ITEM 1. ADOPTION OF AGENDA

ITEM 2. ELECTION OF COMMITTEE CHAIRPERSON

ITEM 3. ADOPTION OF MINUTES OF COMMITTEE MEETING OF NOVEMBER 6, 2017

ITEM 4. PRESENTATIONS / DELEGATIONS

ITEM 5. BUSINESS ARISING FROM THE MINUTES

ITEM 6. AUDITOR REPORTS
   6.1 Report of Internal Auditors – Vivian Job
      6.1.1 Internal Audit Update
      6.1.2 Ombudsman Ontario 2016-2017 Annual Report

ITEM 7. DECISION ITEMS
   7.1 Audit Services – Bruce Hamilton

ITEM 8. INFORMATION ITEMS
   8.1 2017-2018 First Quarter Financial Variance Report – Bruce Hamilton

ITEM 9. CORRESPONDENCE
ITEM 10. BOARD MEMBER ADDITIONS

ITEM 11. FUTURE COMMITTEE MEETING DATES

Meetings are at 3:00 p.m. in the Roy H. Wilfong Boardroom, unless noted otherwise.

Monday, June 11, 2018

ITEM 11. ADJOURNMENT

Note: If unable to attend, please advise Jane Nahrgang, at jane_nahrgang@kprdsb.ca.
SUBJECT TO COMMITTEE APPROVAL
KAWARTHA PINE RIDGE DISTRICT SCHOOL BOARD

DRAFT AUDIT COMMITTEE MEETING MINUTES

Held November 6, 2017
Roy H. Wilfong Boardroom, 1994 Fisher Drive, Peterborough, Ontario

COMMITTEE MEMBERS PRESENT

Present: Ben Suter (Committee Chairperson), Trustees Diane Lloyd, and Mary Lynch-Taylor; and Milena Ceglie.

Trustee Sarah Bobka attended via teleconference.

Also Present: Jennifer Leclerc, Chris Arnew, Bruce Hamilton, April Foster, and Colin McKeen; Vivian Job, Veronica Mason, Richard Steiginga and Jane Nahrgang were also present.

ADOPTION OF AGENDA

It was, Moved by: Trustee D. Lloyd
Seconded by: Trustee Lynch-Taylor

That the Agenda be adopted as printed. CARRIED

Draft Financial Statements for Year Ended August 31, 2017

R. Steiginga, representing Collins Barrow Kawarthas LLP, presented the draft Consolidated Financial Statements at August 31, 2017 and explained the purpose of the Independent Auditor’s Report, including the Statements of Financial Position,
Operations and Accumulated Surplus, Cash Flows, and Changes in Net Debt. In accordance with Ministry direction, the Financial Statements were prepared under Regulation 395/11 of the Financial Administration Act.

The Notes to the Financial Statement include a description of the basis of accounting used in preparation of the Consolidated Financial Statements, and provide information related to trust funds, deferred revenue, employee future benefits, tangible capital assets, long-term debt, accumulated surplus/deficit, deferred capital contributions, and other matters.

The 2016-2017 Draft Audited Consolidated Financial Statements reflect an annual surplus of $0.767 million as compared to a budgeted surplus of $2.241 million. This unfavourable variance or $1.474 million is the result of $0.643 million of revenue recognized for Land, $.030 million surplus in Community Training and Development Centre, $0.92 million surplus in School Generated Funds, offset by a $3.067 million unfavourable variance in School Board Operations. The year-end consolidated compliance deficit of $3.0 million compares to a budgeted compliance deficit of $0.8 million, for an unfavourable variance of $2.2 million.

Administration responded to questions of clarification from the committee regarding real estate value, the funding formula, financial liabilities and Board reserves.

It was noted that the Board art collection is not included as an asset in the financial statements. Superintendent Arnew reported that an inventory of the artwork was completed within the last 18 months and that he will bring a report on the art collection to a future meeting.

