

AUDIT COMMITTEE - EXTERNAL MEMBER SELECTION

PURPOSE:

To seek Board confirmation of the appointment of the two external members to the Audit Committee.

HISTORY:

1. Staff Report 9.1 "Audit Committee and Internal Audit Update" from the Regular Board Meeting of November 2, 2010.
2. Action Report 8.1 "Audit Committee - Notice of Motion" from the Regular Board Meeting of May 4, 2010.
3. Staff Report 9.2 "Audit Committee and Internal Audit Function Update" from the Regular Board Meeting of April 6, 2010.
4. Staff Report 9.2 "Update on the Establishment of an Audit Committee and an Internal Audit Function" from the Regular Board Meeting of February 2, 2010.

COMMENTS:

1. As contemplated in the November 2, 2010 Board Report, the recruitment for two external members to the Audit Committee was undertaken during the period from November 3, 2010 to December 13, 2010 as outlined below.
2. The recruitment advertisement (attached as Appendix A) was put in the five Metroland newspapers in Halton Region on Thursday November 4, 2010, with a closing date for applications of November 26, 2010. It was placed on the Board's public website the same day. The ad was distributed internally through the School Council Chairs, the Catholic Parent Involvement Committee (CPIC), Trustees, Principals/Vice-Principals, and Senior Staff. It was also distributed externally through the Halton Industry Education Council (HIEC), the four municipal Chambers of Commerce, the three provincial accounting associations (CA/CGA/CMA), and the Institute of Internal Auditors (IIA).
3. Thirty-one (31) applications were received by the due date. Of these twenty-one (21) were considered for further review based on an initial assessment of educational qualifications, work experience and community involvement. From this group, seven (7) were selected for interviews, based on a more thorough review of the resumes by the Superintendent of Business Services and the Senior Administrator of Financial Services.
4. The interviews were conducted on December 10, 2010. In accordance with the Audit Committee Regulation, the interview panel consisted of the Chair of the Board, the Director of Education and the Superintendent of Business Services (as Senior Business Official). The interview questions were prescribed by the Ministry and emailed to Directors and Senior Business Officials in advance. While the panel was suitably impressed with all candidates, there were two candidates whose qualifications and experience more closely matched the requirements commensurate with the position.

5. The two candidates selected are Melanie Dugard and Terry Penney.
 - a) Melanie is a Chartered Accountant (CA) who is a Principal for a large national public accounting firm out of their Hamilton office. She has 14 years experience working with public sector clients, including the Hamilton Wentworth Catholic District School Board and the City of Hamilton. She also serves on her local school council and has served as treasurer for a number of not-for-profit organizations.
 - b) Terry is a Certified General Accountant (CGA) and a Certified Fraud Examiner (CFE). Terry is an audit, risk and forensic accounting specialist with over 20 years experience in several public and private sector organizations, including the Office of the Provincial Auditor, the Canadian Broadcasting Corporation, The Law Society of Upper Canada and the Workers' Compensation Board. Terry also has a graduate degree in criminal justice, lectures in internal auditing for the CGA Association of Ontario, and is an adjunct professor in fraud auditing and forensic accounting at Niagara University.
6. The Ministry has recommended that the term of office for the external members begin at the time the Board confirms their appointment and so their three year term will begin on January 4th, 2011. The candidates have both accepted the appointment verbally and formal letters of appointment have been prepared and sent to them during the week of December 13th, in a format prescribed by the Ministry.
7. As indicated in the November 2, 2010 Board Report, the two external members along with the three trustee members are scheduled to attend a two day training session on January 31st and February 1st, 2011. The details of the training are included in the Ministry Memorandum attached as Appendix B. Page 4 of the Memo shows the particulars for the South Western Region which the Halton Catholic DSB is a part of.
8. The Audit Committee Regulation dictates that the Board must establish an Audit Committee by January 31, 2011 and that the first meeting of the Audit Committee shall be held no later than March 31, 2011.

RECOMMENDATION:

RESOLVED, that the Halton Catholic District School Board confirm the appointment of Melanie Dugard and Terry Penney as external members to the Audit Committee for a three year term from January 4, 2011 to January 4, 2014.

REPORT PREPARED BY: P. McMAHON
SUPERINTENDENT OF BUSINESS AND TREASURER OF THE BOARD

REPORT SUBMITTED BY: P. McMAHON
SUPERINTENDENT OF BUSINESS AND TREASURER OF THE BOARD

REPORT APPROVED BY: M. W. PAUTLER
DIRECTOR OF EDUCATION AND SECRETARY OF THE BOARD

TWO VOLUNTEER COMMUNITY MEMBERS

to serve on its

AUDIT COMMITTEE

Term of Office – THREE-YEAR TERM EFFECTIVE JANUARY 18, 2011

The audit committee will be comprised of three Trustees and two independent members drawn from the community at large. The primary role of the audit committee is to assist the board of trustees in fulfilling its duties related to governance and oversight. The duties of the audit committee fall under the following key areas: the financial reporting process, internal control framework, risk management practices, performance and function of the board's internal and external auditors and the board's compliance with its obligations under legislation. The Committee meets at least 3 times a year, plus ad hoc meetings as required. A formal training course will be provided to all committee members to clarify roles and responsibilities of audit committees for the school board sector. The training is scheduled for January 31st and February 1st, 2011.

