

## REPORT OF THE AUDIT COMMITTEE

2018 October 9  
3:33 p.m. – 3:49 p.m.

### MEMBERS PRESENT

A. Morell (Chair)      M. Laprise  
M. Reid                R. Tisdale

### ADMINISTRATION AND OTHERS

C. Beal                      L. Elliott  
                                    B. Williams

Regrets: M. King

#### 1. **CALL TO ORDER**

The meeting was called to order at 3:33 p.m.

#### 2. **APPROVAL OF AGENDA**

The agenda was approved by motion.

#### 3. **CONFLICTS OF INTEREST** - none declared

#### 4. **MINUTES OF THE PREVIOUS MEETING**

Minutes of the 2018 September 11 meeting were provided for information.

#### 5. **AUDIT COMMITTEE SELF-ASSESSMENT**

The Audit Committee self-assessment questionnaire was presented to Committee members for their completion.

#### 6. **EVALUATION OF REGIONAL INTERNAL AUDIT- AUDIT COMMITTEE RESULTS**

The results of the Regional Internal Audit evaluation completed by the Audit Committee were presented for information.

#### 7. **INTERNAL AUDIT PLAN CHANGES**

C. Beal presented for approval changes to the 2018-2019 Internal Audit plan resulting from funding constraints.

C. Beal reported on the discussion at the Steering Committee of the South Region Internal Audit noting a funding shortfall from the Ministry to cover the costs of the collective audit plans for the 10 boards in the South Region. As a result it was agreed that each board would continue with their planned audits for 2018-19 but would defer the findings follow-up work and the update to the Risk Assessment for one year. It also was agreed that if any of the 10 Audit Committees still wanted to have PwC perform this work during 2018-19 and not defer it, then each Audit Committee could choose to enter into a Statement of Work directly with PwC (rather than through the SRIA Statement of Work). The cost for the findings follow-up work and/or updating the Risk Assessment was provided for information.

The audits planned for 2018-2019 were outlined. Questions of clarification were addressed by C. Beal. Through discussion it was agreed to forgo the Risk Assessment and the findings follow-up work given the Risk Assessment was completed recently and the findings follow-up work presented little added value at this time.

The following recommendation was moved and carried:

**That the 2018-19 Internal Audit Plan work to be performed by PwC be amended to reflect funding constraints for the South Region Internal Audit (SRIA) function.**

**8. ANNUAL REPORT**

The Annual reports for the year ended 2018 August 31 drafted for Board of Trustees and for the Ministry were reviewed. (See Audit-1 and Audit-2)

The following recommendation was moved and carried:

***That the Annual Report to the Board of Trustees and Forwarded to the Ministry of Education for the year ended 2018 August 31 be approved and submitted to the Ministry of Education.***

**9. ADDITIONAL ITEMS - none**

**10. DATE AND TIME OF NEXT MEETING**

The next meeting was scheduled for 2018 November 13.

**11. ADJOURNMENT**

A motion to adjourn was approved at 3:49 p.m.

**RECOMMENDATIONS:**

**That the 2018-19 Internal Audit Plan work to be performed by PwC be amended to reflect funding constraints for the South Region Internal Audit (SRIA) function.**

***That the Annual Report to the Board of Trustees and Forwarded to the Ministry of Education for the year ended 2018 August 31 be approved and submitted to the Ministry of Education.***

**ARLENE MORELL**

Chairperson



## Thames Valley District School Board Audit Committee Annual Report to the Board of Trustees for the year ended 2018 August 31

This Report summarizes the Audit Committee's actions for the year ending August 31, 2018.

### Audit Committee Members

The Audit Committee consisted of the five members below:

R. Tisdale	Chair, Trustee Representative
A. Morell	Trustee Representative
M. Reid	Trustee Representative
M. King	External Member
M. Laprise	External Member

In addition, regular attendees at the Committee meetings were:

J. Knight	Manager, Business Services
S. Macey	Manager, Financial Services
C. Beal	Superintendent of Business
J. Pratt	Associate Director and Treasurer, Organizational Support Services
L. Elliott	Director of Education

### Administrative Tasks

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

- Declaration of Conflicts of Interest
- Development of a meeting schedule and work plan for the year

### Meetings

It was agreed that the Committee would meet each month throughout the school year with the exception of December and March. All meetings were held as planned with the exception of May.

The members in attendance at each meeting were as follows:

Member's Name	September	October	November	January	February	April	May	June
R. Tisdale	√		√	√	√	√	Meeting Cancelled	
A. Morell	√	√		√				√
M. Reid	√	√	√	√	√	√		
M. King	√	√		√	√	√		√
M. Laprise		√	√	√	√	√		√

### Governance

The Audit Committee operated throughout the fiscal year ending 2018 August 31. 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. Private meetings were held with the external auditors, Deloitte, during the year. The external auditors presented the 2018 Audit Service Plan and Management Letter on 2018 April 10. The external auditors confirmed their independence in their letter dated 2017 November 14. The Audit Committee reviewed and recommended the approval of the annual audited financial statements on 2017 November 14.

## Internal Auditors (PwC)

The relationship with the internal auditors, PwC has been satisfactory and a continued improvement over prior years.

In October 2017, the Committee approved an amendment to the 2017-18 Internal Audit Plan to include one audit, being the Fraud Risk Management Audit. This amendment was due to limited funding from the Ministry of Education for the South Region RIA.

