b>Staff Development</b>			
Safety & Well Being	-	20,000	(20,000)
Staff Development	129,630	124,630	5,000
<b>Supplies and Services</b>			
Furniture & Equipment	45,000	45,000	-
Labour Relations	48,892	58,892	(10,000)
Meeting Expenses	22,562	21,062	1,500
Mileage	40,050	40,050	-
Office Supplies & Services	294,807	297,560	(2,753)
Recruitment of Staff	187,450	142,450	45,000
Telephone/Cell/Fax	193,015	226,094	(33,079)
Utilities - Hydro	170,000	163,571	6,429
Utilities - Natural Gas	15,356	15,356	-
Administration Building Maintenance	65,000	65,000	-
<b>Fees, Contractual and Rentals</b>			
Audit & Professional Fees	135,263	140,000	(4,737)
Communications	6,000	10,000	(4,000)
Communications Audit	-	10,000	(10,000)
Legal Fees	400,000	300,000	100,000
Payroll Fees	405,000	355,950	49,050
Professional Fees	23,057	23,554	(497)
Records Management Project	500	200,000	(199,500)
Software Maintenance Fees	515,244	487,849	27,395
Human Resources Contractual Support	73,000	164,000	(91,000)
Other Resources and Support	77,351	172,036	(94,685)
<b>Other</b>			
Other	187,536	178,256	9,280
<b>Board Administration Total</b>	<b>12,994,139</b>	<b>12,347,519</b>	<b>646,620</b>
<b>Amortization - Administration</b>			
<b>Amortization and Write-downs</b>	125,750	125,688	62
<b>Amortization - Administration Total</b>	<b>125,750</b>	<b>125,688</b>	<b>62</b>
<b>Administration Total</b>	<b>16,386,987</b>	<b>15,575,466</b>	<b>811,521</b>

PUBLIC SESSION  
**Halton District School Board**  
**2018/2019 Budget**  
**Transportation Expense**

Page 251 of 273

	Budget 2018/2019	Budget 2017/2018	Increase/ (Decrease)
<b>Transportation</b>			
<b>Pupil Transportation</b>			
<b>Administration</b>			
<b>Regular</b>			
Bronte Creek Transportation	982,516	1,034,036	(51,520)
Bus Passes	140,000	115,000	25,000
English Language Learners (ELL) Transportation	75,000	75,000	-
Essential Level Transportation	200,000	197,064	2,936
Gary Allan High School Transportation	308,000	298,200	9,800
Home to School (includes French Immersion)	22,500	28,000	(5,500)
HOPES Transportation	8,745,643	8,510,000	235,643
Safety Programs	105,000	155,000	(50,000)
School Bus Orientation Day	95,275	78,517	16,758
Specialist High Skills Major Transportation	1,877	1,908	(31)
Other Transportation	100,000	156,500	(56,500)
Special Education	156,500	149,010	7,490
Care, Treatment, Custody & Corrections Transportatic	320,000	215,000	105,000
Gifted Transportation	1,230,000	1,308,000	(78,000)
Home to School Special Needs Transportation	3,518,482	3,194,000	324,482
Mobility Accessible Transportation	908,000	997,000	(89,000)
Special Education Transportation	155,000	157,500	(2,500)
<b>Transportation - Provincial Schools</b>			
Provincial Schools	224,600	220,150	4,450
<b>Transportation Total</b>	<b>17,288,393</b>	<b>16,889,885</b>	<b>398,508</b>

PUBLIC SESSION  
**Halton District School Board**  
**2018/2019 Budget**  
**Pupil Accommodation Expense**