Candidate Eligibility:

- Applicants must have sufficient accounting, senior financial management or other relevant business experience to understand public sector accounting and auditing standards.
- The applicant must not be a current employee or officer of the board or of any other district school board or school authority.
- The applicant must not have a parent, child or spouse currently employed by the board.

Submission of Applications

Suitably qualified candidates interested in serving on the audit committee are invited to submit a letter of interest and resume by 4:00 p.m. on Friday, November 26, 2010 to:

Michael W. Pautler, Director of Education and Secretary of the Board
Halton Catholic District School Board
802 Drury Lane, P.O. Box 5308
Burlington, ON L7R 4L3
Email: pautlerm@hcdsb.org

Candidates who are short-listed may be requested to attend a private interview conducted by the audit committee's selection committee. For information about the Halton Catholic District School Board, please visit www.hcdsb.org. You may access the Audit Committee Recruitment Brochure, the Letter of Appointment of an Audit Committee Member and previous Board Reports at www.hcdsb.org/board/audit.

For further information please contact:

Paul McMahon, Superintendent of Business Services and Treasurer of the Board
Direct: 905-632-6314 ext. 130
Email: mcmahonp@hcdsb.org

Bob Van de Vrande
Chair of the Board



Michael W. Pautler
Secretary of the Board

Achieving...Believing...Belonging!



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2010:SB46

MEMORANDUM TO: Directors of Education

FROM: Andrew Davis
 Director
 Financial Analysis and Accountability Branch

DATE: October 19, 2010

SUBJECT: Audit Committee Training

I am writing to invite you to participate in the upcoming audit committee training sessions scheduled for January and February 2011.

Overview

As per 2010 memorandum SB 45, the regulation mandating the creation of audit committees by all school boards has been enacted into law on September 9, 2010 in Ontario Regulation 361/10. In order to assist the school board sector in the successful implementation of audit committees, the Ministry, in conjunction with the eight host boards, have organized a series of two day training sessions. The training sessions will be delivered primarily by an external audit firm. Appendix A details the dates and locations of the eight different locations where the training will be held. The locations selected represent the eight geographical internal audit regions. We encourage you to attend the session offered in your region, if possible.

Invited Participants

The following individuals are invited to attend the training sessions. The presence of these individuals is key to ensuring that all parties responsible for school board governance have a clear understanding of the audit committee's mandate:

- ❖ Trustees (who will be members of the audit committee)
- ❖ External members (who will be members of the audit committee)
- ❖ Director of Education
- ❖ Superintendent of Business
- ❖ Regional internal audit manager (applicable to the eight host boards only)
- ❖ 1 or 2 addition school board staff (at the discretion of senior management)

Agenda

The training sessions will cover a wide variety of topics surrounding audit committees and internal audit and will include:

- The audit committee regulation;
- The roles and responsibilities of the audit committee and its members;

- The roles and responsibilities of external audit and internal audit;
- An understanding of the evaluation of the board's internal controls;
- An understanding of the key elements of Public Sector Accounting Board financial statements;
- Assessing risk and risk management; and
- An evaluation of the effectiveness of audit committees.

Training Format

Day 1

10 AM – 12 PM: An overview of the education sector in Ontario (optional attendance, session is directed to new participants to the education sector but all participants may attend)

12 PM – 6 PM: Audit committee training

Day 2

9 AM – 4 PM: Audit committee training continued

Confirmation of Participation

The Ministry requires a preliminary e-mail confirmation of the attendance figures for your board by December 7, 2010. We recognize that the board and non-board member participants may need to be estimated at this time and may be more a placeholder than a person's name and title. The Ministry then requires a final figure to be submitted by January 4, 2011.

Please email the number of participants, their names and titles to the Ministry representative listed below:

Greg Fiorido
Financial Analysis and Accountability Branch
Ministry of Education
3300 Bloor Street West
Toronto, Ontario
Tel: (416) 325-3244
Email: greg.fiorido@ontario.ca

Should you or your staff have any questions at all please feel free to contact Greg Fiorido from the Governance and Audit Support Team at the telephone number or email address listed above.