In February 2018, the Committee approved a further amendment to the 2017-18 Internal Audit Plan to include a Labour Relations audit. This audit was originally planned for 2017-18 but was deferred because of funding constraints for South Region RIA. It was agreed to proceed with the audit following the Board's approval to pay for the costs out of the Board's operating funds.

The internal auditors performed the following work during the year:

### Planned Audits

- Monitoring and Reporting Outcomes (completed; in progress 2016-17)
- Fraud Risk Management (completed)
- Labour Relations (in progress)

The following is a summary of significant risks and findings made by the internal auditors:

Audit	Risks	Findings	Management Response
Monitoring and Reporting Outcomes	<ul style="list-style-type: none"> <li>• Developing School Improvement Plans</li> </ul>	<ul style="list-style-type: none"> <li>• Improve Consistency and Oversight of School Improvement Roadmaps</li> </ul>	Audit Committee reviewed Action Plan to address concerns
Fraud Risk Management	<ul style="list-style-type: none"> <li>• Fraud management framework and policies</li> <li>• Culture and awareness</li> <li>• Risk assessment and responses</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance Employee Code of Conduct and Introduce Conflict of Interest Disclosure Procedure</li> <li>• Enhance Board of Trustees and/or Audit Committee Training/Awareness</li> <li>• Formalize a Fraud Risk Assessment</li> </ul>	Audit Committee reviewed Action Plan to address concerns

The Committee received reports from the internal auditors that assessed the progress toward management's implementation of action plans developed in response to previous audit findings. This involved a review of open findings from all internal audits completed from 2012 to February 28, 2018.

The Committee reviewed and recommended to the Board the risk-based Internal Audit Plan for 2018-19. The Committee reviewed the updated Risk Assessment for the board, which was revised by the senior management team. The Committee reviewed the resulting revised 'Risk Radar' produced by PwC.

### **Audit Committee Training**

All members were invited to a Fraud Prevention seminar hosted by Business Services on June 20, 2018.

### **Summary of Work Performed by the Committee**

The following is a summary of work undertaken by the Audit Committee for the year ending 2018 August 31:

- Reviewed the 2016-17 Audited Financial Statements and made recommendation to the Board for approval.
- Reviewed the Appropriations of Accumulated Surplus report for year ended August 31, 2017 and made recommendation to the Board for approval.
- Performed an assessment of the performance of the external auditors.
- Reviewed the 2018 Audit Service Plan with Deloitte for the year ending 2018 August 31.
- Received assurances from the external auditors regarding their independence.
- Submitted the 2016-17 Annual Audit Committee Report to the Board of Trustees.
- Submitted to the Board the 2016-17 Annual Audit Committee Report to the Ministry of Education.
- Recommended an amended 2017-18 Internal Audit Plan to the Board for approval.
- Received regular updates regarding the work of the South Region RIAT Coordinating and Steering Committee, and their recommendations related as to how to deploy the South Region's resources to effectively execute and plan internal audits for 2017-18 and 2018-19.
- Reviewed the Monitoring and Reporting Outcomes Audit Report, results and management's action plans.
- Reviewed the Fraud Risk Management Audit Report, results and management's action plans.
- Reviewed the results of prior internal audits' findings follow up work performed by PwC.
- Reviewed the updated Risk Assessment and "risk radar" for TVDSB.
- Performed an evaluation of Regional Internal Audit services provided by PwC.
- Received first annual report for 2017 on TVDSB's fraud reporting hotline activities and resolutions.
- Performed an audit committee self-assessment.
- Approved the list of schools to receive SchoolCash.net reviews and audits for 2018 calendar year which the School Auditor will perform.
- Received updates from the School Auditor and management on school review/audit findings and Business Services' expected practices to address.
- Received a report from management on the Ministry of Education's current Financial Risk Assessments (ie. Operating, Capital) for TVDSB.
- Obtained confirmation from the Director of Education that TVDSB was compliant with all federal and provincial Acts, Regulations and Statutes.
- Received ongoing reports on cases of potential misplaced/misappropriated school/board funds.

- Received an excerpt of the 2017 Auditor General's Report of 26 recommendations related to Ministry of Education and School Boards.

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

On behalf of the Audit Committee

---

Date

---

Signature

**Arlene Morell, Chair**, Audit Committee  
Thames Valley District School Board

**We build each student's tomorrow, every day.**



**Annual Report to the Board of Trustees and Forwarded to the  
Ministry of Education for the year ended 2018 August 31**

**Thames Valley District School Board**

**Fiscal Year: 2017-18**

**RE: Annual Audit Committee report to the Ministry of Education as per Ontario Regulation 361/10**

During the 2017-18 fiscal year, the following internal audit was started but not completed by August 31, 2018:

- Labour Relations

In addition to the above, the following internal audit was completed in the 2017-18 fiscal year:

- Monitoring and Reporting Outcomes
- Fraud Risk Management

During 2017-18, the Audit Committee reviewed an updated Risk Assessment for Thames Valley District School Board.

Based on the multi-year internal audit plan, we are not expecting further enrolment audits to be performed.

On behalf of the Audit Committee

Oct 9, 2018  
Date

Arlene Morell  
Signature

**Arlene Morell, Chair**  
Audit Committee  
Thames Valley District School Board

**We build each student's tomorrow, every day.**