External Auditors - Management Letter

V. Mason, representing Collins Barrow Kawarthas LLP, reviewed the highlights of the External Auditors management letter. No misstatements, fraud, illegal acts or significant weaknesses in internal control were identified. It was noted that all purchasing card (P-Card) transactions tested in the 2016-2017 audit had the appropriate review, approval and documentation. Continued review of the P-Card approval process, supporting documentation, and retention of documentation was recommended.

External Auditors - Audit Reporting Letter

V. Mason, reviewed the Audit Reporting Letter, describing the audit of the Consolidated Financial Statements of the Board. The standard letter summarizes aspects of the audit that may be of interest, including auditor independence, evaluation of internal controls, related party transactions, and accounting principles and policies. The committee was advised that no difficulties were encountered during the audit, and the cooperation of staff was appreciated.
It was:

Moved by: Trustee Lynch-Taylor
Seconded by: M. Ceglie

That the Kawartha Pine Ridge District School Board Consolidated Financial Statements for the Year Ended August 31, 2017, be approved with the change as recommended to the Draft Consolidated Financial Statements.

CARRIED

2017-2018 Internal Audit Plan

V. Job, Senior Regional Internal Auditor, provided information on the draft 2017-2018 Regional Internal Audit plan. The Plan includes Attendance Support/Data Visualization, School Generated Funds and Petty Cash, P-Cards vs POs Usage, Risk Assessment and Annual Audit Plan, Recommendation Tracking and Audit Committee and Management Requests. B. Hamilton, Controller, Business and Corporate Services advised that administration has begun the process of automation of the P-Card process and will pilot the process internally beginning with the purchasing department before it is rolled out to other departments and schools.

It was,

Moved by: Trustee Lynch-Taylor
Seconded by: Trustee D. Lloyd

That the Kawartha Pine Ridge District School Board 2017-2018 Internal Audit Plan be approved.

CARRIED

Annual Reports of the Audit Committee for the Year Ended August 31, 2017

Superintendent Arnew explained that annually, the Audit Committee provides the Board with a detailed report of work they have done throughout the previous fiscal year. The report follows a template provided by the Ministry of Education, and is to be completed no later than November 30 of each year.

A summary of internal audit work performed compared to planned work provides the Ministry with information regarding use of the internal audit funding allocation, and is submitted to the Ministry by January 15 each year. Any planned enrolment audits are also to be identified in annual reports, to avoid enrolment audits by the Ministry and internal auditors in the same year. The full audit plan or results are not required to be reported.

It was,

Moved by: Trustee D. Lloyd
Seconded by: M. Ceglie

CARRIED

It was,

Moved by: Trustee D. Lloyd
Seconded by: M. Ceglie


CARRIED

It was,

Moved by: Trustee D. Lloyd
Seconded by: Trustee Lynch-Taylor

That the committee move to In-camera Session.

CARRIED

Following review of In-camera agenda items, the Committee returned to Open Session for adjournment.

ADJOURNMENT

It was,

Moved by: M. Ceglie
Seconded by: Trustee D. Lloyd

That the meeting be adjourned at 5:00 p.m.

CARRIED

Ben Suter
Committee Chairperson

Diane Lloyd
Trustee Representative

November 6, 2017
Kawartha Pine Ridge District School Board

TO: The Chairperson and Members of the KPRDSB Audit Committee
FROM: Regional Internal Audit Manager
DATE: February 5, 2018
SUBJECT: Internal Audit Update

1. Purpose

This report provides information on work that the Regional Internal Audit Team (RIAT) has undertaken since the last RIAT update on November 6th, 2017.

2. Content

Regional Internal Audit Plan 2017-2018 Status Update

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Audits</th>
<th>Year</th>
<th>Comments</th>
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<tbody>
<tr>
<td>KPR-1</td>
<td>Attendance Support/Data Visual’n (Deloitte)</td>
<td>2017-18</td>
<td>TBD</td>
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<tr>
<td>KPR-2</td>
<td>School Generated Funds &amp; Petty Cash</td>
<td>2017-18</td>
<td>Spring 2018</td>
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<td>KPR-3</td>
<td>P-Cards vs PO’s Usage</td>
<td>2017-18</td>
<td>Audit in Progress</td>
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<td>KPR-4</td>
<td>Risk Assessment and Annual Audit Plan</td>
<td>2017-18</td>
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<tr>
<td>KPR-6</td>
<td>Audit Committee &amp; Management Request</td>
<td>2017-18</td>
<td>TBD</td>
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3. Recommendation

That the Audit Committee receives this update for information.

