ST. CLAIR CATHOLIC
DISTRICT SCHOOL BOARD
Lighting the Way ~ Rejoicing in Our Journey

Paul Wubben, Director of Education

AUDIT COMMITTEE MEETING

Tuesday, March 22, 2011 – 4:00 p.m.

Catholic Education Centre, Wallaceburg – St. Clair Room

AGENDA

1. Opening Prayer
2. Approval of Agenda
3. Ontario Regulation 361/10 – Audit Committees — J. McKenzie
   - Election of the Chair (s.6)
   - Meetings (s.11)
   - Declaration of Conflicts (s.14)
4. Audit Committee Timelines — J. McKenzie
5. Internal Audit Overview — J. McKenzie
6. Audit Committee Reporting — J. McKenzie
7. External Auditors — A. Janssens
8. Interim Financial Report – February 28, 2011 — A. Janssens
9. Future Meeting Dates
10. Adjournment

Distribution

Members:
C. Bryden
L. Ward

Community Members:
C. Bulsza
R. Lavoratore

Administration and Others:
P. Wubben
J. McKenzie
A. Janssens
J. Cincurak

Suggested 2011 Audit Committee Time-table/Agenda Items[1]

[1] There have been revisions to suggested time-table /agenda depending on date of completion of Risk Assessment

Proposed Audit Committee Meeting Schedule & Agenda Topics

2010/11 School Year
(September 2010 - August 2011)

1. March 2011
Inaugural meeting of the Audit Committee

Audit Committee
· Elect chair and appoint a secretary, if necessary
· Adopt and/or modify bylaws/protocols as needed
· Set a date for the planning meeting (in June)

Internal Audit
· Review the risk assessment for the board
· Review and recommend approval to the Board of the internal audit plan for the balance of the current year
· Review and recommend approval to the Board of the multi-year internal audit plan

External Audit
· Identify potential problem areas or accounting issues that may arise during the balance of the year and identify areas for specific and detailed discussion

2. June 2011
Planning Meeting for next fiscal year

Audit Committee
· Develop a work plan, meeting schedule, and tentative agenda for the next fiscal year

Internal Audit
· Review and recommend approval to the Board of the annual internal audit plan for next year.

External Audit
· Consider selection or reappointment of independent auditors for the next fiscal year
· Identify potential problem areas or accounting issues that may arise during the next fiscal year and identify areas for specific and detailed discussion

Pertaining to All Meetings
· Maintain minutes, review and approve the minutes of prior meetings
· Declaration of conflicts of interest by committee members (if any)
· Review any internal audit findings that have been completed since the previous meeting
· Follow up on actions taken by management to address audit findings
· Discuss any knowledge of instances of fraud
· Review legal matters with counsel (if any)
· Meet privately with external auditors, internal auditors and senior staff as required
· Approve changes to audit plan when required (applicable to all meetings except inaugural meeting)
· Review the interim audit plan/procedures with the external auditors for the current fiscal year as required
· Review board compliance audits (i.e. enrolment, school generated funds etc…) as required

Proposed Audit Committee Meeting Schedule & Agenda Topics

2011/12 School Year
(September 2011 - August 2012)

1. September 2011

Audit Committee

· Perform self-assessment of audit committees performance for the previous fiscal year
· Elect chair and appoint a secretary for the fiscal year

Internal Audit

· Review the annual report of the internal auditor for the previous fiscal year
· Review management's corrective actions plans for the organization

External Audit

· Review and comment on the audit plan and audit scope for the external auditors for the previous fiscal year
· Identify potential problem areas or accounting issues that may arise during the current fiscal year and identify areas for specific and detailed discussion

2. November 2011

Audit Committee

· Prepare a report of the audit committee's effectiveness for the previous fiscal year.

