

**AUDIT COMMITTEE MEETING
AGENDA**

CHAIR: D. Morton
RESOURCE: A. Lofts

Date: September 23, 2021
Time: 7:30 pm
Location: Microsoft Teams

	Pages
1. Call to Order	
1.1. Opening Prayer (P. DeRosa)	
2. Election of Audit Committee Chair (A. Lofts)	
3. Approval of the Agenda	
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5. Approval of Minutes	
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10. Resolution re Absentees	
10.1. Motion to Excuse Absent Committee Members from the May 25, 2021 Audit Committee Meeting	
10.2. Motion to Excuse Absent Committee Members from the June 2, 2021 Audit Committee Meeting	
11. Standing Reference Items	
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11.3. Ministry's Proposed Audit Committee Meeting Schedule

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12. Adjournment and Closing Prayer (V. Iantomasi)

**Declaration to the Chair of the Audit Committee
of the Halton Catholic 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)
- ☐ the Committee meetings of the Audit Committee for the fiscal year 2021-22;
 - ☐ any changes subsequent to the fiscal year declaration.
- 2) I _____, declare that I do not have a conflict of interest as defined
(name of member, please print)
- 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, please print)
- 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 _____, 2021.

Audit Committee Member Signature

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.

MINUTES OF THE AUDIT COMMITTEE MEETING

Date: November 26, 2020
Time: 7:45 pm
Location: Teleconference via TEAMS

Committee Members Present: D. Morton, Chair, External Member
J. Fahrer, External Member
P. Murphy, Trustee Representative
V. Iantomasi, Trustee Representative
P. DeRosa, Trustee Representative

Committee Members N/A

Excused:

HCDSB Staff Present: P. Daly, Director of Education and Secretary of the Board
A. Lofts, Superintendent of Business Services and Treasurer of the Board
A. Cross, Senior Manager, Financial Services

Invited Guests: J. Baker, Manager, Regional Internal Audit Team (RIAT)
M. Fisher, External Auditor, KPMG
D. Marks, External Auditor, KPMG
J. O'Hearn-Czarnota, Trustee

Recording Secretary: K. Jones

1. Call to Order

1.1 Opening Prayer

The meeting opened with a prayer led by P. Murphy.

2. Approval of the Agenda

Moved By: V. Iantomasi

Seconded By: J. Fahrer

RESOLVED that the agenda be accepted as presented.

The Chair called for a vote, and it **UNANIMOUSLY CARRIED**.

3. Declarations of Conflict of Interest

None.

4. Approval of Minutes - Audit Committee Meeting September 17, 2020

Moved By: V. Iantomasi

Seconded By: P. DeRosa

RESOLVED, that the minutes of the September 17, 2020 meeting be accepted as presented.
*The Chair called for a vote, and it **UNANIMOUSLY CARRIED**.*

5. Presentations

None.

6. Business Arising from Previous Meetings

None.

7. Action Items

7.1 2019-20 Draft Audited Financial Statement (A. Lofts, A. Cross)

A. Cross reviewed the Financial Statements and the Notes to the Financial Statements. He reported that the financial statements are prepared by staff and then audited by the Board's external auditors, KMPG. Questions were asked and answered. D. Morton thanked the finance team for their hard work and dedication.

Moved By: P. Murphy

Seconded By: J. Fahrer

RESOLVED, that the Audit Committee approve the 2019-20 Draft Audited Financial Statements for submission to the Board of Trustees at the December 1, 2020, Regular Board Meeting.

*The Chair called for a vote, and it **UNANIMOUSLY CARRIED**.*

7.2 2019-20 Audit Committee Annual Report to the Ministry

Moved By: V. Iantomasi

Seconded By: P. Murphy

RESOLVED, that the Audit Committee approve the 2019-2020 Audit Committee Annual Report for submission to the Board of Trustees and forwarded to the Ministry of Education.

*The Chair called for a vote, and it **UNANIMOUSLY CARRIED**.*

8. Reports / Discussion Items

8.1 Compliance Report (A. Lofts)

On an annual basis, the Audit Committee is required to obtain confirmation from the Director of Education that all statutory requirements have been met as prescribed under Ontario Regulation 361/10 of the Education Act.

8.2 2019-20 Treasurer's Annual Investment Report (A. Lofts)

A. Lofts presented the Treasurer's Report.

8.3 Proposed 2020-21 Meeting Dates (A. Lofts)

Committee members are in support of a meeting in February / March 2021. K. Jones to email proposed dates.

9. Standing Reference Items

9.1 Ministry's Timing of the Audit Committee's Key Activities and proposed Audit Committee Meeting Agenda Topics

9.2 Ontario Regulation 361/10

10. Resolution re Absentees

None.

11. Adjournment

Moved By: P. DeRosa

Seconded By: P. Murphy

RESOLVED that the meeting move to Closed.