Page 252 of 273

	Budget 2018/2019	Budget 2017/2018	Increase/ (Decrease)
<b>Pupil Accommodation</b>			
<b>School Operations and Maintenance</b>			
<b>Salaries and Benefits</b>	26,452,474	25,652,651	799,823
<b>Staff Development</b>	39,457	44,457	(5,000)
<b>Supplies and Services</b>			
Cafeteria	95,000	145,000	(50,000)
Caretaking	1,163,000	1,108,000	55,000
Day to Day Maintenance	4,965,679	5,215,679	(250,000)
Office Supplies & Services	111,705	114,155	(2,450)
Utilities - Fuel Oil	58,000	58,000	-
Utilities - Hydro	10,229,674	9,706,429	523,245
Utilities - Natural Gas	2,225,344	2,138,019	87,325
Utilities - Water/Sewage	1,779,600	1,605,449	174,151
Vandalism	550,000	600,000	(50,000)
Other Resources and Support	244,500	239,500	5,000
<b>Fees, Contractual and Rentals</b>			
Contract Cleaning	4,437,622	4,004,840	432,782
Garbage Collection	350,000	350,000	-
Insurance	806,165	785,200	20,965
Life Skills Model Retrofit	10,000	15,000	(5,000)
Lockdown/Lockout	10,000	10,000	-
Maintenance Contracts	1,287,000	1,212,000	75,000
Snow Removal	1,500,000	1,500,000	-
Software Maintenance Fees	19,965	19,479	486
Special Education	-	175,000	(175,000)
Surveillance	405,000	405,000	-
Temporary Accommodation	4,572,000	4,916,700	(344,700)
Other Resources and Support	250,938	241,679	9,259
<b>Other</b>			
Other	2,755	2,755	-
<b>School Operations and Maintenance Total</b>	<b>61,565,878</b>	<b>60,264,992</b>	<b>1,300,886</b>
<b>School Renewal</b>			
<b>Supplies and Services</b>			
Renewal Projects	3,116,454	3,116,454	-
<b>School Renewal Total</b>	<b>3,116,454</b>	<b>3,116,454</b>	<b>-</b>
<b>Amortization - Pupil Accommodation</b>			
<b>Amortization and Write-downs</b>	29,307,114	28,644,519	662,595
<b>Amortization - Pupil Accommodation Total</b>	<b>29,307,114</b>	<b>28,644,519</b>	<b>662,595</b>
<b>Other Pupil Accommodation</b>			
<b>Interest Charges on Capital</b>	12,729,737	13,347,024	(617,287)
<b>Other Pupil Accommodation Total</b>	<b>12,729,737</b>	<b>13,347,024</b>	<b>(617,287)</b>
<b>Pupil Accommodation Total</b>	<b>106,719,183</b>	<b>105,372,989</b>	<b>1,346,194</b>

**Halton District School Board  
2018/2019 Budget  
Other Expense**

	Budget 2018/2019	Budget 2017/2018	Increase/ (Decrease)
<b>Other Expense</b>			
Recoverable Projects and EPO's	2,443,317	1,900,790	542,527
Enterprise Resource Planning System	1,291,728	-	1,291,728
Provision for Contingencies	500,000	500,000	-
Permanent Financing of NPF	543,389	543,389	-
School Generated Funds	19,000,000	19,000,000	-
<b>Other Expense Total</b>	<b>23,778,434</b>	<b>21,944,179</b>	<b>1,834,255</b>

## **Section 4**



**2018/2019 Budget**

***Capital Budget Detail***

PUBLIC SESSION  
**Halton District School Board**  
**2018/2019 Budget**  
**Capital Budget**

Page 255 of 273

	Capital Expense	Ministry Approved Capital Financing				Board Allocated Capital Funding	Total Financing
		Ministry Funded	Education Development Charges	Proceeds of Disposition	Total Financing per EFIS	Accumulated Surplus	
<b>New Schools - Land</b>	3,700,000		3,700,000		3,700,000	-	3,700,000
<b>New and Existing Schools (Additions) Building, Equipment and Land Prep*</b>	49,048,154	49,048,154			49,048,154	-	49,048,154
<b>Child Care/Child and Family Centre **</b>	2,571,270	2,571,270			2,571,270	-	2,571,270
<b>School Renewal</b>	6,812,897	6,812,897			6,812,897	-	6,812,897
<b>School Condition Improvement</b>	17,674,030	17,674,030			17,674,030	-	17,674,030
<b>Greenhouse Gas Reduction</b>	1,963,780	1,963,780			1,963,780	-	1,963,780
<b>Closing the Gap Program</b>	7,000,000			7,000,000	7,000,000	-	7,000,000
	<b>88,770,131</b>	<b>78,070,131</b>	<b>3,700,000</b>	<b>7,000,000</b>	<b>88,770,131</b>	<b>-</b>	<b>88,770,131</b>

\* Includes expenditures for Ministry approved projects - Viola Desmond P.S. (Milton #10 elementary), NE Oakville #2 elementary, Milton SW #1 secondary, M.M Robinson H.S. and Nelson H.S.

