

### 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: 5:30**

1. Call to Order D. Dawson
2. Land Acknowledgement S. Robinson Petrazzini
3. Welcome Address D. Dawson
4. Approval of the Agenda D. Dawson
5. Review of May 26, 2022 Audit Committee Minutes Reported to Board D. Dawson
6. Declaration of Conflicts of Interest – Sign off on form D. Dawson
7. Action Items D. Dawson
  - a) Motion: Election of Chair Chair
  - b) Motion: Annual Report to the Board of Trustees Chair
  - c) Motion: Annual Report to the Board of Trustees and forwarded to The Ministry for the year ended August 31, 2022 Chair
8. Monitoring Items Chair
  - 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 S. Robinson Petrazzini
10. Update from Regional Internal Audit Team (RIAT) A. Eltherington
  - a) Update A. Eltherington
  - b) RIAT Mandate A. Eltherington
  - c) RIAT Education and Training Plan A. Eltherington
11. Any other Business Chair
  - a) Next meeting date – Thursday November 10, 2022 at 5:30pm Chair
12. Resolution into Private Session as per the Education Act, Section 207.2 Chair
  - 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
13. Adjournment Chair

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 6, 2022

From: Audit Committee

Date of Meeting: May 26, 2022

The committee held a virtual meeting from 5:32 pm to 5:46 pm and 6:28pm to 6:32pm on May 26, 2022 with Trustee Paul Tut presiding.

Members participating were: Trustees Becky Buck, Dawn Danko and Paul Tut  
External members participating were: John Laratta and Divya Iyengar

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**MONITORING ITEMS:**

**A. Update on School Board Sector Issues**

The Associate Director provided an update on school board sector issues including updated COVID-19 measures and an update on the director search.

**B. Regional Internal Audit Team (RIAT) Update**

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

The RIAT Manager provided a reminder that an updated RIAT Charter is required to be resigned when a new permanent Director of Education is appointed.

**C. Other Business**

John Laratta was acknowledged and thanked for the time he has served as an external member of the Audit Committee. Staff will begin the process to recruit a new external member to be in place for the next meeting in September 2022.

Staff proposed the following Audit Committee meeting dates for 2022-2023

- Thursday September 22, 2022 at 5:30pm
- Thursday November 10, 2022 at 5:30pm
- Thursday March 23, 2023 at 5:30pm
- Thursday May 25, 2023 at 5:30pm

Respectfully submitted,  
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 2022-23;**
- 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 \_\_\_\_\_, 2022.

\_\_\_\_\_  
**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, 2022**

This report summarizes the audit committee's actions for the year ending August 31, 2022.

### **Audit Committee Members**

The audit committee consisted of 5 members listed below:

- Trustee Paul Tut- Chair
- Trustee Christine Bingham (until December 2021), Trustee Becky Buck (commencing March 2022) and Trustee Dawn Danko – Trustee representatives
- John Laratta, Divya Iyengar - External representatives

In addition, regular attendees at the Committee meetings were:

- Andrea Eltherington – Regional Internal Audit Manager
- David Marks – Partner, Audit, KPMG LLP
- Saman Al-Rawee – Senior Manager, Audit, KPMG LLP
- Manny Figueiredo – Director of Education HWDSB (until February 2022)
- Stacey Zucker – Associate Director, Support Services HWDSB
- 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 23, 2021</i>	<i>Nov 11, 2021</i>	<i>March 24, 2022</i>	<i>May 26, 2022</i>
<i>Paul Tut</i>	X	X	X	X
<i>Christine Bingham</i>			n/a	n/a
<i>Becky Buck</i>	n/a	n/a	X	X
<i>Dawn Danko</i>	X	X	X	X
<i>Divya Iyengar</i>	X	X		X
<i>John Laratta</i>	X	X	X	X

## **Governance**

The audit committee operated throughout the fiscal year ending August 31, 2022. 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 23, 2021 meeting. The external auditors confirmed their independence in the letter dated November 29, 2021. The audit committee reviewed and recommended the approval of the annual audited financial statements on November 11, 2021. The audit committee recommended the reappointment of the external auditors for the next fiscal year during the meeting held March 24, 2022.