The Chair called for a vote, and it **UNANIMOUSLY CARRIED**.

Moved By: P. DeRosa

Seconded By: P. Murphy

RESOLVED that the meeting adjourn.

The Chair called for a vote, and it **UNANIMOUSLY CARRIED**.

The meeting adjourned at 9:45 pm.

MINUTES OF THE AUDIT COMMITTEE MEETING

Date: May 25, 2021
Time: 7:30 pm
Location: Teleconference

Committee Members Present: J. Fahrer, External Member
P. Murphy, Trustee Representative

Committee Members Absent:: D. Morton, Chair, External Member
V. Iantomasi, Trustee Representative
P. DeRosa, Trustee Representative

HCDSB Staff Present: P. Daly, Director of Education and Secretary of the Board
A. Lofts, Superintendent of Business Services and Treasurer of the Board
A. Cross, Senior Manager, Financial Services

Invited Guests: J. Baker, Manager, Regional Internal Audit Team (RIAT)
M. Fisher, External Auditor, KPMG
D. Marks, External Auditor, KPMG

Recording Secretary: K. Jones

1. Call to Order

The resource person to the committee, A. Lofts, called the meeting to order at 7:30 pm

2. Quorum was not present.

3. The meeting was adjourned at 7:35 pm.

MINUTES OF THE AUDIT COMMITTEE MEETING

Date: June 2, 2021
Time: 1:15 pm
Location: Teleconference

Committee Members Present: D. Morton, Chair, External Member
J. Fahrer, External Member
P. Murphy, Trustee Representative

Committee Members Absent:: V. Iantomasi, Trustee Representative
P. DeRosa, Trustee Representative

HCDSB Staff Present: P. Daly, Director of Education and Secretary of the Board
A. Lofts, Superintendent of Business Services and Treasurer of the Board
A. Cross, Senior Manager, Financial Services

Invited Guests: J. Baker, Manager, Regional Internal Audit Team (RIAT)
A. Eltherington, Regional Internal Auditor (RIAT)
M. Fisher, External Auditor, KPMG
D. Marks, External Auditor, KPMG

Recording Secretary: K. Jones

1. Call to Order

1.1 Opening Prayer

The meeting opened with a prayer led by A. Lofts.

2. Approval of the Agenda

Moved By: J. Fahrer

Seconded By: P. Murphy

RESOLVED that the agenda be accepted as presented.

The Chair called for a vote, and it **UNANIMOUSLY CARRIED**.

3. Declarations of Conflict of Interest

None.

4. Approval of Minutes

None.

5. Presentations

None.

6. Business Arising from Previous Meetings

None.

7. Action Items

7.1 2020-21 Year-End Planning Report from KPMG (D. Marks)

KPMG Staff presented the 2020-21 year-end audit plan. Discussion ensued. It was confirmed that the engagement letter and fees have not yet been finalized. It was noted that in the next few years, asset retirement would be part of the year-end audit.

Moved By: P. Murphy

Seconded By: J. Fahrer

RESOLVED that the Audit Committee approve the External Auditor's 202-21 Year-End Planning Report for submission to the Board of Trustees at the June 15, 2021, Regular Board Meeting.

The Chair called for a vote, and it **UNANIMOUSLY CARRIED.**

8. Reports / Discussion Items

None.

9. Standing Reference Items

For reference only.

10. Resolution re Absentees

Moved By: P. Murphy

Seconded By: J. Fahrer

RESOLVED that this item be postponed until the September 2021 Audit Committee Meeting.

11. Adjournment and Closing Prayer

Moved By: P. Murphy

Seconded By: J. Fahrer

RESOLVED that the meeting be adjourned at 1:46 pm.

The Chair called for a vote, and it **UNANIMOUSLY CARRIED.**



MEMO

TO: Halton Waterloo Region District School Board Audit Committee
FROM: Jenny Baker, Regional Internal Audit Manager
DATE: 23 September 2021
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, 2021.

A Other

Please refer to the attached 2021-2022 training plan and a summary of training completed for the 2020-2021 year. This report is provided to confirm RIAT compliance to International Standard for the Professional Practice of Internal Auditing, standard #1230 - Continuing Professional Development.

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 2020-21

Auditor	Training Focus	Date
All Auditors	1. Attend ACFE Current Topics for Fraud Examiners. Four sessions which include: Making Ethical Decisions in Times of Uncertainty; Securing Your Data in the Digital Age; The Social Risk & How Hackers Attack Your Staff & Organization; and Detecting Deception in Everyday Communications. 2. OASBO Finance/Internal Audit Virtual Workshop 2021. 3 Fraud Investigation Techniques 4 PIM Plenary Session with the IPC 3. Relevant seminars/webinars on fraud, ethics, privacy and IT Security offered by the various institutes (*see acronyms below)	September 21-24,2020 February 2021 April 22,2021 June 10, 2021
Andrea Eltherington	Andrea confirms that she has met the annual continuing education requirements of the IIA and ISACA.	
Jenny Baker	Jenny confirms that she has met the annual continuing education requirements of CPA Ontario, ISACA and the ACFE.	

