

Virtual Meeting Norms:

- All callers are to place themselves on mute
- Roll call is in place for attendance and for questions

The audio portion of this committee meeting will be made available on our website the day following the meeting.

AGENDA: PUBLIC SESSION 6:00 pm

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| 1. Call to Order | Chair |
| 2. Land Acknowledgement | Chair |
| 3. Approval of the Agenda | Chair |
| 4. Declaration of Conflicts of Interest | Chair |
| 5. Review of November 10, 2022 Audit Committee Minutes Reported to Board | Chair |
| 6. Update from Regional Internal Audit Team (RIAT) | A. Eltherington |
| 7. Update on School Board Sector Issues | M. Gerard |
| 8. Other Business | Chair |
| a) Next meeting date – Thursday May 25, 2023 at 6:00pm | |
| 9. Resolution into Private Session as per the Education Act, Section 207(2) | Chair |

A meeting of a committee of a board, including 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);2021, c. 4, Sched.11, s. 7 (1)

We acknowledge our presence on ancestral Anishinaabe and Haudenosaunee Confederacy land as determined by the Dish with One Spoon treaty.

The intent of this agreement is for all nations sharing this territory to do so responsibly, respectfully and sustainably in perpetuity.

We respect the longstanding relationships with the local Indigenous communities, the Mississaugas of the Credit First Nation and the Six Nations of the Grand River.

**Declaration to the Chair of the Audit Committee of
the Hamilton-Wentworth 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) **the first Committee meeting of the Audit Committee for the fiscal year 2022-23;**
- b) **any changes subsequent to the fiscal year declaration.**

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 _____, Ontario this _____ day of _____, 2023.

Audit Committee Member

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

“4(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”.

Written declarations must be submitted to the Chair of the committee at the first meeting of the committee in each fiscal year as per Subsection 14(1) O. Reg 361/10.

COMMITTEE REPORT

Presented to: Board

Date of Meeting: December 5, 2022

From: Audit Committee

Date of Meeting: November 10, 2022

The committee held a virtual meeting from 5:34 pm to 6:02 pm, then again 7:31pm to 7:32 pm on November 10, 2022 with Trustee Paul Tut presiding.

Members participating were: Trustees Becky Buck, Dawn Danko and Paul Tut
External members participating were: Divya Iyengar and Angela Zehr

MONITORING ITEMS:**A. School Board Compliance Report for the 2021-22 Fiscal Year**

Staff presented the report and noted that HWDSB was compliant with all statutory regulations.

B. Update on School Board Sector Issues

Staff advised that a new Associate Director of Support Services will start on November 21, 2022.

Staff provided an update on the Board's 2021-22 EQAO Assessment results. Staff will continue to focus on learning recovery and how best to utilize resources.

Staff advised that the tutoring support grant from the Ministry of Education was extended to March 2023.

Staff provided an update on the CUPE labour action.

C. Update from Regional Internal Audit Team

Andrea Eltherington provided the Terms of Reference for the Staff Utilization Audit scheduled to commence in November 2022.

ACTION ITEMS:**D. Presentation of the Consolidated Financial Statements of the Hamilton-Wentworth District School Board for the Year Ended August 31, 2022**

David Marks from KPMG, presented the Consolidated Financial Statements of the Hamilton-Wentworth District School Board for the year ending August 31, 2022. They reported that in KPMG's opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Hamilton-Wentworth District School Board as of August 31, 2022 and the results of its operations are in accordance with PSAB GAAP. The Audit Findings Report was also presented.

On the motion of Becky Buck, the Audit Committee **RECOMMENDS: That the 2021-22 Consolidated Financial Statements of the Hamilton-Wentworth District School Board for the Year Ended August 31, 2022 be forwarded to the Board of Trustees for approval.**

CARRIED

Respectfully submitted,
Paul Tut, Chair of the Committee



MEMO

TO: Hamilton-Wentworth District School Board Audit Committee
FROM: Andrea Eltherington, Regional Internal Audit Manager
DATE: March 23, 2023
SUBJECT: Regional Internal Audit Status Report – Open Committee Session

This memorandum will serve to update the Audit Committee of the Regional Internal Audit Team's (RIAT) work since November 10, 2022.

- A. The internal audit mandate formally defines the purpose, authority and responsibility of the regional internal audit function. As indicated in Ministry Memo 2016:SB31 'Update on Regional Internal Audit Consistency Measures' the mandate must be re-signed when there are changes in the make-up of the committee (such as a change in Director of Education, Chair of the Audit Committee or the Regional Internal Audit Manager) so that all parties understand the role and mandate of the regional internal audit team.

In addition, there have been a few changes to the mandate based on a discussion with the Senior Business Officials in the West of Central Region.

All of the changes have been highlighted in red. A revised copy is included in the package along with a copy signed by the Regional Internal Audit Manager.



Regional Internal Audit Charter

PURPOSE AND DEFINITION

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

ROLE

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

PROFESSIONALISM

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

AUTHORITY

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

ORGANIZATION

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

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



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

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

INDEPENDENCE AND OBJECTIVITY

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

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

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

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

RESPONSIBILITY

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

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



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

INTERNAL AUDIT PLAN

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

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

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

QUALITY ASSURANCE

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



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

Dated



DEFINITION OF SELECTED TERMS

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



**INTERNAL
AUDIT TEAM**
West of Central Region

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