



# Halton District School Board

## **AUDIT COMMITTEE**

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

*Tuesday, February 13, 2018*

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

### **PUBLIC SESSION AGENDA**

#### **1.0 – Opening**

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

#### **2.0 – Ratification / Action**

**page**

- 2.1 Minutes of the Audit Committee Meetings
  - 2.1.1 Audit Committee Meeting, November 7, 2017 *pages 2-4*
- 2.2 Approval of Business Transacted in Private Session
- 2.3 Action Items
  - 2.3.1 Appointment of External Auditor for the 2017-18 Financial Statement Audit (L. Veerman) *page 5*
  - 2.3.2 Regional Internal Audit Mandate and Status Update (J. Baker) *pages 6-20*

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

**page**

- 3.1 Information Items

#### **4.0 – Business Arising**

**page**

- 4.1 Professional Development

#### **5.0 – Other Business**

**page**

#### **6.0 – Adjournment**

Date of Next Meeting: Suggested Tuesday, April 17 or Tuesday, April 24, 2018 at 2:00 PM

*This publication is available in accessible formats upon request*

**Halton District School Board  
Audit Committee Public Session Meeting Minutes  
Tuesday, November 7, 2017**

**Attendance:**

**Trustee Members:** A. Harvey Hope, J. Gray, K. Graves

**Trustee Guests:** A. Collard

**Public Representative:** M. Caputi (via telephone), D. McKerrall

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

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

**External Auditor:** D. Tonin

**Regrets:**

---

**Agenda Item 1.0**

**1.1 Call to Order**

- The Chair called the meeting to order at 3.57 p.m.

**1.2 Declarations of Possible Conflict of Interest**

- No conflicts of interest were declared.

**1.3 Approval of the Agenda**

- Noted that item 2.4.3 is on page 56 not 36.

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

Be it resolved that the Agenda for the Public session of the Audit Committee Meeting for November 7th, 2017 be approved as distributed.  
**Carried Unanimously.**

**Agenda Item 2.0**

**2.1 Minutes of the Audit Committee Meetings**

**2.2.1 Audit Committee Meeting, September 19, 2017**

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

Be it resolved that the minutes from the Public Session Audit Committee Meeting held on September 19, 2017 be approved as distributed. **Carried Unanimously.**

- Request made that any changes to the minutes be scanned and distributed to Committee Members.

**2.2 Appointment of Audit Committee Vice-Chair for 2017/2018**

- Process conducted per the Audit Committee Terms of Reference.
- It was noted that the election should have occurred at the September meeting.

**Motion: D. McKerrall / K. Graves**

Be it resolved that Ann Harvey Hope be appointed Vice-Chair of the Audit Committee for the 2017/2018 year. **Carried Unanimously.**

**2.3 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 Private Session. **Carried Unanimously.**

**2.4 Action Items:****2.4.1 2016/2017 Financial Statements and Accumulated Surplus Balances**

- Superintendent of Business referred to the report included in the agenda package.

**2.4.2 Report to the Audit Committee on the 2016/2017 audit**

- External Auditors referred to the report included in the agenda package.

**2.4.3 Audit Committee Approval of the 2016/2017 Financial Statements****Motion: M. Caputi / K. Graves**

Be it resolved that the Audit Committee recommends that the audited financial statements of the Halton District School Board for the fiscal year ended August 31, 2017 be approved by the Board of Trustees. **Carried Unanimously.**

**2.4.4 Regional Internal Audit Report**

- Status Report and Terms of Reference – Insurance Program Administration Audit
  - Regional Internal Audit Manager presented the report and responded to questions.
  - Director requested that the wording included in Audit Scope and Approach be revised to “identify the risks” associated with the processes versus wording indicating that “The School Board does not...” Current wording may incorrectly provide the perception that the Board is not adequately mitigating risks with respect to insurance coverage.
  - Regional Internal Audit Manager noted that this was standard audit terminology and a common process however she will look at ways to improve this for future reports.

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

Be it resolved that the Audit Committee receive the Insurance Program Administration Terms of Reference and the Regional Internal Audit Status

update and that the report be included in the Audit Committee Summary to 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
  - No questions noted.
  - Request to verify amount included on page 62 (last line in second paragraph) since this amount was same as prior year.
- Summary of Trustee Expenses Report as of 2016/2017
  - No questions noted.