Planned 2021-22

Auditor	Training Focus	Date
All Auditors	1 IIA Canada National Conference 2. OASBO Internal Audit – Seminars offered throughout the year 3 Relevant seminars/webinars on fraud, ethics, privacy and IT Security offered by the various institutes.	September 21-24 When relevant Throughout the year
John Forte	Sit for Part 2 of CIA requirements	When scheduled

Acronyms

ACFE – Association of Certified Fraud Examiners

IIA- Institute of Internal Auditors

ISACA – Information Systems Audit and Control Association

CIA – Certified Internal Auditor

CPA – Chartered Professional Accountant

CISA – Certified Information Systems Auditor

Français

Education Act**ONTARIO REGULATION 361/10
AUDIT COMMITTEES****Consolidation Period:** From July 10, 2015 to the [e-Laws currency date](#).

Last amendment: 204/15.

Legislative History: 204/15.

This is the English version of a bilingual regulation.**Interpretation**

1. (1) This Regulation applies in respect of audit committees established by district school boards under subsection 253.1 (1) of the Act. O. Reg. 361/10, s. 1 (1).

(2) In this Regulation,

“external auditor” means an auditor appointed by a board under subsection 253 (1) of the Act to perform the duties referred to in subsection 253 (4) of the Act; (“vérificateur externe”)

“internal auditor” means a contractor or employee of a board who examines and evaluates a board’s records and procedures related to the board’s risk management, internal controls and governance processes and makes recommendations on ways to improve the board’s risk management, internal controls and governance processes; (“vérificateur interne”)

“reporting entity” means, with respect to a board, an organization that is required to prepare reports for the purposes of the board regarding the organization’s financial affairs and resources; (“entité comptable”)

“senior business official” means a senior business official described in subsection 3 (2) of Regulation 309 of the Revised Regulations of Ontario, 1990 (Supervisory Officers) made under the Act. (“cadre supérieur de l’administration des affaires”) O. Reg. 361/10, s. 1 (2).

Establishment of audit committee

2. (1) Subject to subsection (3), every board shall establish an audit committee in accordance with this Regulation no later than January 31, 2011. O. Reg. 361/10, s. 2 (1).

(2) The first meeting of an audit committee established under subsection (1) shall be held no later than March 31, 2011. O. Reg. 361/10, s. 2 (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. O. Reg. 361/10, s. 2 (3).

(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. O. Reg. 361/10, s. 2 (4).

Composition of audit committee

3. (1) An audit committee of a board shall consist of the following individuals appointed in accordance with the board’s by-laws:

1. If the board has fewer than eight board members, the audit committee shall consist of four members, including two board members and two persons who are not board members.
2. If the board has eight or more board members, but less than fifteen, the audit committee shall consist of five members, including three board members and two persons who are not board members.
3. If the board has fifteen or more board members, the audit committee shall consist of seven members, including four board members and three persons who are not board members. O. Reg. 361/10, s. 3 (1).

(2) In the absence of a by-law setting out an appointment process, the board shall appoint the members of the audit committee in accordance with paragraphs 1, 2 and 3 of subsection (1). O. Reg. 361/10, s. 3 (2).

(3) If the number of persons required by paragraphs 1, 2 and 3 of subsection (1) is not appointed to the audit committee, the Minister may appoint a person to each vacant position. O. Reg. 361/10, s. 3 (3).

(4) A person appointed under subsection (3) holds the position until the board appoints another person to the position. O. Reg. 361/10, s. 3 (4).

(5) An appointment made under subsection (3) must comply with paragraphs 1, 2 and 3 of subsection (1) and section 4. O. Reg. 361/10, s. 3 (5).

Eligibility for appointment of persons who are not board members

4. (1) A person who is not a board member is eligible to be appointed to the board's audit committee only if he or she,

- (a) has accounting, financial management or other relevant business experience that would enable him or her to understand the accounting and auditing standards applicable to the board;
- (b) is not an employee or officer of the board or of any other board at the time of his or her appointment;
- (c) does not have a conflict of interest, as described in subsection (2), at the time of his or her appointment; and
- (d) was identified by the selection committee described in section 5 as a potential candidate for appointment to the audit committee. O. Reg. 361/10, s. 4 (1).

(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. O. Reg. 361/10, s. 4 (2).

(3) Clause (1) (d) does not apply if the person is appointed by the Minister under subsection 3 (3). O. Reg. 361/10, s. 4 (3).