\*\* This represents the Ministry funding provided for the following approved Child Care Centre projects - NE Oakville #2 elementary and Frontenac P.S..

## **Section 5**



**2018/2019 Budget**

***Ministry Compliance***

**Halton District School Board**  
**2018/2019 Budget**  
**Detail of Special Education Compliance**

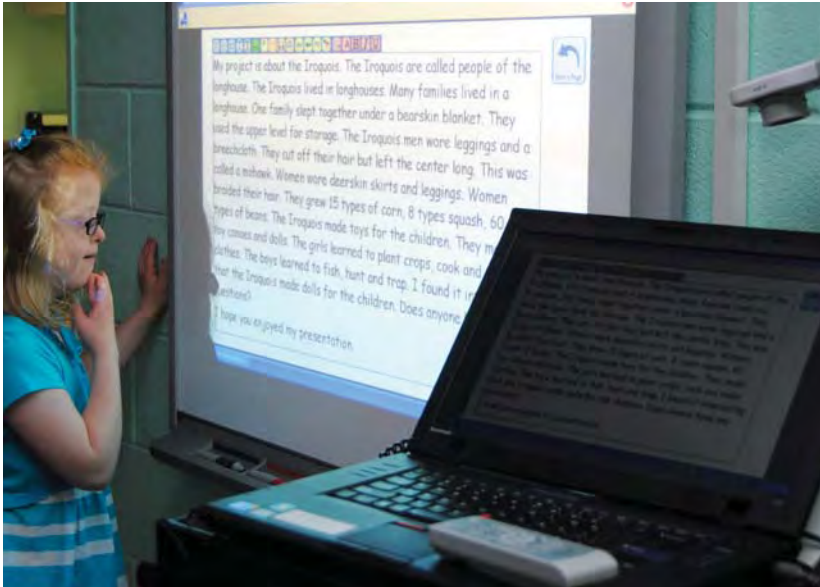
	Budget 2018/2019	Budget 2017/2018	Increase/ (Decrease)
<b>Care, Treatment, Custody and Corrections</b>	<b>3,110,640</b>	<b>3,075,759</b>	<b>34,881</b>
<b>Special Education</b>			
<b>Classroom Teachers</b>			
Salaries and Benefits	47,396,173	45,718,311	1,677,862
Supplies and Services	11,700	11,700	-
<b>Classroom Teachers Total</b>	<b>47,407,873</b>	<b>45,730,011</b>	<b>1,677,862</b>
<b>Supply Staff</b>			
Salaries and Benefits	3,430,162	3,094,475	335,687
<b>Supply Staff Total</b>	<b>3,430,162</b>	<b>3,094,475</b>	<b>335,687</b>
<b>Educational Assistants</b>			
Salaries and Benefits	45,074,012	43,518,576	1,555,436
<b>Educational Assistants Total</b>	<b>45,074,012</b>	<b>43,518,576</b>	<b>1,555,436</b>
<b>Textbooks and Supplies</b>			
Supplies and Services	3,497,349	3,158,147	339,202
Fees, Contractual and Rentals	109,500	27,500	82,000
<b>Textbooks and Supplies Total</b>	<b>3,606,849</b>	<b>3,185,647</b>	<b>421,202</b>
<b>Professionals, Para &amp; Technical</b>			
Salaries and Benefits	11,350,428	11,232,241	118,187
Supplies and Services	304,780	237,780	67,000
Fees, Contractual and Rentals	216,140	190,000	26,140
Other	27,000	25,277	1,723
<b>Professionals, Para &amp; Technical Total</b>	<b>11,898,348</b>	<b>11,685,298</b>	<b>213,050</b>
<b>Staff Development</b>			
Staff Development	736,650	434,154	302,496
<b>Staff Development Total</b>	<b>736,650</b>	<b>434,154</b>	<b>302,496</b>
<b>Coordinators and Consultants</b>			
Salaries and Benefits	1,377,723	1,204,553	173,170
Supplies and Services	54,000	53,900	100
<b>Coordinators and Consultants Total</b>	<b>1,431,723</b>	<b>1,258,453</b>	<b>173,270</b>
<b>Grand Total</b>	<b>116,696,257</b>	<b>111,982,373</b>	<b>4,713,884</b>

