

**PUBLIC AGENDA: 6:00pm**

1. Call to Order/ Roll Call
2. Land Acknowledgement
3. Approval of the Agenda
4. Audit Committee Work Plan
5. Review of March 19, 2025 Audit Committee Minutes Reported to Board
6. Update from Regional Internal Audit Team (RIAT)
  - a. RIAT Status Report Update
    - i. RIAT Annual Independence Assertion
  - b. Standard GAP Presentation
  - c. Mission and Vision
  - d. RIAT Charter
7. Update from External Audit Team (KPMG)
8. Update on School Board Sector Issues (verbal)
9. Update on Non-Board (External) Member Recruitment (verbal)
10. Resolution into Private Session as per the Education Act, Section 207(2)

A meeting of a committee of a board, including committee of the whole board, may be closed to the public when the subject/matter under consideration involves,

  - 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;
  - c) the acquisition or disposal of a school site;
  - d) decisions in respect of negotiations with employees of the board; or
  - e) litigation affecting the board. R.S.O. 1990, c.E.2,s.207 (2);2021, c. 4, Sched.11, s. 7 (1)

<b>AUDIT COMMITTEE WORK PLAN 2024-2025</b>	
<b>DATE</b>	<b>OPEN</b>
<b>September 17, 2024</b>	Review annual work plan Declarations of Conflicts of Interest - Form Sign Off Annual Report to the Board of Trustees and Ministry of Education on 2023-2024 Annual Review of Audit Committee Terms of Reference Review Regional Internal Audit Mandate Regional Internal Audit Team Update
<b>November 12, 2024</b>	Review compliance report (2023-2024) Regional Internal Audit Team Update
<b>March 18, 2025</b>	Regional Internal Audit Team Update
<b>June 4, 2025</b>	Regional Internal Audit Team Update  Regional Internal Audit Annual Independence Assertion

## COMMITTEE REPORT

Presented to: Board

Date of Meeting: April 7, 2025

From: Audit Committee

Date of Meeting: Mar 18, 2025

The committee held a hybrid meeting from 6:07pm to 6:20pm on March 18, 2025, with Trustee Dawn Danko presiding.

Members: Trustees Dawn Danko, Paul Tut\* and Todd White\*. External Members: David Marks\*, Caterina DeLuca\* and Angela Zehr\*. Also in attendance: Trustee Abby Zaitley\*.

\*Electronic participation, <sup>(R)</sup>Regrets

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### MONITORING ITEMS:

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

Staff shared with the committee that the Provincial Government is scheduled to reconvene April 14<sup>th</sup>, 2025. As a result, the core education funding has not been shared and staff will provide an update at the June Audit Committee Meeting.

#### B. Update on Non-Board (External) Member Recruitment

Staff shared that recruiting efforts continue for a Non-Board (External) Member.

Respectfully submitted,  
Dawn Danko, Chair of the Committee

Reference: [Committee Package](#) and [Recording](#)



## MEMO

TO: Hamilton-Wentworth District School Board Audit Committee  
FROM: Andrea Eltherington, Regional Internal Audit Manager  
DATE: June 4, 2025  
SUBJECT: Regional Internal Audit Status Report – Open Committee Session

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This memorandum will serve to update the Audit Committee of the Regional Internal Audit Team's (RIAT) work since March 18, 2025.

### **A. RIAT Team**

- i. Standard GAP Presentation
- ii. Mission & Vision
- iii. RIAT Charter

### **B. Annual Independence Assertion**

In compliance with Global Internal Audit Standard 7.1 Organizational Independence, I am confirming that the regional internal audit team is organizationally independent and has been allowed to carry out its' responsibilities in an unbiased manner, free from interference in determining the scope of internal audit projects, performing work, and communicating results.



INTERNAL  
AUDIT TEAM  
West of Central Region

## STANDARDS GAP PRESENTATION

# GLOBAL INTERNAL AUDIT STANDARDS



## International Professional Practices Framework® (IPPF)

15 guiding Principles that provide a framework for effective internal auditing

## GLOBAL INTERNAL AUDIT STANDARDS

- Produced by the Institute of Internal Auditors
- Required to be followed to maintain Certified Internal Auditor (CIA) designation
- Effective January 9, 2025 – have to show progress for implementation
- Overall
  - Audit Files are generally in compliance – a few tweaks
  - More information needs to be provided to audit committees to document compliance
  - A few GAPS

## APPLYING THE GLOBAL INTERNAL AUDIT STANDARDS IN THE PUBLIC SECTOR

While the Global Internal Audit Standards apply to all internal audit functions, internal auditors in the public sector work in a political environment under governance, organizational, and funding structure that may differ from those in the private sector.

The following sections describe situations in which the application of the Standards may differ for internal auditors in the public sector.



## APPLYING THE GLOBAL INTERNAL AUDIT STANDARDS IN THE PUBLIC SECTOR

- Laws and/or Regulations
- Governance and Organizational Structure
- Funding

When conformance is not possible, the chief audit executive must document the reason, make appropriate disclosures, and conform with all other requirements of the Standards.