Selection committee

5. (1) Each board shall have a selection committee for the purpose of identifying persons who are not board members as potential candidates for appointment to the board's audit committee. O. Reg. 361/10, s. 5 (1).

(2) The selection committee shall be composed of,

- (a) the board's director of education;
- (b) a senior business official of the board; and
- (c) the chair of the board or a board member designated by the chair. O. Reg. 361/10, s. 5 (2).

Chair of the audit committee

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 members appointed to the committee. O. Reg. 361/10, s. 6 (1); O. Reg. 204/15, s. 1.

(2) If at any meeting of the audit committee the chair is not present, the members present may elect a chair for that meeting. O. Reg. 361/10, s. 6 (2).

Term of appointment

7. (1) The term of office of a member of the audit committee who is a board member shall be determined by the board but shall not exceed four years. O. Reg. 361/10, s. 7 (1).

(2) The term of office of a member of the audit committee who is not a board member shall be determined by the board but shall not exceed three years. O. Reg. 361/10, s. 7 (2).

(3) Subject to subsection (4), a member of the audit committee may be reappointed. O. Reg. 361/10, s. 7 (3).

(4) An individual who is not a board member may not be appointed to the audit committee more than twice unless,

- (a) the board advertised the position for at least 30 days; and
- (b) after the 30 days, the selection committee did not identify any potential candidates. O. Reg. 361/10, s. 7 (4).

(5) When the term of a member of the audit committee expires, he or she continues to be a member until a successor is appointed or the member is reappointed. O. Reg. 361/10, s. 7 (5).

Vacancies

8. (1) A member who is a board member vacates his or her position on the audit committee if,

- (a) he or she is convicted of an indictable offence; or
- (b) he or she is absent from two consecutive regular meetings of the committee and the committee has not authorized those absences by a resolution at the first regular meeting of the committee that follows the second absence. O. Reg. 361/10, s. 8 (1).

(2) A member who is not a board member vacates his or her position on the audit committee if,

- (a) he or she is convicted of an indictable offence;
- (b) he or she is absent from two consecutive regular meetings of the committee and the committee has not authorized those absences by a resolution at the first regular meeting of the committee that follows the second absence;
- (c) he or she becomes an employee or officer of the board or of any other board; or
- (d) it is discovered that he or she had a conflict of interest as described in subsection 4 (2) at the time of his or her appointment and failed to disclose it. O. Reg. 361/10, s. 8 (2).

(3) Despite any by-law of a board, if a position on the audit committee becomes vacant, the position shall be filled as soon as possible in accordance with this Regulation. O. Reg. 361/10, s. 8 (3).

(4) A person who is appointed to fill a vacancy shall hold the position for the remainder of the term of the member whose position became vacant. O. Reg. 361/10, s. 8 (4).

Duties of an audit committee

9. (1) An audit committee of a board has the following duties related to the board's financial reporting process:

1. To review with the director of education, a senior business official and the external auditor the board's financial statements, with regard to the following:
 - i. Relevant accounting and reporting practices and issues.
 - ii. Complex or unusual financial and commercial transactions of the board.
 - iii. Material judgments and accounting estimates of the board.
 - iv. Any departures from the accounting principles published from time to time by the Canadian Institute of Chartered Accountants that are applicable to the board.
2. To review with the director of education, a senior business official and the external auditor, before the results of an annual external audit are submitted to the board,
 - i. the results of the annual external audit,
 - ii. any difficulties encountered in the course of the external auditor's work, including any restrictions or limitations on the scope of the external auditor's work or on the external auditor's access to required information,
 - iii. any significant changes the external auditor made to the audit plan in response to issues that were identified during the audit, and
 - iv. any significant disagreements between the external auditor and the director of education or a senior business official and how those disagreements were resolved.
3. To review the board's annual financial statements and consider whether they are complete, are consistent with any information known to the audit committee members and reflect accounting principles applicable to the board.
4. To recommend, if the audit committee considers it appropriate to do so, that the board approve the annual audited financial statements.
5. To review with the director of education, a senior business official and the external auditor all matters that the external auditor is required to communicate to the audit committee under generally accepted auditing standards.
6. To review with the external auditor material written communications between the external auditor and the director of education or a senior business official.
7. To ask the external auditor about whether the financial statements of the board's reporting entities, if any, have been consolidated with the board's financial statements.
8. To ask the external auditor about any other relevant issues. O. Reg. 361/10, s. 9 (1).

(2) An audit committee of a board has the following duties related to the board's internal controls:

1. To review the overall effectiveness of the board's internal controls.
2. To review the scope of the internal and external auditor's reviews of the board's internal controls, any significant findings and recommendations by the internal and external auditors and the responses of the board's staff to those findings and recommendations.
3. To discuss with the board's officials the board's significant financial risks and the measures the officials have taken to monitor and manage these risks. O. Reg. 361/10, s. 9 (2).