<b>Revenue</b>			
Special Education Per Pupil Amount (SEPPA)	48,609,336	47,813,202	796,134
Special Education Equipment Amount (SEA)	2,993,986	2,832,843	161,143
Differentiated Special Education Needs Amount	30,155,478	28,995,658	1,159,820
Approved Special Incidence Portion (SIP)	2,128,896	1,079,998	1,048,898
Care, Treatment, Custody and Corrections	3,110,640	3,075,759	34,881
Behaviour Expertise Amount	371,929	271,092	100,837
Self-Contained Adjustment	8,504,221	8,221,909	282,312
<b>Total Revenue</b>	<b>95,874,486</b>	<b>92,290,461</b>	<b>3,584,025</b>
<b>Expenditures in Excess of Revenue</b>	<b>(20,821,771)</b>	<b>(19,691,912)</b>	<b>(1,129,859)</b>

**2018/2019 Budget**

**Transfer to/(from) Accumulated Surplus per Ministry Compliance**

<b>Transfer to/(from) Accumulated Surplus</b>	<b>Budget 2018/2019</b>	<b>Budget 2017/2018</b>	<b>Increase/ (Decrease)</b>
<b>Available for Compliance - Unappropriated</b>			
Operating Accumulated Surplus	(848,718)	-	(848,718)
<b>Total Unappropriated</b>	<b>(848,718)</b>	<b>-</b>	<b>(848,718)</b>
<b>Available for Compliance - Internally Appropriated</b>			
<b>Operating</b>			
Retirement Gratuities	(1,133,000)	(1,133,000)	-
Records Management	-	(200,000)	200,000
Student Achievement	(2,084,500)	(3,043,331)	958,831
Technology	(443,010)	-	(443,010)
Portables	(1,643,043)	(1,615,466)	(27,577)
<b>Capital</b>			
Committed Capital Projects - Non-Ministry Funded	(335,942)	(335,942)	-
Committed Sinking fund interest earned	(222,591)	(222,591)	-
<b>Total Internally Appropriated</b>	<b>(5,862,086)</b>	<b>(6,550,330)</b>	<b>688,244</b>
<b>Unavailable for Compliance - Externally Appropriated</b>			
Employee Future Benefits - Retirement Gratuities	4,331,510	4,331,510	-
Retirement Health, Dental	56,102	56,102	-
Employee Future Benefits - Other	68,471	-	68,471
Interest to be Accrued	161,191	144,702	16,489
Revenues recognized for land - EDC	14,390,000	11,138,200	3,251,800
<b>Total Externally Appropriated</b>	<b>19,007,274</b>	<b>15,670,514</b>	<b>3,336,760</b>
<b>Total Transfer to/(from) Accumulated Surplus</b>	<b>12,296,470</b>	<b>9,120,184</b>	<b>3,176,286</b>



#### Street Address:

J.W. Singleton Education Centre  
2050 Guelph Line  
Burlington, ON L7P 5A8

#### Mailing Address:

J.W. Singleton Education Centre  
PO Box 5005 STN LCD 1  
Burlington ON L7R 3Z2

Tel: 905-335-3663

Toll free: 1-877-618-3456

Fax: 905-335-9802

[www.hdsb.ca](http://www.hdsb.ca)



