

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: 6:00pm

- | | |
|---|-----------------|
| 1. Call to Order/ Roll Call | M. Gerard |
| 2. Land Acknowledgement | M. Gerard |
| 3. Approval of the Agenda | M. Gerard |
| 4. Election of Chair | M. Gerard |
| 5. Review of June 5, 2023 Audit Committee Minutes Reported to Board | Chair |
| 6. Declaration of Conflicts of Interest – Sign off on form | Chair |
| 7. Action Items | |
| a) Motion: Annual Report to the Board of Trustees | Chair |
| b) Motion: Annual Report to the Board of Trustees and forwarded to
The Ministry for the year ended August 31, 2023 | Chair |
| 8. Monitoring Items | |
| a) Review of Audit Committee Work Plan | Chair |
| b) Annual Review of Audit Committee Terms of Reference | Chair |
| 9. Update on School Board Sector Issues | M. Gerard |
| 10. Update from Regional Internal Audit Team (RIAT) | |
| a) RIAT Education and Training Plan | A. Eltherington |
| b) RIAT Activity Annual Ministry Report change | A. Eltherington |
| c) RIAT Mandate (if needed) | A. Eltherington |
| 11. Any other Business | |
| a) External Member Recruitment | M. Gerard |
| b) Next meeting date – Tuesday November 7, 2023 at 6:00pm | Chair |

12. Resolution into Private Session as per the Education Act, Section 207(2)

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.

COMMITTEE REPORT

Presented to: Board

Date of Meeting: June 12, 2023

From: Audit Committee

Date of Meeting: June 5, 2023

The committee held a virtual meeting from 6:03pm to 6:14pm on June 5, 2023 with Trustee Paul Tut presiding.

Members participating were: Trustees Dawn Danko, Paul Tut and Todd White

External members participating were: Angela Zehr

Regrets received from: Divya Iyengar

MONITORING ITEMS:**A. Regional Internal Audit Team (RIAT) Update**

Andrea Eltherington, Regional Internal Audit Manager, advised the committee that within the GSN announcement on April 17, 2023, *“The West of Central Regional Internal Audit Team (RIAT), previously administered by Waterloo Region DSB, will now be administered by Hamilton-Wentworth DSB.”*

Andrea Eltherington also presented the Annual Independence Assertion in compliance with S1110 of the International Standards for the Professional Practice of Internal Auditing.

B. Update on School Board Sector Issues

Matthew Gerard, Associate Director provided an update on school board sector issues including highlights found within the GSN announcement relating to Indigenous Education funding and changes to the Transportation funding model.

Matthew Gerard also provided an update on the Board’s Strategic Plan and timeline. Implementation is planned for fall 2023.

C. Other Business

Staff are working on meeting dates for 2023-2024 that will likely result in a new day of the week for Audit Committee meetings.

Respectfully submitted,
Trustee Paul Tut, Chair

**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 2023-24;
- 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.

Annual Report to the Board of Trustees For the year ended August 31, 2023

This report summarizes the audit committee's actions for the year ending August 31, 2023.

Audit Committee Members

The audit committee consisted of 5 members listed below:

- Trustee Paul Tut- Chair
- Trustee Becky Buck (until November 21, 2022)
- Trustee Dawn Danko
- Trustee Todd White (effective November 21, 2022)
- Divya Iyengar and Angela Zehr - External representatives

In addition, regular attendees at the Committee meetings were:

- Andrea Eltherington – Regional Internal Audit Manager
- David Marks – Partner, Audit, KPMG LLP
- Rodrigo Ruezga Gutierrez, KPMG LLP
- Sheryl Robinson-Petrazzini – Director of Education HWDSB
- Matthew Gerard – Associate Director, Support Services HWDSB (effective November 21, 2022)
- Denise Dawson – Senior Manager, Business Services HWDSB

Administrative Tasks

At the beginning of the year and in accordance with recommended good practice various administrative tasks were completed. These included:

- Annual review of the Audit Committee's Terms of Reference;
- Developing a work plan;
- Developing a meeting schedule and agenda for the year; and
- Signing off on the Declaration of Conflicts of Interest form

Meetings

It was agreed to hold three meetings throughout the year with a fourth meeting, from December to May, if necessary. All meetings have been held as planned.

