



B.4 Director's Report to the Board

Date: 2020 11 24

Subject: AUDIT COMMITTEE ANNUAL REPORT 2019-2020

4.1.0 Background

- 4.1.1 Ontario Regulation 361/10 s.15 – “Audit Committees” requires Audit Committees to present an Annual Report with specific reporting categories to the Board of Trustees.
- 4.1.2 Trustee and Chair of the Audit Committee, Sheryl Evans presented the annual report to the Board of Trustees.
- 4.1.3 The Audit Committee consists of Trustee members Sheryl Evans, (Chair of the Committee), Brent Rankin and Susan Thayer. Ex-officio members are Board Chair, Jennifer Sarlo and Lucia Reece, the Director of Education. External Audit Committee member is Steve Nott. Board staff, who are present as a resource to the committee, are the Executive Superintendent of Business & Operations, Joe Santa Maria and the Manager of Finance, Christine Evoy.

4.2.0 Information

- 4.2.1 The Annual Report of the Audit Committee for the Algoma District School Board is attached. (Attachments B.4 #1).

4.3.0 Recommendation

- 4.3.1 It is recommended that the Board receive the 2019-2020 Annual Report of the Audit Committee as outlined in the Director's Report to the Board of 2020 11 24.

4.4.0 Proposed Resolution

- 4.4.1 That the Board receive the 2019-2020 Annual Report of the Audit Committee as outlined in the Director's Report to the Board of 2020 11 24.



Annual Report to the Board of Trustees For the year ended August 31, 2020

This report summarizes the audit committee's actions for the year ending August 31, 2020.

Audit Committee Members

The audit committee consisted of five (5) members listed below:

- Sheryl Evans – Chair
- Susan Thayer, Russell Reid – Trustee representatives
- Stephen Nott, Brent Lamming – External members
- (Jennifer Sarlo – Ex-officio member)

In addition, regular attendees at the Committee meetings were:

- Lucia Reece – Director of Education
- Joe Santa Maria – Superintendent of Business
- Christine Evoy – Manager of Finance
- Melissa Dodge – Regional Internal Audit Manager
- Mike Marinovich – External Auditor, KPMG

Administrative Tasks

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

- Adopting and/or modifying the following protocols:
 - o focusing internal audit on key areas of risk, and the adequacy and effectiveness of the board's risk management and internal control systems; and
 - o clarifying the audit committee's role in review and oversight of internal audit and external audit functions, as well as financial reporting processes (through Audit Committee Self-Assessment).
- Developing an internal audit work plan; and
- Developing a meeting schedule and agenda for the year.

November 19, 2020

Meetings

It was agreed to hold three meetings throughout the year with a fourth meeting, from December to May, if deemed necessary. Due to the COVID-19 pandemic, only two meetings could be held.

The members in attendance at each meeting were as follows:

<i>Member</i>	<i>10-Oct-19</i>	<i>18-Nov-19</i>
Susan Thayer	☒	☒
Sheryl Evans	☒	☒
Russell Reid	☒	☒
Stephen Nott	☐	☒
Brent Lamming	☐	☐

Governance

The audit committee operated throughout the fiscal year ending August 31, 2020. 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 October 10, 2019 meeting. The external auditors confirmed their independence at this meeting and in the letter dated November 26, 2019 appended to the 2018-19 Audited Financial Statements. The audit committee reviewed and recommended the approval of the annual audited financial statements on November 18, 2019. The audit committee recommended the reappointment of the external auditors for the next fiscal year during the meeting held November 18, 2019.

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 risk-based internal audit plan (attached) for the 2019/20 fiscal year.

Due to the COVID-19 Pandemic the following audits were deferred:

November 19, 2020

ORIGINALLY PLANNED AUDITS:

- Attendance Support Data Visualization
- Special Education

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.

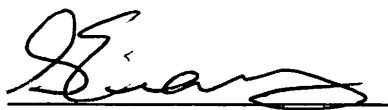
Summary of the work performed

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 to confirm 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;
- Recommended the fees charged by the external auditors in respect of the 2019-20 audit;
- Reviewed the fees paid to the external auditors in respect of other audit work undertaken during the year;
- Reviewed and evaluated the external auditors' performance;
- Reviewed and evaluated the effectiveness of the internal audit function, including the performance of the regional internal audit manager and his / her team;
- Queried management on their approach to risk management as well as their strategy to manage such risks; and
- Performed a self-assessment.

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

November 19, 2020

Algoma District School Board

Multi-Year Internal Audit Plan

As at October 2020

Audits Completed:

1. Procurement, Payables and Expense Reporting
2. Construction Management
3. Facility Procurement
4. Manage Labour Relations
5. IT: Data Management and Back Up Facility Requirement Forecasting
6. Budget Planning, Development and Control
7. Facility Requirement Forecasting
8. School Generated Funds
10. Records Management
11. IT Security

2019/2020 (Deferred due to COVID)

Audit	Attendance Management	Special Education	Follow Up
Area	Human Resources	Instruction & Schools	
Rationale	High risk score High impact on cost and service delivery	Consultant Nothing completed in I&S	ongoing
Notes	Deferred due to pandemic	Deferred due to pandemic	

2020/2021

Audit	Privacy; educational applications	AP and Procurement	Energy Management	Follow Up
Area	TBD	Business	Facilities	
Rationale	Horizontal audit, relevant	Lean audit Process efficiency and review		ongoing
Notes	High level, easy to accomplish during pandemic			

November 19, 2020