(3) An audit committee of a board has the following duties related to the board's internal auditor:

1. To review the internal auditor's mandate, activities, staffing and organizational structure with the director of education, a senior business official and the internal auditor.
 2. To make recommendations to the board on the content of annual or multi-year internal audit plans and on all proposed major changes to plans.
 3. To ensure there are no unjustified restrictions or limitations on the scope of the annual internal audit.
 4. To review at least once in each fiscal year the performance of the internal auditor and provide the board with comments regarding his or her performance.
 5. To review the effectiveness of the internal auditor, including the internal auditor's compliance with the document *International Standards for the Professional Practice of Internal Auditing*, as amended from time to time, published by The Institute of Internal Auditors and available on its website.
 6. To meet on a regular basis with the internal auditor to discuss any matters that the audit committee or internal auditor believes should be discussed.
 7. To review with the director of education, a senior business official and the internal auditor,
 - i. significant findings and recommendations by the internal auditor during the fiscal year and the responses of the board's staff to those findings and recommendations,
 - ii. any difficulties encountered in the course of the internal auditor's work, including any restrictions or limitations on the scope of the internal auditor's work or on the internal auditor's access to required information, and
 - iii. any significant changes the internal auditor made to the audit plan in response to issues that were identified during the audit. O. Reg. 361/10, s. 9 (3).
- (4) An audit committee of a board has the following duties related to the board's external auditor:
1. To review at least once in each fiscal year the performance of the external auditor and make recommendations to the board on the appointment, replacement or dismissal of the external auditor and on the fee and fee adjustment for the external auditor.
 2. To review the external auditor's audit plan, including,
 - i. the external auditor's engagement letter,
 - ii. how work will be co-ordinated with the internal auditor to ensure complete coverage, the reduction of redundant efforts and the effective use of auditing resources, and
 - iii. the use of independent public accountants other than the external auditor of the board.
- 2.1 To make recommendations to the board on the content of the external auditor's audit plan and on all proposed major changes to the plan.
3. To review and confirm the independence of the external auditor.
 4. To meet on a regular basis with the external auditor to discuss any matters that the audit committee or the external auditor believes should be discussed.
 5. To resolve any disagreements between the director of education, a senior business official and the external auditor about financial reporting.
 6. To recommend to the board a policy designating services that the external auditor may perform for the board and, if the board adopts the policy, to oversee its implementation. O. Reg. 361/10, s. 9 (4); O. Reg. 204/15, s. 2.
- (5) An audit committee of a board has the following duties related to the board's compliance matters:
1. To review the effectiveness of the board's system for monitoring compliance with legislative requirements and with the board's policies and procedures, and where there have been instances of non-compliance, to review any investigation or action taken by the board's director of education, supervisory officers or other persons employed in management positions to address the non-compliance.
 2. To review any significant findings of regulatory entities, and any observations of the internal or external auditor related to those findings.
 3. To review the board's process for communicating any codes of conduct that apply to board members or staff of the board to those individuals and the board's process for administering those codes of conduct.
 4. To obtain regular updates from the director of education, supervisory officers and legal counsel regarding compliance matters.

5. To obtain confirmation by the board's director of education and supervisory officers that all statutory requirements have been met. O. Reg. 361/10, s. 9 (5).
- (6) An audit committee of a board has the following duties related to the board's risk management:
 1. To ask the board's director of education, a senior business official, the internal auditor and the external auditor about significant risks, to review the board's policies for risk assessment and risk management and to assess the steps the director of education and a senior business official have taken to manage such risks, including the adequacy of insurance for those risks.
 2. To perform other activities related to the oversight of the board's risk management issues or financial matters, as requested by the board.
 3. To initiate and oversee investigations into auditing matters, internal financial controls and allegations of inappropriate or illegal financial dealing. O. Reg. 361/10, s. 9 (6).
- (7) An audit committee of a board shall report to the board annually, and at any other time that the board may require, on the committee's performance of its duties. O. Reg. 361/10, s. 9 (7).
- (8) An audit committee shall make all reasonable efforts to ensure that a copy of this Regulation is posted on the board's website. O. Reg. 361/10, s. 9 (8).

Powers of an audit committee

- 10.** In carrying out its functions and duties, an audit committee of a board has the power to,
 - (a) with the prior approval of the board, retain counsel, accountants or other professionals to advise or assist the committee;
 - (b) meet with or require the attendance of board members, the board's staff, internal or external auditor or legal counsel or representatives from a reporting entity of the board at meetings of the committee, and require such persons or entities to provide any information and explanation that may be requested;
 - (c) where the committee determines it is appropriate, meet with the board's external or internal auditor, or with any staff of the board, without the presence of other board staff or board members, other than board members who are members of the committee;
 - (d) require the board's internal or external auditor to provide reports to the committee; and
 - (e) have access to all records of the board that were examined by the internal or external auditor. O. Reg. 361/10, s. 10.