The members in attendance at each meeting were as follows:

<i>Member's Name</i>	<i>Sept 22, 2022</i>	<i>Nov 10, 2022</i>	<i>March 23, 2023</i>	<i>June 5, 2023</i>
<i>Paul Tut</i>	X	X	X	X
<i>Becky Buck</i>	X	X	<i>n/a</i>	<i>n/a</i>
<i>Dawn Danko</i>	X	X	X	X
<i>Todd White</i>	<i>n/a</i>	<i>n/a</i>	X	X
<i>Divya Iyengar</i>	X	X	<i>absent</i>	<i>absent</i>
<i>Angela Zehr</i>	X	X	X	X

Governance

The audit committee operated throughout the fiscal year ending August 31, 2023. All of the members satisfied the eligibility requirements in accordance with Ontario Regulation 361/10.

External Auditors

The relationship with the external auditors has been satisfactory and private meetings were held during the year. The external auditors *KPMG* presented the scope and extent of their work to the committee, which the committee reviewed and recommended for approval at the September 22, 2022 meeting. The external auditors confirmed their independence in the letter dated December 5, 2022. The audit committee reviewed and recommended the approval of the annual audited financial statements on November 10, 2022. The audit committee supported the reappointment of the external auditors for the next fiscal year during the meeting held March 23, 2023.

Internal Auditors

The relationship with the internal auditors has been satisfactory and private meetings were held during the year. The Committee reviewed the results of the risk assessment, as well as the annual audit plan for the 2022-23 fiscal year.

The internal auditors performed the following work during the year:

PLANNED AUDITS:

- BAS 2000 Data Analytics
- IT Vulnerability
- Health and Safety
- Back-up, Disaster and Recovery
- Capital Projects
- Privacy Audit
- Staff Utilization

- Records Management
- Sparkrock O365 Logical Security Review

For all completed audits, the following is a summary of risks and findings made by the internal auditor:

<i>Audit</i>	<i>Risks</i>	<i>Findings</i>
BAS 2000 Data Analytics	<ul style="list-style-type: none"> • <i>Zero high risk items open</i> 	<ul style="list-style-type: none"> • <i>Three remaining open action items</i>
IT Vulnerability	<ul style="list-style-type: none"> • <i>Six high risk items open</i> 	<ul style="list-style-type: none"> • <i>Nine remaining open action items</i>
Health and Safety	<ul style="list-style-type: none"> • <i>One high risk item open</i> 	<ul style="list-style-type: none"> • <i>Five remaining open action item</i>
Back-up & Disaster Recovery	<ul style="list-style-type: none"> • <i>No rating provided</i> 	<ul style="list-style-type: none"> • <i>Five remaining open action items</i>
Capital Projects	<ul style="list-style-type: none"> • <i>Zero high risk items open</i> 	<ul style="list-style-type: none"> • <i>One remaining open action items</i>
Privacy Audit	<ul style="list-style-type: none"> • <i>Five high risk items open</i> 	<ul style="list-style-type: none"> • <i>Sixteen remaining open action items</i>

The audit committee endorsed each report, including management's action plan, and advised the board of trustees to accept it. Presentation of all audit reports were discussed in-camera.

The audit committee received reports from internal audit that assessed the progress toward management's implementation of action plans developed in response to previous audit findings. This enabled the audit committee to engage management in a discussion regarding findings not satisfactorily actioned, as well as encouraging renewed efforts on overdue action plans.

Summary of the work performed

In addition to the items noted above, the following outlines further work performed by the audit committee in the last 12 months:

- Received a report from the internal auditors on their review of the effectiveness of controls across the school board;
- Confirmed that the external and internal auditors did not encounter any difficulties in the course of their work;
- Undertook a review of the external auditors' performance;

- Obtained confirmation from the Director of Education that the school board was compliant with all current federal and provincial Acts, Regulations and Statutes.
- Undertook an evaluation of the effectiveness of the internal audit function, including the performance of the regional internal audit manager and her team;
- Queried management on their approach to risk management as well as their strategy to manage such risks; and

By the signature noted below, we attest that we have discharged our duties and responsibilities under Ontario Regulation 361/10.