##### **3.2 Audit Committee Annual Report to the Board of Trustees and Annual Report to the Ministry**

- Discussed and approved at last meeting.

### **Agenda Item 4.0**

#### **4.1 Business Arising – Professional Development**

- Request for input on Professional Development topics.

### **Agenda Item 5.0**

#### **5.1 Other business – Update on Halton District School Board Internal Auditor Recruitment**

- Superintendent of Business Services met with Chair and Vice-Chair to short list candidates and proceed with interviews.

### **Agenda Item 6.0**

#### **6.1 Adjournment**

##### **Motion: D. McKerrall / M. Caputi**

Be it resolved that the Public Session of the Audit Committee Meeting held on November 7th, 2017 be adjourned at 4:27 pm. **Carried Unanimously.**



# Halton District School Board

---

Date: February 13, 2018

**FOR DECISION**

TO: Audit Committee

FROM: Lucy Veerman,  
Superintendent of Business Services and Treasurer

RE: **Appointment of External Auditor for 2017/2018 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 2017/2018 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, the external audit firm, Deloitte, is recommended for appointment for a 5-year term beginning in the 2017/2018 fiscal year.

The fee for the 2017/2018 HDSB year-end consolidated financial statement audit is quoted at \$67,500 + HST. Deloitte was previously appointed as the auditor for the Board for a five-year term which began in 2012/2013 and ended in 2016/2017.

*Respectfully submitted,*

---

*Lucy Veerman  
Superintendent of Business Services and  
Treasurer*



## MEMO

To: Halton District School Board Audit Committee  
From: Jenny Baker, Regional Internal Audit Manager  
Date: 13 February 2018  
Subject: Regional Internal Audit Status Report – Public Session

---

This memorandum will serve to update the Audit Committee of the Regional Internal Audit Team's work since November 7, 2017.

### A. Audit Planned

1. The Sponsorship audit remains to be scheduled.

### B. Audits in Progress

1. The Insurance Administration Audit is in progress.
2. The Entity Level Audit Follow up is in progress.

### C. Other

1. The Annual Report (2017) of the Office of the Auditor General (AG) of Ontario was released on December 6th. Volume 1 of 2 contains two sections relevant to the Education sector;
  - i. Section 3.08 'Ministry Funding and Oversight of School Boards'
  - ii. Section 3.12 'School Board's Management of Financial and Human Resources'

The Regional Internal Audit Managers have drafted a response for the Director, School Business Support Branch about how the regional internal audit teams can assist in addressing specific recommendations contained in the AGs report.

2. Regional Internal Audit Mandate

On September 26<sup>th</sup>, 2016: SB31 'Update on Regional Internal Audit Consistency Measures' was issued. This memo introduces a revised Regional Internal Audit



Mandate and requests that school boards adopt it. A briefing note and the mandate are attached for your review.

*Motion:*

*Be it resolved that the Audit Committee receive the regional internal audit status update and that this report be included in the Audit Committee Summary to the Board of Trustees.*

## MEMO

TO: Audit Committee  
FROM: Jenny Baker, Regional Internal Audit Manager  
DATE: 13 February 2018  
SUBJECT: Regional Internal Audit Mandate

---

This report informs the Audit Committee about the request to adopt the Regional Internal Audit Mandate.

This is a requirement of O. Reg. 361/10, s. 9 (3).

### **Recommendation**

Be it resolved that the Audit Committee approves the Regional Internal Audit Mandate.

### **Background**

On September 26, 2016, 'SB31 Update on Regional Internal Audit Consistence Measures' was issued by the School Business Support Branch. The purpose of the memorandum was to provide an update on measures being taken to promote greater consistency amongst Regional Internal Audit Teams (RIAT), first described in 2016: B10 Increasing Consistency Amongst Regional Internal Audit Teams. Both of these SB memos are attached for your information along with a copy of the regional internal audit mandate. Please refer to the highlighted section on page 2 of 3 of SB31, where it is requested that school boards adopt the revised mandate.

### **Professional Practice Requirement:**

Standard 1000 – Purpose, Authority, and Responsibility

*The internal audit charter is a formal document that defines the internal audit activity's purpose, authority, and responsibility. The internal audit charter establishes the internal audit activity's position within the organization, including the nature of the chief audit executive's functional reporting relationship with the board; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the internal audit charter resides with the board.*

Revised *Standards*, Effective 1 January 2017



**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

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