Meetings

- 11.** (1) An audit committee of a board shall meet at least three times in each fiscal year at the call of the chair of the committee, and at such other times as the chair considers advisable. O. Reg. 361/10, s. 11 (1).
- (2) The first meeting of the audit committee in each fiscal year after the 2011 year shall take place no later than September 30. O. Reg. 361/10, s. 11 (2).
- (3) Each member of the audit committee has one vote. O. Reg. 361/10, s. 11 (3).
- (4) The audit committee shall make decisions by resolution. O. Reg. 361/10, s. 11 (4).
- (5) In the event of a tie vote, the chair is entitled to cast a second vote. O. Reg. 361/10, s. 11 (5).
- (6) A majority of the members of the audit committee that includes at least one member who is not a board member constitutes a quorum for meetings of the committee. O. Reg. 361/10, s. 11 (6).
- (7) The chair of the audit committee shall ensure that minutes are taken at each meeting and provided to the members of the committee before the next meeting. O. Reg. 361/10, s. 11 (7).
- (8) Despite subsection (1), an audit committee of a board is required to meet only twice during the 2010-2011 fiscal year. O. Reg. 361/10, s. 11 (8).

Codes of Conduct

- 12.** Any code of conduct of the board that applies to board members also applies to members of the audit committee who are not board members in relation to their functions, powers and duties as members of the committee. O. Reg. 361/10, s. 12.

Remuneration and compensation

- 13.** (1) A person shall not receive any remuneration for serving as a member of the audit committee. O. Reg. 361/10, s. 13 (1).
- (2) Subsection (1) does not preclude payment of an honorarium under section 191 of the Act that takes into account the attendance of a board member at an audit committee meeting. O. Reg. 361/10, s. 13 (2).

(3) A board shall establish policies respecting the reimbursement of members of its audit committee for expenses incurred as members of the committee. O. Reg. 361/10, s. 13 (3).

(4) A board shall reimburse members of its audit committee for expenses incurred as members of the committee in accordance with the policies referred to in subsection (3). O. Reg. 361/10, s. 13 (4).

Declaration of conflicts

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 (2). O. Reg. 361/10, s. 14 (1).

(2) A member of an audit committee who becomes aware after his or her appointment that he or she has a conflict of interest, as described in subsection 4 (2), shall immediately disclose the conflict in writing to the chair. O. Reg. 361/10, s. 14 (2).

(3) If a member or his or her parent, child or spouse could derive any financial benefit relating to an item on the agenda for a meeting, the member shall declare the potential benefit at the start of the meeting and withdraw from the meeting during the discussion of the matter and shall not vote on the matter. O. Reg. 361/10, s. 14 (3).

(4) If no quorum exists for the purpose of voting on a matter only because a member is not permitted to be present at the meeting by reason of subsection (3), the remaining members shall be deemed to constitute a quorum for the purposes of the vote. O. Reg. 361/10, s. 14 (4).

(5) If a potential benefit is declared under subsection (3), a detailed description of the potential benefit declared shall be recorded in the minutes of the meeting. O. Reg. 361/10, s. 14 (5).

Reporting

15. (1) An audit committee of a board shall submit to the board on or before a date specified by the board an annual report that includes,

- (a) any annual or multi-year audit plan of the board's internal auditor;
- (b) a description of any changes made to a plan referred to in clause (a) since the last report of the committee;
- (c) a summary of the work performed by the internal auditor since the last annual report of the committee, together with a summary of the work the auditor expected to perform during the period, as indicated in the plan referred to in clause (a);
- (d) a summary of risks identified and findings made by the internal auditor; and
- (e) a summary of any enrolment audits planned by the internal auditor. O. Reg. 361/10, s. 15 (1); O. Reg. 204/15, s. 3 (1).

(2) A board who receives a report under subsection (1) shall submit the information described in clauses (1) (c) and (e) to the Minister in each fiscal year on or before a date specified by the Minister. O. Reg. 204/15, s. 3 (2).

(3) An audit committee of a board shall submit a report to the board in each fiscal year on or before a date specified by the board, and at any other time as may be requested by the board, that includes,

- (a) a summary of the work performed by the committee since the last report;
- (b) an assessment by the committee of the board's progress in addressing any findings and recommendations that have been made by the internal or external auditor;
- (c) a summary of the matters addressed by the committee at its meetings;
- (d) the attendance record of members of the committee; and
- (e) any other matter that the committee considers relevant. O. Reg. 361/10, s. 15 (3).

16. OMITTED (PROVIDES FOR COMING INTO FORCE OF PROVISIONS OF THIS REGULATION). O. Reg. 361/10, s. 16.

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Timing of the Audit Committee's Key Activities

This document lists key activities the audit committee is required to undertake under Ontario Regulation 361/10, along with a suggested schedule for these activities (schedule may vary for each board). Audit committees may choose to engage in other activities or hold additional meetings, the timing of which is at the discretion of the individual committee.