Respectfully Submitted by:

Mark Connors
Regional Internal Audit Manager
Dear stakeholder,

Further to my email of June 27, I am pleased to send you two hard copies of my latest Annual Report (one English, one French). This report covers the 2016-2017 fiscal year and significant developments in recent months.

This is our Office’s first full fiscal year of reporting on our oversight of municipalities, universities and school boards, in addition to provincial government organizations. I hope that you and all stakeholders in these new areas of jurisdiction will find the information in this report of interest.

You can also find the entire report, media materials and backgrounders, statistics and maps, as well as video of my press conference at Queen’s Park, available on our website, www.ombudsman.on.ca.

In meeting with many of you this past year, I have stressed that our Office understands that statistics do not tell the whole story. To put them in context, we encourage you to read the sections of the report that relate to your area (Municipalities: pages 31-39; School boards: 43-46; Universities: 47-49), in which we discuss the most common issues in each sector and the types of cases we have resolved across the province.

In the interests of immediacy and “thinking green,” we encourage you to let any interested colleagues and stakeholders know that they can access all of this information online. However, we are of course happy to send additional hard copies upon request.

Should you have any questions about the report or cases related to your organization, please do not hesitate to contact us. We are also happy to assist you with any general questions about our work. You can reach our staff at 1-800-263-1830 or info@ombudsman.on.ca.

Sincerely,

Paul Dubé
Ombudsman of Ontario
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buses) was the most common complaint, mainly because of busing problems in Toronto at the start of the school year in September 2016. The Ombudsman launched a systemic investigation into the Toronto situation, but we also resolved dozens of complaints about transportation at other boards across the province.

Special education and school closures continued to be major areas of complaint as well. All complaints were resolved informally, without need for a formal investigation. In most cases, our staff made informal inquiries with supervisory officers at boards to understand their responses to complaints and, where possible, to suggest improvements to their processes and increase transparency.

In reviewing complaints from across the province, we have also noticed some variations in school board policies and administrative procedures. Where appropriate, we have made suggestions to boards to promote consistent standards — for example, in training school board administrators in investigation and note-taking techniques.

We also routinely encourage school boards to share as much information as possible with relevant staff and stakeholders when, for example, individual education or behavioural plans are put in place for students.

Transportation

Transportation was by far the most common theme among school board complaints in 2016-2017, with 192 cases — the bulk of which related to our systemic investigation into busing issues in Toronto (described under Investigations). However, we also resolved many complaints about busing issues in other boards across the province through informal inquiries with board and transportation officials.

For example, when their board’s transportation consortium cancelled school buses in their neighbourhood because a new development provided a walking route for many of the children, parents complained about dangerous traffic conditions along the route. Our review indicated the consortium’s decision was consistent with the school board’s policy; however, we are monitoring
developments, as the consortium has agreed to work with a traffic committee created by the municipality.

**Special education**

We received 123 cases related to concerns about special education. In some cases, we provided referrals back to relevant supervisory officers and appeal mechanisms. For those complaints related to the quality or sufficiency of special education services, our staff worked to help parents and boards resolve issues informally. Although our Office does not advocate for either families or boards, or for specific solutions, we can help open the lines of communication.

**School closures and pupil accommodation reviews**

Decisions to close schools are almost always contentious, and they have recently been on the rise as boards struggle with declining enrolment. In the wake of several public protests and media reports of hundreds of pending closures, particularly in rural areas, the Education Minister announced public consultations on the issue in April 2017. The Ministry has specific guidelines for how boards should determine which schools to close and how such decisions can be appealed. Boards must complete a pupil accommodation review process, which can be challenged if a petition is signed by at least 30% of those affected; this in turn can prompt the Ministry to appoint a facilitator to review the board’s process.