On behalf of the audit committee,

Audit Committee Chair

**Annual Report to the Board of Trustees and Forwarded
To the Ministry of Education
For the year ended August 31, 2023**

District School Board Name: Hamilton-Wentworth District School Board

Fiscal Year: 2022-2023

Re: Annual audit committee report to the Ministry of Education as per Ontario Regulation 361/10

During the 2022-2023 fiscal year, the following internal audits or other engagements were started by the regional internal audit team but not completed by August 31st:

- *Staff Utilization Audit*
- *Records Management*

In addition to those listed above, the following audits were completed in the 2022-2023 fiscal year:

- *Nil*

AND

Based on the internal audit plan, we are not expecting any enrolment audits to be performed.

		<u>Audit Committee Chair</u>
Date	Signature	Title

AUDIT COMMITTEE WORK PLAN 2023-2024

	Open
September	Declaration of Conflicts of Interest – Sign off on form Election of Chair Annual Report to the Board of Trustees and Ministry on 2022-23 Annual Review of Audit Committee Terms of Reference Review Audit Committee Annual Work Plan Review Regional Internal Audit Mandate (if needed) Regional Internal Audit Team Update
November	Review of compliance report (prior fiscal year) Regional Internal Audit Team Update
March	Regional Internal Audit Team Update
May	Regional Internal Audit Team Update and Annual independence certification

The following items are extracted from the Audit Committee Regulation regarding timelines:

Ontario Regulation 361/10

11. (1) An Audit Committee of a board shall meet at least three times in a fiscal year at the call of the chair of the committee, and at such times as the chair considers advisable.
11. (2) The first meeting of the Audit Committee in each fiscal year after the 2011 year shall take place no later than September 30.
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 board members appointed to the committee.
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.

Applicable Only Following Trustee Election

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.
2. (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.

TERMS OF REFERENCE – AUDIT COMMITTEE

NAME: The name of the committee shall be The Hamilton-Wentworth District School Board Audit Committee

MANDATE: The Audit Committee will report directly to the Board of Trustees. The mandate of the Audit Committee of the Board is to provide oversight to the Board in the areas of:

- Financial Reporting
- Internal Controls
- Internal Auditing
- External Auditing
- Compliance
- Risk Management

The formation of the Audit Committee is a requirement under the Education Act subsection 253.1 (1) which states: *Every district school board shall establish an Audit Committee. 2009, c. 25, s. 32.*

COMPOSITION:

The Audit Committee shall consist of:

- Three HWDSB trustees who are members of the Board
- Two persons who are not trustees
- The non-trustee members shall not receive remuneration for their participation on the Audit Committee

Qualifications:

A non-trustee member of the Audit Committee must have accounting, financial management or legal experience and is not in a conflict of interest, nor is an employee or officer of the Hamilton-Wentworth District School Board or any other school board. Non-trustee members shall be approved by a Selection Committee which includes the Director of Education, the Senior Business Official and the Chair (or trustee designate).

One trustee member of the Audit Committee shall participate in the Regional Conflict Resolution Committee. This committee is responsible for facilitating disputes between the Regional Internal Auditor's office and one or more school board's within the region.

TERMS OF OFFICE:

- The term of office shall not exceed 4 years for a trustee member and 3 years for members who are not trustees.
- The position on the Audit Committee is considered vacant if the member has unauthorized absences for 2 regular consecutive meetings, is convicted of an indictable offence or ceases to hold the qualifications to be an Audit Committee member.

TERMS OF REFERENCE – AUDIT COMMITTEE

RESPONSIBILITIES OF THE AUDIT COMMITTEE:

Responsibilities of the Audit Committee include the following oversight duties:

- Ensure that the financial statements are complete and in accordance with the Education Act subsection 230.21(1)(a)
- Review the year end external audit process, including having appropriate discussions with the external auditor and management
- Recommend to the board of trustees approval of the financial statements
- Review the effectiveness of the board's internal controls
- Review the scope of the internal and external auditor's review of the board's internal controls, their findings and responses from the board to those recommendations.
- Meet with the regional internal auditor and/or external auditor privately on matters that may need to be discussed
- Review any changes in the planned scope of the regional internal auditor's plan, significant internal audit findings, recommendations and staff follow-up.
- Review and make recommendations to the board on the external auditor's audit plan and all proposed major changes to the plan
- Review the performance of the external auditor and make recommendations to the board on the appointment, discharge and compensation of the external auditor
- Resolve disagreements between management and the external auditor on financial reporting matters
- Review the findings of any examinations by regulatory agencies
- Review the process for communicating the codes of conduct and the process for monitoring compliance with the codes
- Inquire about significant risks, review the board's policies for risk assessment and risk management, and assess the steps taken to control such risks
- Oversee special investigations where necessary
- Annually report to the board on the committee's discharge of its duties
- Annually report to the Ministry on internal audits and proposed enrolment audits
- Obtain confirmation that the board has met all statutory filings and requirements
- Other activities as requested by the Board

Conflict of Interest:

- Upon appointment and at the first meeting of each year, every member shall submit a written declaration to the Chair of the Audit Committee whether or not he/she has any conflicts of interest.
- If a member of the Audit Committee declares a conflict of interest on any matter discussed during the meeting, details of the conflict declaration shall be recorded in the minutes of the meeting.

TERMS OF REFERENCE – AUDIT COMMITTEE

COMMITTEE MEETINGS:

Meeting Dates/Times

- Meetings will be held at least three times per year.
- For openness and transparency, portions of the meeting may be open to the public. However, when issues that include risk, security or control weaknesses are discussed, s. 207(2) of the Education Act allows the committee to close the meeting to the public.
- During the portions of the meeting which are closed, the Audit Committee may invite others to attend the meeting such as senior administration, the internal auditor, the external auditor and other members of the board of trustees.

Quorum

- The majority of members of the Audit Committee, including at least 1 non-trustee member, will constitute a quorum for the meeting.

Rules of Order

- The appropriate rules of the Board shall govern the order and conduct of the meeting of the Audit Committee, with the exception of those rules prescribed in Ontario Regulation 361/10.

Election of the Chair

- The Chair of the Audit Committee shall be chosen from its members at the first meeting of the year from the members appointed to the committee

Voting

- Every member present at the meeting, including the Chair, shall have one vote
- In the case of a tie vote, the Chair will be entitled to cast a second vote

POWERS OF THE AUDIT COMMITTEE:

- The Audit Committee may meet with the Board's internal or external auditors without the presence of the Board's officers or trustees, other than those who are committee members
- The Audit Committee may require the internal or external auditor to provide reports to the committee
- The Audit Committee may retain counsel, accountants or other professionals to assist in the conduct of an investigation needed to carry out its duties
- Other powers which may be prescribed as per the Audit Committee Mandate from the Ministry of Education.

REFERENCE MATERIALS:

- Ontario Regulation 361/10
- Audit Committee Mandate, Ministry of Education
- Education Act Section 253.1



MEMO

TO: Hamilton-Wentworth District School Board Audit Committee
 FROM: Andrea Eltherington, Regional Internal Audit Manager
 DATE: September 26, 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 May 25, 2023.

A. RIAT Education and Training Plan

Objective:

1. To report on RIAT compliance to International Standards for the Professional Practice of Internal Auditing standard #1230-Continuing Development.
2. To define training plans to develop and maintain professional competencies.

Completed 2022-23

Auditor	Training Focus	Date
All Auditors	<ol style="list-style-type: none"> 1. OASBO Internal Audit 2. Relevant seminars/websites on fraud, ethics, privacy and IT Security offered by the various institutes. 	On-going and when relevant throughout the year
Andrea Eltherington	<ol style="list-style-type: none"> 1. Cyber Insurance Summit 2. Ethics in a changing world 3. Enterprise Security & Compliance Overview 4. Attack Simulation – Real-Time Cyber Simulation to assist in the assessment of Cyber Security Posture 5. OASBO Finance Conference 6. Hearts and Minds Conference <p>Andrea confirms that she has met the annual continuing education requirements of the IIA and ISACA</p>	October 19, 2022 December 1, 2022 February 15, 2023 February 16, 2023 March 2-3, 2023 April 27-28, 2023
Dondon Luce	<ol style="list-style-type: none"> 1. Whistleblowers and Retaliation – What Internal Auditors Need to Know 2. A Guide to Cybersecurity for Internal Auditing 	October 10, 2022 October 17, 2022