September

- Internal auditor performance evaluation (prior fiscal year)
- Internal audit mandate review (current fiscal year)

November

- Review of financial statements (prior fiscal year)
- Review of external auditor's management letter (prior fiscal year)
- External auditor performance evaluation (prior fiscal year)
- Review of compliance report (prior fiscal year)
- Audit committee self-assessment (prior fiscal year)
- Detailed annual report to the Board of Trustees (prior fiscal year)
- Annual report to the Ministry (prior fiscal year)*

June

- Review of external auditor's audit plan (next fiscal year)
- Review of internal audit plan (next fiscal year)

When Available

- Review of current external and/or internal audit plan where any major changes are proposed
- Review of internal audit reports
- Review of reports on audits or other engagements conducted by regulatory entities

*Note: This report should be reviewed by the audit committee at or before the November meeting. Report should be presented to the Board of Trustees no later than November 30th and submitted to the Ministry of Education by January 15th of the following year.

Proposed Audit Committee Meeting Agenda Topics

Audit committees can use this tool to assist in planning annual activities and meeting agendas, based primarily on actions or responsibilities outlined in Ontario Regulation 361/10 (the regulation). Note that the meeting dates are only a suggestion and that the actual schedule may vary by board.

A one-page document outlining the timing of key responsibilities has also been developed. Please refer to “Timing of the Audit Committee’s Key Activities” on the School Business Support Branch (SBSB) [website](#).

For guidance on whether to discuss an agenda item in open or closed session, please refer to the Deloitte report “Open vs. closed sessions of audit committee meetings”. This report is also available on the SBSB website.

General Responsibilities

Action or Responsibility	Fiscal Year	Suggested Meeting	Open/Closed Session	Completed? (Yes/No/N/A)	Comments
3.(1) - Ensure committee composition complies with the regulation	Current	September and as required			
4.(1) – Ensure newly appointed external members meet eligibility requirements	Current	As required			
6.(1) - Elect the chair and appoint a secretary for the year	Current	September			
7.(2) - Ensure external members have not exceeded the maximum term of appointment	Current	Each meeting			
8.(1) & 8.(2) - Review committee members’ compliance with membership rules listed in the regulation	Current	Each meeting			
9.(7) - Report as required to the Board regarding the execution of duties and responsibilities	Current	As required			

Action or Responsibility	Fiscal Year	Suggested Meeting	Open/Closed Session	Completed? (Yes/No/N/A)	Comments
9.(8) – Ensure the regulation is posted on board's website	Current	Annually			
10.(a) - As necessary (and with Board approval), retain counsel, accountants or other professionals to advise or assist the committee	Current	As required			
10.(c) - Meet with management privately to discuss any necessary matters	Current	Private session at each meeting			
11.(6) – Ensure a quorum is present	Current	Each meeting			
11.(7) - Maintain minutes, review and approve the minutes of prior meetings	Current	Each meeting			
14.(3) – Members declare any potential financial benefits relating to agenda items	Current	Each meeting			
15.(1) & 15.(3) – Annual report to the Board	Previous	November			
15.(2) – Annual report to the Ministry of Education	Previous	November			

Financial Reporting

Action or Responsibility	Fiscal Year	Suggested Meeting	Open/Closed Session	Completed? (Yes/No/N/A)	Comments
9.(1) 1 - Review: <ul style="list-style-type: none"> - relevant accounting and reporting practices and issues - complex or unusual transactions - material judgments and accounting estimates - any departures from PSAB 	Current	As required			

Action or Responsibility	Fiscal Year	Suggested Meeting	Open/Closed Session	Completed? (Yes/No/N/A)	Comments
9.(1) 2i - Review the external audit results	Previous	November			
9.(1) 2ii - Review any difficulties encountered in the course of the audit	Previous	November			
9.(1) 2iii – Review any significant changes made to the external audit plan in response to issues identified during the audit	Previous	November			
9.(1) 2iv - Review significant disagreements between external audit and management and how those disagreements were resolved	Previous	November			
9.(1) 3 - Review the annual financial statements	Previous	November			
9.(1) 4 - Recommend to the Board the approval of the annual audited financial statements	Previous	November			
9.(1) 5 - Review all external auditor communications required under GAAS	Previous	November			
9.(1) 6 - Review any material written communication between the external auditor and management	Previous	November			
9.(1) 7 – Ask the external auditor whether all reporting entities were consolidated into the board's financial statements	Previous	November			