## Senior Administration and Superintendent Responsibilities 2018-2019

### Locations:

JW Singleton Centre  
2050 Guelph Line  
Burlington, Ontario L7P 5A8

New Street Education Centre  
3250 New Street  
Burlington, Ontario L7N 1M8

### Senior Administration and Superintendents



Stuart Miller

Director of Education

- Chief Executive Officer
- Chief Education Officer
- Secretary to the Board

Email: [millers@hdsb.ca](mailto:millers@hdsb.ca)

Executive Assistant: Susan Thrasher

Email: [thrashers@hdsb.ca](mailto:thrashers@hdsb.ca)

905-335-3665 Ext. 3354



David Boag

Associate Director

- Student achievement
- School operations
- school accommodation and program viability
- Gary Allan HS

Email: [boagd@hdsb.ca](mailto:boagd@hdsb.ca)

Executive Assistant: Susan Thrasher

Email: [thrashers@hdsb.ca](mailto:thrashers@hdsb.ca)

905-335-3665 Ext. 3354

Executive Assistant (Gary Allan HS): Kim Thirsk

Email: [thirskk@hdsb.ca](mailto:thirskk@hdsb.ca)

905-335-3665 Ext. 3271



## Terri Blackwell

### Superintendent of Education

- Burlington PAR Implementation
- Program Viability Committee (PVC) Implementation
- Research in schools
- Support for Special Education Review
- Elementary schools: Alexander's, Alton Village, Burlington Central Elem, Central, Charles R Beaudoin, Florence Meares, John Wm Boich, Lakeshore, Orchard Park, Tom Thomson.
- Secondary schools: Burlington Central HS

Email: [blackwellt@hdsb.ca](mailto:blackwellt@hdsb.ca)

Executive Assistant: Denise Pearson

Email: [pearsonde@hdsb.ca](mailto:pearsonde@hdsb.ca)

905-335-3665 Ext. 3307



## Maia Puccetti

### Superintendent of Facility Services

- Construction (capital projects including design and construction of new schools, renovations, additions and portable classroom moves)
- Rental of school space (Community Use of Schools)
- Maintenance (upkeep of buildings, renewal of large maintenance programs such as roofing, window replacement, energy and environmental conditions of buildings.)
- Operations (cleaning, cafeterias, security, snow clearing, garbage/recycling, play structures.
- Portable inspection

Email: [puccettim@hdsb.ca](mailto:puccettim@hdsb.ca)

Office Supervisor: Elaine Westerhof

Email: [westerhofe@hdsb.ca](mailto:westerhofe@hdsb.ca)

905-335-3665 Ext. 3358



## Rob Eatough

Superintendent of Education

- Equity programs
- Communications (Internal/External)
- Elementary schools: Frontenac, Mohawk Garden, Pineland, Ryerson, Tecumseh.
- Secondary schools: Robert Bateman HS, Nelson HS

Email: [eatoughr@hdsb.ca](mailto:eatoughr@hdsb.ca)

Executive Assistant: Denise Pearson

Email: [pearsonde@hdsb.ca](mailto:pearsonde@hdsb.ca)

905-335-3665 Ext. 3307



## Julie Hunt Gibbons

Superintendent of Education

- Secondary curriculum and school program
- Student success and pathways destinations
- Elementary schools: Brookdale, Eastview, Gladys Speers, Oakwood, Pine Grove, WH Morden.
- Secondary schools: TA Blakelock HS

Email: [huntgibbonsj@hdsb.ca](mailto:huntgibbonsj@hdsb.ca)

Executive Assistant (TA Blakelock Family of Schools): Hawa Iyamabo

Email: [iyamaboh@hdsb.ca](mailto:iyamaboh@hdsb.ca)

JW Singleton Centre 905-335-3665 Ext. 3324

Executive Assistant (School Programs Dept) : Aileen Hurley

Email: [hurleya@hdsb.ca](mailto:hurleya@hdsb.ca)