## **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 2021-22 fiscal year.

The internal auditors performed the following work during the year:

### **PLANNED AUDITS:**

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

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

<b><i>Audit</i></b>	<b><i>Risks</i></b>	<b><i>Findings</i></b>
BAS 2000 Data Analytics	•	• <i>Three remaining open action items</i>
IT Vulnerability	•	• <i>Thirteen remaining open action items</i>
Health and Safety	•	• <i>Seven remaining open action items</i>
Back-up & Disaster Recovery	•	• <i>Eight remaining open action items</i>
Capital Projects	• <i>A control rating of “satisfactory” was assigned to this audit.</i>	• <i>One remaining open action items</i>
Privacy Audit	• <i>A control rating conclusion of “unsatisfactory” was assigned to the original audit.</i>	• <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,

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Audit Committee Chair



**Annual Report to the Board of Trustees and Forwarded  
To the Ministry of Education  
For the year ended August 31, 2022**

**District School Board Name:** Hamilton-Wentworth District School Board

**Fiscal Year:** 2021/2022

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

During the 2021/2022 fiscal year, the following internal audits or other engagements were started by the regional internal audit team but not completed by August 31st:

- *Sparkrock O365 Logical Security Review*

In addition to those listed above, the following audits were completed in the 2021/2022 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

	Open
September	Declaration of Conflicts of Interest – Sign off on form Election of Chair Annual Report to the Board of Trustees and Ministry on 2021-22 Annual Review of Audit Committee Terms of Reference Review Audit Committee Annual Work Plan Review Regional Internal Audit Mandate 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 22, 2022  
 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 June 6, 2022.

### A. Update

On July 10, 2022, Waterloo Region District School Board experienced a cyber incident. The incident has affected the Regional Internal Audit team's ability to access their files which may result in a delay in the execution of the approved audit plans.

### B. RIAT Mandate

The Regional Internal Audit Mandate needs to be resigned whenever there is a change in Audit Committee Chair, Director of Education or Regional Internal Audit Manager.

### C. 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 2021-22

Auditor	Training Focus	Date
All Auditors	<ol style="list-style-type: none"> <li>1. Municipal Internal Auditors Association</li> <li>2. OASBO Internal Audit</li> <li>3. Relevant seminars/websites on fraud, ethics, privacy and IT Security offered by the various institutes.</li> </ol>	May 5, 2022 On-going and when relevant throughout the year
Andrea Eltherington	Courageous Conversations Personal Effectiveness Through Emotional Intelligence	Jan. 5 & 12, 2022 Mar. 3 & 4, 2022



## INTERNAL AUDIT TEAM

	Osgoode Human Rights for Education Professionals  Andrea confirms that she has met the annual continuing education requirements of the IIA and ISACA	Feb. 25 & 26, and Apr.1 & 2, 2022
Dondon Luce	IIA Toronto Symposium – The Grand Reopening Don confirms that he has met the annual continuing education requirements of the IIA and ISACA.	May 10 & 11, 2022
Mohamad Alkhen	Continue to study for the CIA Mohamad confirms that he has met the annual continuing education requirements of the CPA, ACFE and IIA.	
Cathy DeLuca	Cathy confirms that she has met the annual continuing education requirements of the CPA.	

### Planned 2022-23

Auditor	Training Focus	Date
All Auditors	<ol style="list-style-type: none"> <li>1. OASBO Internal Audit</li> <li>2. Relevant seminars/webinar0 on fraud, ethics, privacy and IT Security offered by the various institutes.</li> <li>3. MIAA fall training</li> </ol>	On-going and when relevant throughout the year
Mohamad Alkhen	Continue studying for the CIA designation	On-going

### 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