Internal Audit

· Present a report summarizing the audit results and findings and make recommendations to address the concerns arising from the previous fiscal year's audits
· Evaluate the performance of the Internal Audit Team for the previous fiscal year
· Discuss any significant deficiencies in internal control for the previous fiscal year and management's plan to address them

External Audit

· Debrief with the external auditor regarding the accounting issues that arose, and other relevant topics
· Review the previous year's financial statements, the auditor's report, the director's report and the management letter and recommend approval to the Board
· Review the senior management's follow-up on the status of previous year's external auditor comments and recommendations

Additional Meetings as Required (December - May)

· Discuss other matters as required

3. June 2012

Planning Meeting of the Year

Audit Committee

· Develop a work plan, meeting schedule, and tentative agenda for the next fiscal year

Internal Audit

· Review and recommend approval to the Board of the annual internal audit plan for next fiscal year

External Audit

· Consider selection or reappointment of independent auditors for the next fiscal year
· Identify potential problem areas or accounting issues that may arise during the next fiscal year and identify areas for specific and detailed

Pertaining to All Meetings

· Maintain minutes, review and approve the minutes of prior meetings
· Declaration of conflicts of interest by committee members (if any)
· Review any internal audit findings that have been completed since the previous meeting
· Follow up on actions taken by management to address audit findings
· Discuss any knowledge of instances of fraud
· Review legal matters with counsel (if any)
· Meet privately with external auditors, internal auditors and senior staff as required
· Approve changes to audit plan when required (applicable to all meetings except inaugural meeting)
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Guideline on Audit Committee Reporting

The audit committee regulation, in Section 12, requires that audit committees report to the board of trustees. This document provides additional guidance on the timing and the format of the reports.

There are 2 types of reports as well as 2 frequencies for reporting for audit committees:

Frequency	Method of reporting
After each meeting and / or as required	Oral and / or written
On an annual basis	Written

After each meeting

After each audit committee meeting, the audit committee Chair will contact the Chair of the Board, and will request that an item be added to the Board's next agenda to present the matters discussed at the audit committee meeting. This report will be delivered verbally by the Chair of the audit committee or his / her designate. Where the audit committee is bringing forward a recommendation for the Board to adopt, the recommendation shall be provided in writing. Examples of these would include, but are not limited to the following:

- the annual and multi-year audit plan, based on the risk assessment (to be included);
- any significant changes in the annual or multi-year internal audit plan since the prior approval;
- the appointment, replacement or dismissal of the external auditor;
- the setting or adjustment of the fees of the external auditor; and,
- the approval of the audited financial statements.

The report will follow the format presented in **Appendix A**.

On an annual basis

Every year, no later than November 30th, the audit committee will present an annual report to discharge it of its responsibilities. The report will cover the following aspects:

- summary of the work performed by the committee for the year;
- attendance record of members of the audit committee for the year;
- internal audit results, findings and recommendations to address the concerns for the year;
- assessment by the audit committee of the board's progress in addressing any findings and recommendations that have been made by the internal or external auditor;
- other matters that the audit committee considers relevant(fraud, special mandates and assignments, specialist involvement, etc.)

The report will follow the format presented in Appendix B.

Appendix A
Sample Report After Each Meeting

To the Board of Trustees of DSB XXXX

Dated XXXXX

Following the statutory committee meeting held on XXXX, in XXXX, Ontario, the audit committee recommends to the Board of Trustees the approval of the following:

- XX
- XX

Chair of the Audit Committee,

XXX

Enclosures

Appendix B
Sample Annual Report

Annual Report to the Board of Trustees for the year ended August 31, 20XX

This report summarizes the audit committee's actions for the year ending August 31, 20XX.

Audit Committee Members

Following the recruitment and selection process indicated in Regulation XXX, the following audit committee members were (re)appointed to serve during the next term as follows:

- XX – Chair
- XX – Trustee representatives
- XX – External members

Assessment

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

- adopting and/or modifying the following bylaws/protocols;
- developing a work plan;
- developing a meeting schedule and agenda for the year; and
- Other items where appropriate

It was agreed to meet XX (insert number) meetings throughout the year with a fourth meeting, from December to May, if necessary. All meetings have been held *(or were not held)* as planned.