New Street Education Centre 905-631-6120 Ext. 423



## Debra McFadden

Executive Officer, Human Resources

- Chief Negotiator
- Labour Relations
- Human Resources Strategy and Policy

Email: [mcfaddend@hdsb.ca](mailto:mcfaddend@hdsb.ca)

Executive Assistant: Viki Faragitakis

Email: [faragitakisv@hdsb.ca](mailto:faragitakisv@hdsb.ca)

905-335-3665 Ext. 3274



## Jacqueline Newton

Superintendent of Education

- Innovation/Ingenuity in schools
- Elementary schools: Anne J MacArthur, Boyne, Brookville, Bruce Trail, Chris Hadfield, Escarpment View, EW Foster, Hawthorne Village, Irma Coulson, JM Denyes, Martin Street, PL Robertson, Robert Baldwin, Sam Sherratt, Tiger Jeet Singh, Viola Desmond, WI Dick.
- Secondary schools: Craig Kielburger SS, Milton District HS

Email: [newtonj@hdsb.ca](mailto:newtonj@hdsb.ca)

Executive Assistant: Hawa Iyamabo

Email: [iyamaboh@hdsb.ca](mailto:iyamaboh@hdsb.ca)

905-335-3665 Ext. 3324



## John Pennyfather

Superintendent of Education

- Community Partnerships, Parent Involvement Committee(PIC), School Councils, Social Justice, Our Kids Network
- Elementary schools: Dr Charles Best, Sir Ernest MacMillan, Brant Hills, Bruce T Lindley, CH Norton, Clarksdale, Kilbride, Paul A Fisher, Rolling Meadows, John T Tuck, Pauline Johnson.
- Secondary schools: M.M. Robinson HS, Dr Frank J. Hayden SS.

Email: [pennyfatherj@hdsb.ca](mailto:pennyfatherj@hdsb.ca)

Executive Assistant: Denise Pearson  
Email: [pearsonde@hdsb.ca](mailto:pearsonde@hdsb.ca)  
905-335-3665 Ext. 3307



## Scott Podrebarac

Superintendent of Education

- Early Years/Childcare Liaison (Age 0-3)
- Safe schools programs
- Elementary schools: Centennial, Ethel Gardiner, George Kennedy, Glen Williams, Harrison, Joseph Gibbons, Limehouse, McKenzie-Smith Bennett, Park, Pineview, Robert Little, Silver Creek, Stewarttown.
- Secondary schools: Acton HS, Georgetown District HS.

Email: [podrebaracs@hdsb.ca](mailto:podrebaracs@hdsb.ca)  
Executive Assistant: Joanne Basta  
Email: [bastaj@hdsb.ca](mailto:bastaj@hdsb.ca)  
905-335-3665 Ext. 3294



## Colette Ruddock

Superintendent of Education

- Student Health
- Elementary schools: Abbey Lane, Captain R. Wilson, Emily Carr, Falgarwood, Forest Trail, Heritage Glen, Joshua Creek, Montclair, Munn's, Oodenawi, Palermo, Pilgrim Wood, Post's Corners, River Oaks, Sheridan, Sunningdale, West Oak.
- Secondary schools: Abbey Park HS, Garth Webb HS, Iroquois Ridge HS, White Oaks SS.

Email: [ruddockc@hdsb.ca](mailto:ruddockc@hdsb.ca)  
Executive Assistant: Kim Thirsk  
Email: [thirskk@hdsb.ca](mailto:thirskk@hdsb.ca)  
905-335-3665 Ext. 3271



## Tina Salmini

### Superintendent of Education

- Elementary program (Kindergarten-Grade 8)
- New Teacher Induction Program (NTIP)
- Leadership and Staff Development
- Library Services
- Elementary schools: EJ James, James W Hill, Maple Grove, New Central
- Secondary schools: Oakville Trafalgar HS

Email: [salminic@hdsb.ca](mailto:salminic@hdsb.ca)

Executive Assistant (OTHS Family of Schools): Kim Thirsk

Email: [thirskk@hdsb.ca](mailto:thirskk@hdsb.ca)

905-335-3665 Ext. 3271

Executive Assistant: Anja Vernon

Email: [vernona@hdsb.ca](mailto:vernona@hdsb.ca)

New Street Education Centre 905-631-6120 Ext. 421



## Gord Truffen

### Superintendent of Education

- Information Services (IT)
- HDSB Welcome Centre, International students
- Elementary schools: Aldershot (elem), Glenview, King's Road, Maplehurst
- Secondary schools: Aldershot HS.