Internal Controls

Action or Responsibility	Fiscal Year	Suggested Meeting	Open/Closed Session	Completed? (Yes/No/N/A)	Comments
9.(2) 1 & 9.(2) 3 - Enquire about significant financial risks and the measures taken to manage such risks (reviewing the overall effectiveness of board's internal controls)	Current	Each meeting			
9.(2) 2 - Review the scope of the internal and external auditor's reviews of the board's internal controls, as well as any significant findings and recommendations made and management's response to these	Current	Each meeting			

Internal Audit

Action or Responsibility	Fiscal Year	Suggested Meeting	Open/Closed Session	Completed? (Yes/No/N/A)	Comments
9.(3) 1 - Review their mandate, activities, staffing and organizational structure	Current	September			
9.(3) 2 - Make recommendations to the Board on the content of the internal audit plan	Next	June			
9.(3) 2 - Make recommendations to the Board on all proposed major changes to the internal audit plan	Current	As required			
9.(3) 4 - Review internal auditor performance and provide comments to the Board and host board	Previous	September			

Action or Responsibility	Fiscal Year	Suggested Meeting	Open/Closed Session	Completed? (Yes/No/N/A)	Comments
9.(3) 5 - Review internal audit's effectiveness, including compliance with professional internal auditing standards. This could include a review of the quality assurance and improvement program results, which may use tools such as peer reviews and/or periodic external assessments.	Current or Previous	As available			
9.(3) 6 - Meet with internal audit privately to discuss any necessary matters	Current	Private session at each meeting, as required			
9.(3) 7i - Review significant findings and recommendations made by internal audit and management's response to the recommendations	Current	Each meeting			
9.(3) 3 & 9.(3) 7ii - Discuss significant difficulties, disagreements or scope restrictions/limitations encountered by the internal auditor	Current	As required			
9.(3) 7iii - Review any significant changes internal audit made to the audit plan in response to issues identified during the audit	Current	As required			

External Auditor

Action or Responsibility	Fiscal Year	Suggested Meeting	Open/Closed Session	Completed? (Yes/No/N/A)	Comments
9.(4) 1 – Review external auditor performance	Current	Annually			

Action or Responsibility	Fiscal Year	Suggested Meeting	Open/Closed Session	Completed? (Yes/No/N/A)	Comments
9.(4) 1 – Make recommendations to the Board on the appointment, replacement or dismissal of the external auditor and on the external auditor's fee and fee adjustment	Current	Annually			
9.(4) 2 – Review the external audit plan (engagement letter, coordination with internal audit, use of other independent accountants)	Next	June			
9.(4) 2.1 - Make recommendations to the Board on the content of the external audit plan	Next	June			
9.(4) 2.1 - Make recommendations to the Board on all proposed major changes to the external audit plan	Current	As required			
9.(4) 3 - Review and confirm external auditor's independence	Current	November			
9.(4) 4 - Meet with the external auditor to discuss any necessary matters	Current	Private session at each meeting, as required			
9.(4) 5 - Oversee the resolution of any disagreements between the external auditor and management	Current	As required			
9.(4) 6 - Recommend a policy on services the external auditor may perform and oversee its implementation	Current	As required			

Compliance

Action or Responsibility	Fiscal Year	Suggested Meeting	Open/Closed Session	Completed? (Yes/No/N/A)	Comments
9.(5) 1 - Review the board's system for monitoring compliance with legislative requirements, board policies and procedures	Current	September			
9.(5) 1 & 9.(5) 4 - Review instances of non-compliance with legislative requirements and board policies and procedures, as well as actions taken	Current	As required			
9.(5) 2 - Review any legal matters or findings of regulatory entities	Current	As required			
9.(5) 3 - Review the board's process for communicating and administering any codes of conduct	Current	September			
9.(5) 5 - Receive confirmation that all statutory requirements have been met, e.g., through the annual compliance report signed by the Director	Previous	September			

Risk Management

Action or Responsibility	Fiscal Year	Suggested Meeting	Open/Closed Session	Completed? (Yes/No/N/A)	Comments
9.(6) 1 - Enquire about significant risks, review and assess the board's risk management policies	Current	September			
9.(6) 2 - Perform other activities related to the oversight of the board's risk management issues or financial matters as requested by the Board	Current	As required			

Action or Responsibility	Fiscal Year	Suggested Meeting	Open/Closed Session	Completed? (Yes/No/N/A)	Comments
9.(6) 3 - Initiate and oversee investigations into auditing matters, internal financial controls and allegations of inappropriate or illegal financial dealings (including fraud)	Current	As required			

Other Leading Practices

Action or Responsibility	Fiscal Year	Suggested Meeting	Open/Closed Session	Completed? (Yes/No/N/A)	Comments
Develop work plan and meeting schedule for the next fiscal year	Next	June			
Succession planning for audit committee members	Next	June			
Perform a self-assessment of the audit committee	Previous	September			
Appropriate continuing education	Current	As required			
Review interim financial reports	Current	As information is available			