The members in attendance at each meeting are as follows:

Member's Name	*Sept xx, 20xx*	*Nov xx, 20xx*	*MM xx, 20xx*	***Jun xx, 20xx***
XX				

Governance

(2010-11 YEAR ONLY)
The audit committee was established day, month, year. All of the members were independent in accordance with provision 3.(1) and 3.(2) of the regulation.

(SUBSEQUENT YEARS)
The audit committee operated throughout the fiscal year ending August 31, 20xx. All of the members were independent in accordance with provision 3.(1) and 3.(2) of the regulation.

Internal / External Audit

Relationships with both internal and external auditors have been satisfactory *(adjust if necessary)* and private meetings have been held with each.

External Auditors
The external auditors, *(insert name of auditor firm)* presented the scope and extent of their work to the committee for approval and the committee has reviewed them on the meeting held on XXXX. The external auditors have confirmed their independence in the letter dated XXXX. The audit committee recommended the reappointment of the external auditors for the next fiscal year during the meeting held XXXXXX.

Internal Auditors
The Committee reviewed the results of the initial *(insert "updated" in future years)* risk assessment, as well as the risk-based internal audit plan prepared by the Regional Internal Audit Manager for the five years commencing September 1, 20XX. The audit committee reviewed and endorsed internal audit strategies and annual plans for the school board and has received regular reports on the outcome of audit work and recommendations made. At the meeting of November XXXX, the committee reviewed and endorsed the internal audit's 20XX/XX annual opinion and report.

The audit committee reviewed the following *(insert number)* internal audit reports during the year:

- *Insert name of audit*
- *Insert name of audit*

The audit committee endorsed each report, including management's action plan and advised the board of trustees to accept it.

The audit committee received reports from internal audit that assessed the adequacy of management's response to recommendations made in previous audits. This enabled the audit committee to engage management in a discussion of the response, encouraged renewed efforts where necessary and advised as to which recommendations have been satisfactorily resolved.

(Insert name of third party audits or reviews) Audit / Review (if applicable)

XXXX (describe the date, the extent and the results of any audits or reviews performed by outside parties)

(2010-11 YEAR ONLY)
Audit Committee training

A professional development training opportunity, covering the structure of the school boards, the audit committee's roles and responsibilities and the audit committee effectiveness was held on XXXX and attended by all audit committee members.

Summary of the work preformed

(Must be completed by all audit committees)
The following is a summary of work undertaken 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;
- reviewed the risk assessment detailing major financial and non-financial risks;
- reviewed the effectiveness of the school board's whistleblower policy;
- reviewed the financial statements and received a report from the external auditors on the statements;
- reviewed the basis for preparing the school board accounts on a going concern basis, and reviewed management's going concern assumption and disclosures in the financial statements;
- agreed the approach and scope of the audit work to be undertaken by the auditors (both internal and external);
- recommended the fees charged by the external auditors in respect of the 20XX audit;
- reviewed the fees paid to the external auditors in respect of non-audit work undertaken during the year (*if applicable);*
- received assurances from the auditors regarding their independence;
- undertook a review of the external auditors' performance, including fee benchmarking, management performance evaluation, client service review and future audit strategy;
- recommended the reappointment of the external auditors;
- undertook an evaluation of the effectiveness of the internal audit function, including the regional internal audit manager and his / her team;
- received a report from the RIAM on the work undertaken by the internal audit function; and,
- performed a self-assessment.

Other tasks performed during the year: *(list where appropriate)*

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By the signature noted below, we attest that we have discharged our duties and responsibilities respecting Ontario Regulation # XXX/XX.

On behalf of the audit committee

XXXX audit committee Chairperson

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