Email: [truffeng@hdsb.ca](mailto:truffeng@hdsb.ca)

Executive Assistant: Joanne Basta

Email: [bastaj@hdsb.ca](mailto:bastaj@hdsb.ca)

905-335-3665 Ext. 3294



## Roxana Negoir

Superintendent of Business Services

- Accounting
- Budget
- Planning
- Purchasing
- Transportation

Email: [negoir@hdsb.ca](mailto:negoir@hdsb.ca)

Executive Assistant: Alisia Morrow

Email: [morrowa@hdsb.ca](mailto:morrowa@hdsb.ca)

905-335-3665 Ext. 3261



## Mark Zonneveld

Superintendent of Education

- Special Education/Student Services
- Special Education Review
- Syl Apps school, Section 23 program

Email: [zonneveldm@hdsb.ca](mailto:zonneveldm@hdsb.ca)

Executive Assistant: Mary Jane Ritchie

Email: [ritchiem@hdsb.ca](mailto:ritchiem@hdsb.ca)

New Street Education Centre 905-631-6120 Ext. 333

The eleven trustees of the Halton District School Board are elected for a four-year term through the municipal election process. The current Board of Trustees was elected in October 2018 and will serve until November 2022.

## Board of Trustees 2018 - 2022



Andréa Grebenc

Chair of the Board 2019

**Correspondence from the Chair of the Board**

Burlington - **Wards 3 & 6**

Tel: 905-875-9590

Email: [grebenca@hdsb.ca](mailto:grebenca@hdsb.ca)

**Trustee Bio**

Schools: Alton Village PS, Brant Hills PS, Bruce T Lindley PS, CH Norton PS, Charles R Beaudoin PS, Clarksdale PS, Florence Meares PS, Kilbride PS, Paul A Fisher PS, Rolling Meadows PS, Dr. Frank J Hayden SS, MM Robinson HS.



Tracey Ehl Harrison

Vice-Chair 2019

Oakville - **Wards 1 & 2**

Tel: 905-691-4976

Email: [ehlharrisont@hdsb.ca](mailto:ehlharrisont@hdsb.ca)

**Trustee Bio**

Schools: Abbey Lane PS, Brookdale PS, Eastview PS, Gladys Speers PS, Oakwood PS, Palermo PS, Pine Grove PS, WH Morden PS, TA Blakelock HS.

## Milton



Donna Danielli

Milton - **Wards 1 & 2**

Tel: 905-699-7433

Email: [daniellid@hdsb.ca](mailto:daniellid@hdsb.ca)

**Trustee Bio**

Schools: Brookville PS, Bruce Trail PS, Chris Hadfield PS, EW Foster PS, Escarpment View PS, JM Denyes PS, Martin Street PS, Robert Baldwin PS, Sam Sherratt PS, WI Dick PS, Milton District HS.



Heather Gerrits

Milton - **Wards 3 & 4**

Tel: 905-691-4496

Email: [gerritsh@hdsb.ca](mailto:gerritsh@hdsb.ca)

Trustee Bio (coming soon)

Schools: Anne J MacArthur PS, Boyne PS, Hawthorne Village PS, PL Robertson PS, Irma Coulson PS, Tiger Jeet Singh PS, Viola Desmond PS, Craig Keilburger SS.

## Halton Hills



Jeanne Gray

Halton Hills - **Wards 1, 2, 3 & 4**

Tel: 905-691-2328

Email: [grayje@hdsb.ca](mailto:grayje@hdsb.ca)

**Trustee Bio**

Schools: Centennial PS, Ethel Gardiner PS, George Kennedy PS, Glen Williams PS, Harrison PS, Joseph Gibbons PS, Limehouse PS, McKenzie-Smith Bennett PS, Park PS, Pineview PS, Robert Little PS, Stewarttown PS, Silver Creek PS, Acton District HS, Georgetown District HS.