We received 90 complaints about board decisions to close schools and/or their pupil accommodation review processes. For example, we received several complaints from parents about the Dufferin-Peel Catholic District School Board’s decision to close two schools, which we first referred to the Ministry’s review process. After the Ministry declined to appoint a facilitator, some of the original complainants returned to our Office with concerns outside the scope of that review – including issues with the board’s procedural bylaw and allegations that a trustee might have had a conflict of interest because her daughter worked at one of the affected schools.

In a letter that the board posted on its website, Ombudsman staff explained that our review found the board had acted within its authority to close the schools, but it also agreed to clarify some of its procedures in the interest in transparency.

We also received complaints about the Ministry’s refusal to appoint a facilitator to review another board’s pupil accommodation process. We found the Ministry’s decision was consistent with its policy and procedures, but we noted that it had not communicated its decision to the broader school community. The Ministry agreed to ensure its letter was posted to the school board’s website, and to make similar letters publicly available in future.

**Trustee conduct**

We received 42 complaints about the conduct of elected school trustees, including some from trustees themselves, who raised concerns about their boards’ codes of conduct. We encourage boards to communicate clearly with the public about how any concerns about trustees will be handled.
In reviewing such cases, we suggested ways for boards to improve their codes of conduct and processes for dealing with conduct issues.

For example, when the Rainbow District School Board excluded a trustee from in-camera meetings because of concerns related to the confidentiality of board communications, we reviewed complaints from the trustee that the board hadn’t followed its own code of conduct procedures. We found that the board’s action in this case was inconsistent with its procedures, and we suggested it deal with the trustee’s concerns at a meeting, and amend its code of conduct. Certain other amendments proposed by the board chair were defeated by the board at a meeting in March 2017. We continue to monitor the board’s efforts to improve its code of conduct procedures.

Our Office often suggests school boards consider retaining an independent third party to act as an integrity commissioner for trustees. At the time this report was written, only the Toronto District School Board had one in place, and York Region District School Board was in the process of doing so. Integrity commissioners can provide trustees with advice and independently investigate and report to the board on conduct complaints.

Exclusion policies and procedures
In last year’s Annual Report, we noted concerns about a provision of the Education Act that permits principals to exclude people, including students, from a school if there is a risk to student safety. These exclusions – formally called a “refusal to admit” in the Act – happen outside of the formal suspension and expulsion processes, usually to manage difficult situations involving students with severe behavioural issues. Only a few boards have developed exclusion policies and procedures, and we have heard from some that policy direction from the Ministry of Education has been lacking, often leaving boards to fend for themselves when dealing with contentious and difficult exclusions.

Our Office encourages school boards to develop policies and procedures to ensure the process leading to an exclusion is fair and transparent, and that those affected by exclusions are made aware of their appeal rights. In one case we reviewed, a student was excluded from school because of police-involved incidents that took place outside of school, but his family was not informed of their right to appeal. Because the board was providing the student with home instruction, it believed the exclusion provision of the Education Act did not apply. After Ombudsman staff made inquiries, the board acknowledged the family should have been made aware of the relevant appeal rights, and it agreed to develop an administrative procedure on exclusions.

Investigations
School busing issues in Toronto
Launched: September 2016
Investigation update: On the first day of school in September 2016, our Office began receiving complaints from frustrated Toronto parents and school
principals about school busses that arrived late after their scheduled times, or didn’t show up at all. The problem continued and grew over the next several weeks. At issue was a shortage of drivers that left both the Toronto District School Board and the Toronto Catholic District School Board – which share the same transportation consortium – unprepared.

Parents were concerned about long waits for buses and the safety of children who were left behind or dropped off in the wrong places. Principals were upset that they had received no advance information about possible service disruptions. Several bus drivers also complained to us about conditions that they felt contributed to the problem.