Yours sincerely,



Andrew Davis
Director
Financial Analysis and Accountability Branch

Appendix A - Training Schedule

Region	City	Dates	Hotel
<u>Central Region</u> Dufferin-Peel Catholic DSB Peel DSB* Toronto Catholic DSB Toronto DSB York Catholic DSB York Region DSB	Toronto	February 24-25	<u>Airport Holiday Inn:</u> Toronto International Airport 970 Dixon Road Toronto, Ontario M9W 1J9 Tel. (416) 675-7611 Toll Free: 1-877-660- 8550 Fax: (416) 675-9162
<u>Eastern Region</u> Algonquin & Lakeshore DSB Catholic DSB of Eastern Ontario Hastings & Prince Edward DSB Limestone DSB Ottawa Carleton DSB Ottawa Catholic DSB* Renfrew County Catholic DSB Renfrew County DSB Upper Canada DSB	Ottawa	February 17-18	<u>Courtyard Marriott:</u> 350 Dalhousie Street Ottawa, Ontario K1N 7E9 Tel. (613) 241-1000 Toll Free 1-800-341-2210 Fax: (613) 241-4804
<u>French Language Region</u> CSD catholique Centre-Sud CSD catholique de l'Est ontarien CSD catholique des Aurores- Boréales CSD catholique des Grandes Rivières CSD catholique du Centre-Est* CSD catholique du Nouvel- Ontario CSD catholique Franco-Nord CSD des écoles catholique Sud- Ouest CSD des écoles publiques CSD du Centre Sud-Ouest CSD du Grand Nord de l'Ontario CSD du Nord Est de l'Ontario	Toronto	February 7-8	<u>Airport Holiday Inn:</u> Toronto International Airport 970 Dixon Road Toronto, Ontario M9W 1J9 Tel. (416) 675-7611 Toll Free: 1-877-660-8550 Fax: (416) 675-9162

<p><u>Greater Northern Region</u> Keewatin-Patricia DSB Kenora Catholic DSB Lakehead DSB Northwest Catholic DSB Rainy River DSB Superior North Catholic DSB Superior-Greenstone DSB Thunder Bay Catholic DSB*</p>	<p>Thunder Bay</p>	<p>February 15-16</p>	<p><u>Valhalla Inn:</u> 1 Valhalla Inn Road Thunder Bay, Ontario, P7E 6J1 Tel. (807) 577-1121 Toll Free: 1-800-964-1121 Fax: (807) 475-4723</p>
<p><u>North Eastern Region</u> Bluewater DSB Bruce-Grey Catholic DSB Durham Catholic DSB Durham DSB Kawartha Pine Ridge DSB Peterborough Victoria Northumberland and Clarington DSB Simcoe County DSB* Simcoe Muskoka Catholic DSB Trillium Lakelands DSB</p>	<p>Barrie</p>	<p>January 17-18</p>	<p><u>Holiday Inn:</u> 20 Fairview Road Barrie, Ontario L4N 4P3 Tel. (705) 728-6191 Toll Free: 1-877-728-6191 Fax: (705) 728-1718</p>
<p><u>South Western Region</u> DSB of Niagara Halton Catholic DSB Halton DSB Hamilton-Wentworth Catholic DSB Hamilton-Wentworth DSB Niagara Catholic DSB Upper Grand DSB Waterloo Catholic DSB Waterloo Region DSB* Wellington Catholic DSB</p>	<p>Hamilton</p>	<p>Jan 31-Feb 1</p>	<p><u>Courtyard Marriott:</u> 1224 Upper James Street Hamilton, Ontario L9C3B1 Tel. (905) 383-7772 Toll Free: 1-888-236-2427 Fax: (905) 383-7895</p>

<p><u>Southern Region</u> Avon Maitland DSB Brant Haldimand Norfolk Catholic DSB Grand Erie DSB Greater Essex County DSB Huron-Perth Catholic DSB Lambton Kent DSB London Catholic DSB St. Clair Catholic DSB Thames Valley DSB* Windsor-Essex Catholic DSB</p>	<p>London</p>	<p>February 3-4</p>	<p><u>Four Points by Sheraton:</u> 1150 Wellington Road South London, Ontario N6E1M3 Tel. (519) 681-0600 Toll Free: 1-800-368-7764 Fax: (519) 681-8222</p>
<p><u>Northern Region</u> Algoma DSB DSB Ontario North East Huron-Superior Catholic DSB Near North DSB Nipissing-Parry Sound Catholic DSB Northeastern Catholic DSB Rainbow DSB Sudbury Catholic DSB*</p>	<p>Sudbury</p>	<p>February 22-23</p>	<p><u>Holiday Inn:</u> 1696 Regent Street Sudbury, Ontario P3E 3Z8 Tel. (705) 522-3000 Toll Free: 1-877-660-8550 Fax: (705) 522-8067</p>

* Indicates the Host Board DSB for each region