## Burlington



Amy Collard

Burlington - **Ward 5**

Tel: 905-691-2597

Email: [collardamy@hdsb.ca](mailto:collardamy@hdsb.ca)

**Trustee Bio**

Schools: Alexander's PS, Frontenac PS, John William Boich PS, Mohawk Gardens PS, Orchard Park PS, Pineland PS, Robert Bateman HS.



Margo Shuttleworth

Burlington - **Ward 4**

Tel: 905-691-4508

Email: [shuttleworthm@hdsb.ca](mailto:shuttleworthm@hdsb.ca)

Trustee Bio(coming soon)

Schools: Dr. Charles Best PS, John T Tuck PS, Pauline Johnson PS, Ryerson PS, Sir E MacMillan PS, Tecumseh PS, Gary Allan HS, Nelson HS.



Leah Reynolds

Burlington - **Wards 1 & 2**

Tel: 905-516-0181

Email: [reynoldsle@hdsb.ca](mailto:reynoldsle@hdsb.ca)

**Trustee Bio**

Schools: Aldershot Elem, Burlington Central Elem, Central PS, Glenview PS, King's Road PS, Lakeshore PS, Maplehurst PS, Tom Thomson PS, Aldershot HS, Burlington Central HS.

## Oakville



Kelly Amos

Oakville - **Ward 5 & 7**

Tel: 905-339-2870

Email: [amosk@hdsb.ca](mailto:amosk@hdsb.ca)

**Trustee Bio**

Schools: Montclair PS , Munn's PS, Oodenawi PS, Post's Corners PS, River Oaks PS, Sunningdale PS, White Oaks SS.



Tanya Rocha

Oakville - **Ward 3 & 6**

Tel: 905-691-4516

Email: [rochat@hdsb.ca](mailto:rochat@hdsb.ca)

Schools: EJ James PS, Falgarwood PS, Iroquois Ridge HS, James W Hill PS, Joshua Creek PS, Maple Grove PS, New Central PS, Oakville Trafalgar HS, Sheridan PS.



Joanna Oliver

Oakville - **Ward 4**

Tel: 905-601-0058

Email: [oliverj@hdsb.ca](mailto:oliverj@hdsb.ca)

**Trustee Bio**

Schools: Captain R Wilson PS, Emily Carr PS, Forest Trail PS, Heritage Glen PS, Pilgrim Wood PS, West Oak PS, Abbey Park HS, Garth Webb SS.

## Student Trustees (2018-19 school year)



Connor Clark

Tel: 905-335-3663  
or Toll free 1-877-618-2345  
Email: [1clarkcon2@hdsb.ca](mailto:1clarkcon2@hdsb.ca)



Kevin Meng

Tel: 905-335-3663  
or Toll free 1-877-618-2345  
Email: [1mengkev@hdsb.ca](mailto:1mengkev@hdsb.ca)



# Halton District School Board

---

## INFORMATION FOR AUDIT COMMITTEE

### 2018/2019 BUDGET

- 2018/2019 Budget approved June 2018
  - <https://www.hdsb.ca/our-board/Documents/Budget-2018-2019.pdf>
- 2018/2019 Revised Estimates Board Report 19000 January 9, 2019
  - <https://www.hdsb.ca/our-board/Board%20Agendas%20and%20Minutes/BdAgenda-January%209,%202019-PUBLIC.pdf>
- Financial Statements to be approved in November 2019

### 2019/2020 BUDGET

- 2019/2020 Budget Development
  - [\*Board Report 19019 - January 23, 2019\*](#)
  - [\*Board Report 19055 - April 3, 2019\*](#)
  - [\*Budget Presentation at Committee of the Whole - April 10, 2019\*](#)
- Budget to be presented to Board June 5, 2019 and approved June 19
- Revised Estimates to be presented in January 2020
- Financial Statements to be approved in November 2020