# GAP ASSESSMENT

- RIAT
  - Performance Evaluations – Complete
  - Ethics and objectivity sign-off – Complete
  - Documented methodologies to be followed when an impairment is suspected or identified.
  - Formal action plans that outline specific safeguards to address independence concerns.
  - Documentation of assurance services to be provided by other internal or external providers as a safeguard to independence.
  - Documentation of the criteria for identifying issues to be brought to the attention of the board and a process for communicating and escalating such issues.
  - Add time period to be covered in the engagement to the Terms of Reference – In progress
  - Documented approval of engagement work program

# GAP ASSESSMENT

- Audit Committee
  - Presentation of purpose statement, mission and vision
  - Updated Mandate

# GAP ASSESSMENT

- Board level
  - Restart sending performance evaluations with issuance of final reports
  - Succession planning conversations (host board)

# GAP ASSESSMENT

GAP	Standard	Proposed Action
External Quality Assessment	4.1 Conformance with the Global Internal Audit Standards 4.2 Due Professional Care 8.3 Quality 8.4 External Quality Assessment 11.2 Effective Communication 12.1 Internal Quality Assessment	Investigate the cost of an External Quality Assessment

# GAP ASSESSMENT

GAP	Standard	Proposed Action
RIAM meets with the AC independently – not at all boards	6.3 Board and Senior Management Support 7.1 Organizational Independence	Work with SBO's to ensure that there a mechanism to fulfill this requirement
Resource Limitations	10.1 Financial Resource Management 10.2 Human Resources Management	Document limitation as per Public Sector exceptions to the Standards

# Questions?

Andrea Eltherington, CIA, CRMA,  
CISA

Regional Internal Audit Manager  
[aetheri@hwdsb.on.ca](mailto:aetheri@hwdsb.on.ca)



# MISSION AND VISION STATEMENTS

**Mission Statement:** The mission of the RIAT model is to provide independent, objective assurance and advisory services that support the achievement of each school board's objectives by providing them with reasonable assurance on the reliability of their internal controls, the management of their risks and the quality of governance processes.

**Vision Statement:** Increase collaboration and information sharing across all RIATs to increase efficiency, ensure timely, high-quality service delivery and demonstrate our value as a key partner to the school boards we serve, as well as to Audit Committees.



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## **Regional Internal Audit Charter**

### **Purpose**

The purpose of the regional internal audit team is to strengthen the ability of the district school boards in the West of Central Region to create, protect, and sustain value by providing the Audit Committee of the Board of Trustees (Audit Committee) and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The regional internal audit function enhances the district school board's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The regional internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with The IIA's Global Internal Audit Standards™, which are set in the public interest.
- The regional internal audit team is independently positioned with direct accountability to the Audit Committee.
- Regional internal auditors are free from undue influence and committed to making objective assessments.

### ***Commitment to Adhering to the Global Internal Audit Standards***

The regional internal audit team will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The Regional Internal Audit Manager will report annually to the Audit Committee and senior management regarding the regional internal audit team's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

### **Mandate**

#### ***Authority***

The regional internal audit function is established by the Ministry of Education through the annual Core Education Funding. The role of the Audit Committee towards the regional internal audit function is established by Ontario Regulation 361/10, "Audit Committees", subsection 9(3).

The regional internal audit team's authority is created by its direct reporting relationship to the Audit Committee. Such authority allows for unrestricted access to the Audit Committee.

The Audit Committee authorizes the regional internal audit team to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Regional internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the regional internal audit function's objectives.
- Obtain assistance from the necessary personnel of the district school board and other specialized services from within or outside the district school board to complete internal audit services.

### ***Independence, Organizational Position, and Reporting Relationships***

The internal audit function follows a regional model. The function consists of a Regional Internal Audit Manager responsible to district school boards in one of the eight regions in the province of Ontario as identified by the Ministry of Education.

The Regional Internal Audit Manager will be positioned at a level in the school board that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the regional internal audit team. (See "Mandate" section.) The Regional Internal Audit Manager will report functionally to each audit committee in the region and be administratively (for example, day-to-day operations) supported by a host school board Senior Business Official. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the Audit Committee, when necessary, without interference and supports the regional internal auditors' ability to maintain objectivity.

The functional reporting relationship between the Regional Internal Audit Manager and each Audit Committee will be further demonstrated by each Audit Committee performing the following functions for their Board:

- Approve the regional internal audit charter;
- Recommend for approval the risk based internal audit plan;
- Receive information from the Regional Internal Audit Manager about the internal audit activity performance to plan and other relevant matters;
- Inquire of the Regional Internal Audit Manager whether there are resource or scoping limitations; and
- Review annually the performance of the regional internal audit activity and provide the Board of Trustees with their comments regarding the performance of the Regional Internal Audit Manager.