Given the volume and gravity of complaints expressed to our Office, the impact on families and some vulnerable students, and the significant taxpayer funding involved, the Ombudsman felt a systemic investigation was in the public interest. Launched on September 26, 2016, the investigation focused on the boards’ oversight of student transportation and their responses to the delays and disruptions at the start of the 2016-2017 school year.

As of the writing of this report, the Ombudsman’s findings had been sent to the boards and consortium for a response. The report will be finalized and released before the start of the 2017-2018 school year.

Case summaries

Credit deserved

The parent of a high school student with autism spectrum disorder contacted us after she was informed by her son’s school that he would not receive credit for one of his courses because he had not met course expectations. The mother’s understanding was that her son had passed all tests and assignments. Ombudsman staff spoke with a superintendent and encouraged the board to review the mother’s concerns and provide any relevant documentation to ensure a transparent decision-making process. The board determined that although a teacher had concerns about the student’s performance, there was no documentation to show he had not met expectations; as a result, he received the credit with a grade of 84%.

Monitors, not medics

The mother of a five-year-old girl with medical needs enrolled her in a special program after she was told a bus monitor would be assigned to administer the child’s medication if needed. But in fact, bus monitors are not trained to give any medication except EpiPens or asthma inhalers in certain situations. After the mother opted to withdraw her daughter from the program, the school board and transportation consortium revised their busing request forms and process to clarify the duties of bus monitors.
KA WARTHA PINE RIDGE DISTRICT SCHOOL BOARD

TO: Audit Committee

TOPIC: Audit Services

INITIATOR: Bruce Hamilton, Controller, Business and Corporate Services

BACKGROUND

1. The Education Act, Section 253.(1) Appointment of Auditor, states that every board shall appoint one or more auditors for a term not exceeding five years, who shall be a person licensed under the Public Accounting Act.

2. A competitive Request for Proposals was issued in August 2013 for Audit Services for a period not to exceed five years, beginning with the fiscal period ending August 31, 2014.

STATUS

3. The firm of Collins Barrow Kawarthas LLP was appointed auditor for the Kawartha Pine Ridge District School Board, for a term of five years, through to the fiscal year September 1, 2017 to August 31, 2018.

4. Collins Barrow Kawarthas have fulfilled their contractual obligations in a timely and efficient manner and administration support the recommendation for re-appointment.

RECOMMENDATION


Chris Arnew
Superintendent, Business and Corporate Services
KAWARTHA PINE RIDGE DISTRICT SCHOOL BOARD

TO: Audit Committee

TOPIC: 2017-2018 First Quarter Interim Financial Report

INITIATOR: Bruce Hamilton, Controller, Business and Corporate Services
April Foster, Manager, Financial Systems and Reporting

BACKGROUND

1. In accordance with Board Policy BA-4.5, Financial Reporting, administration presents interim financial reports to the Board. In addition, an annual report of variances between the approved budget and actual performance is presented in conjunction with the Board’s Audited Financial Statements.

STATUS


3. Total enrolment is 348.51 ADE higher than budget, and is comprised of 446.0 ADE favourable Elementary, and 97.5 ADE unfavourable Secondary. Enrolment by municipality is detailed in Appendix B.

4. Revenue has increased by $4,423,000, offset by a $4,447,000 Expense increase, resulting in a projected decrease in surplus by $24,000. The change is comprised primarily of the following:
   • $4,774,000 increase in grant allocations due to higher enrolment
   • ($955,000) increase in classroom teachers for the addition of 14 FTE to support increased enrolment in elementary
   • ($316,000) increase in early childhood educators for the addition of 6 FTE to support increased enrolment in elementary
   • ($936,000) increase in educational assistants for the addition of 13 FTE to support increased needs in the system
   • ($2,025,000) based on the 2016/2017 year-end results and a revised forecast reflecting a likelihood of increased costs related to absenteeism

5. Total spending is forecasted to be $7.1 million more than budget.

RECOMMENDATION

1. That the 2017-2018 First Quarter Interim Financial Report be received for information.

Chris Arnew
Superintendent of Business and Corporate Services