	<ol style="list-style-type: none"> 3. Internal Control and Transformation of Entities 4. Modernize your SOC for the Future 5. 2022 Cybersecurity Virtual Conference 6. 4 Pillars that Will Form the Future of Internal Audit 7. Privacy Program Management 8. Accounting Ethics (Ethics for Accountant (Code of Conduct)) 9. Primetime Cybercrime 10. IIA Toronto Chapter Symposium – The Evolution of the Internal Auditor 11. ChatGPT and Generative AI - Risks and Ethical Concerns 12. Debunking the Myths About the Cyber Risk 13. Breaking Down Silos: 3 Steps to Build a Resilient IT <p>Don confirms that he has met the annual continuing education requirements of the IIA and ISACA.</p>	<p>October 19, 2022</p> <p>October 26, 2022</p> <p>October 26, 2022</p> <p>November 1, 2022</p> <p>November 15, 2022</p> <p>November 29, 2022</p> <p>November 30, 2022</p> <p>May 9, 2023</p> <p>May 30, 2023</p> <p>July 26, 2023</p> <p>July 26, 2023</p>
Mohamad Alkhen	<ol style="list-style-type: none"> 1. 2022 MIAA Fall Conference 2. OASBO Finance and Internal Audit Committee Workshop 3. 2023 MIAA Spring Workshop 4. Passed final CIA exam <p>Mohamad confirms that he has met the annual continuing education requirements of the CPA, AICPA, IMA, ACFE and IIA.</p>	<p>October 27-28, 2022</p> <p>March 2-3, 2023</p> <p>May 1, 2023</p> <p>July 22, 2023</p>

Planned 2023-24

Auditor	Training Focus	Date
All Auditors	<ol style="list-style-type: none"> 1. OASBO Internal Audit 2. Relevant seminars/webinar on fraud, ethics, privacy and IT Security offered by the various institutes. 3. MIAA fall training 	On-going and when relevant throughout the year

Acronyms

ACFE – Association of Certified Fraud Examiners
 IIA – Institute of Internal Auditors
 ISACA – Information System Audit and Control Association
 CIA – Certified Internal Auditor
 CPA – Chartered Professional Accountant
 CISA – Certified Information Systems Auditor
 MIAA – Municipal Internal Auditors Association
 AICPA – Association of International Certified Professional Accountants
 IMA – Institute of Management Accountants

Ministry of Education

Education Labour and Finance
Division

315 Front Street West
12th Floor
Toronto ON M7A 0B8

Ministère de l'Éducation

Division des relations de travail et du
financement en matière d'éducation

315, rue Front Ouest
12^e étage
Toronto (Ontario) M7A 0B8

2023: SB08

Date: July 5, 2023

Memorandum To: Senior Business Officials

From: Med Ahmadoun
Director
Financial Analysis and Accountability Branch

Subject: 2022-23 Audit Committee Annual Report

The purpose of this memorandum is to remind district school boards of the reporting requirements outlined in Ontario Regulation 361/10, *Audit Committees* for the 2022-23 school year.

Under this Regulation, there is a requirement for district school boards to report to the Ministry of Education:

- a summary of the work performed by the regional internal audit team (RIAT) for the 2022-23 school year;
- a summary of the work the RIAT is expected to perform during the school year as per their annual/multi-year audit plan and;
- any enrolment audits planned by the RIAT for the 2023-24 school year, if applicable.

This annual reporting by district school boards informs the ministry on the use of RIAT funding allocations and allows for better coordination of enrolment audits of Ontario's district school boards.

SUBMISSION OF REPORTS

As in the previous year, school boards must submit their annual reports on the SharePoint site at [School Board Financial Reports](#) by **November 15, 2023**. Please refer to the [instructions document](#) (Appendix A) on how to access the SharePoint site.

For any questions relating to the audit committee annual report, please contact me by email at Med.Ahmadoun@ontario.ca or by phone at (416) 326-0201.

Sincerely,

Original signed by

Med Ahmadoun
Director
Financial Analysis and Accountability Branch