The Regional Internal Audit Manager will interact directly with the Audit Committee, including in-camera sessions and between audit committee meetings as appropriate.

The Regional Internal Audit Manager will confirm to the Audit Committee, at least annually, the organizational independence of the regional internal audit team. If the governance structure does not support organizational independence, the Regional Internal Audit Manager will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The Regional Internal Audit Manager will disclose to the Audit Committee any interference regional internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the regional internal audit team's effectiveness and ability to fulfill its mandate.

### ***Changes to the Mandate and Charter***

Circumstances may justify a follow-up discussion between the Regional Internal Audit Manager, Audit Committee, and senior management on the regional internal audit mandate or other aspects of the regional internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant reorganization within the district school board.
- Significant changes in the Regional Internal Audit Manager, Audit Committee, and/or senior management.
- Significant changes to the district school board's strategies, objectives, risk profile, or the environment in which it operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

## **Audit Committee Oversight**

To establish, maintain, and ensure that the regional internal audit function has sufficient authority to fulfill its duties, the oversight role of the Audit Committee over the regional internal audit function is outlined in Ontario Regulation 361/10, "Audit Committees", subsection 9(3).

Further, subsection 10(c) of the regulation allows private meetings between the regional internal audit team and the Audit Committee members without senior management present.

Note: Funding for the regional internal audit function is determined by the Ministry of Education annually through the Core Education Funding.

## ***Regional Internal Audit Manager Roles and Responsibilities***

### ***Ethics and Professionalism***

The Regional Internal Audit Manager will ensure that regional internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.

- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

### **Objectivity**

The Regional Internal Audit Manager will ensure that the regional internal audit function remains free from all conditions that threaten the ability of regional internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Regional Internal Audit Manager determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Regional internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Regional internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, regional internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for the district school board or its affiliates.
- Initiating or approving transactions external to the regional internal audit function.
- Directing the activities of any district school board employee that is not employed by the regional internal audit function, except to the extent that such employees have been appropriately assigned to the regional internal audit team or to assist regional internal auditors.

Regional internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the Regional Internal Audit Manager, Audit Committee, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

### ***Managing the Regional Internal Audit Function***

The Regional Internal Audit Manager has the responsibility to:

- At least annually, develop a risk-based regional internal audit plan that considers the input of the Audit Committee and senior management. Discuss the plan with the Audit Committee and senior management and submit the plan to the Audit Committee for review and approval.
- Communicate the impact of resource limitations on the regional internal audit plan to the Audit Committee and senior management.
- Review and adjust the regional internal audit plan, as necessary, in response to changes in the district school board's business, risks, operations, programs, systems, and controls.
- Communicate with the Audit Committee and senior management if there are significant interim changes to the regional internal audit plan. Submit all proposed major changes to the regional internal audit plan to the Audit Committee for approval.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Audit Committee and senior management as available.
- Ensure the regional internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfill the regional internal audit mandate.
- Identify and consider trends and emerging issues that could impact the district school board and communicate to the Audit Committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the regional internal audit function.
- Ensure adherence to the district school board's relevant policies and procedures unless such policies and procedures conflict with the regional internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Audit Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Regional Internal Audit Manager cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Audit Committee.

### ***Communication with the Audit Committee and Senior Management***

The Regional Internal Audit Manager will report annually to the Audit Committee and senior management regarding:

- The regional internal audit function's mandate.

- The regional internal audit plan and performance relative to its plan.
- Significant revisions to the regional internal audit plan.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the regional internal audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the regional internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Audit Committee that could interfere with the achievement of the district school board's strategic objectives.
- Results of assurance and advisory services.
- Resource requirements.
- Management's responses to risk that the regional internal audit function determines may be unacceptable or acceptance of a risk that is beyond the district school board's risk appetite.

### ***Quality Assurance and Improvement Program***

The Regional Internal Audit Manager will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the regional internal audit function. The program will include external and internal assessments of the regional internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the regional internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the regional internal audit function's deficiencies and opportunities for improvement.

Annually, the Regional Internal Audit Manager will communicate with the Audit Committee and senior management about the regional internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the district school boards served by the regional internal audit team; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

### **Scope and Types of Internal Audit Services**

The scope of internal audit services covers the entire breadth of the district school board, including all of the district school board's activities, assets, and personnel. The activities and processes within the scope are captured in the audit universe. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Audit Committee and management on the

adequacy and effectiveness of governance, risk management, and control processes for the district school board.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the regional internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of the district school board's strategic objectives are appropriately identified and managed.
- The actions of the district school board's officers, directors, management, employees, and contractors or other relevant parties comply with the district school board's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the district school board.
- The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.



**Approved by the Audit Committee of the Hamilton-Wentworth District School Board at its meeting on June 3, 2025.**

### **Acknowledgments/Signatures**

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Regional Internal Audit Manager

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Date

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Audit Committee Chair

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Date

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Director of Education or designate

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Date