

KAWARTHA PINE RIDGE DISTRICT SCHOOL BOARD

AUDIT COMMITTEE MEETING MINUTES

Held Monday, November 11, 2019 at 3:00 p.m.
Roy H. Wilfong Boardroom, 1994 Fisher Drive, Peterborough, Ontario

Present: Trustees Sarah Bobka (Committee Chairperson), Diane Lloyd (Chairperson of the Board), Terry Brown; and Milena Ceglie.

Also Present: J. Leclerc, C. Arnew, A. Foster, C. McKeen; C. Heffernan, V. Job, V. Mason, R. Steinginga, and S. Foss.

CALL TO ORDER AND LAND ACKNOWLEDGEMENT

Committee Chairperson S. Bobka called the meeting to order (3:02 p.m.) and recognized and acknowledged that the committee is meeting on the traditional territory of the Mississauga First Nations.

ADOPTION OF AGENDA

It was,

Moved by: Trustee Brown
Seconded by: Trustee D. Lloyd

That the Agenda be adopted as printed.

CARRIED

ADOPTION OF MINUTES

It was,

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

That the minutes of the Audit Committee meeting of September 16, 2019 be adopted as recorded.

CARRIED

AUDITOR REPORTS

Draft Financial Statements for Year Ended August 31, 2019

R. Steinginga, representing Baker Tilly KDN LLP, presented the draft Consolidated Financial Statements at August 31, 2019 and explained the purpose of the Independent Auditor's Report, including 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 Statements include a description of the basis of accounting used in the 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 2018-2019 Draft Audited Consolidated Financial Statements reflect an annual surplus of \$1.101 million as compared to a budgeted surplus of \$2.167 million. This unfavourable variance of \$1.066 million is the result of \$1.542 million of revenue recognized for Land, \$0.137 million surplus in School Generated Funds, offset by a \$2.746 million unfavourable variance in School Board Operations.

Questions of clarification were addressed and discussion continued across a number of areas including:

- Long-term debt
- Accumulated surplus and disposition
- Investment income
- Trust funds
- Retirement and other future gratuities
- Board-owned works of art
- Transportation consortium governance

V. Mason, representing Baker Tilly KDN LLP, reviewed the highlights of the External Auditors Management Letter, noting that no misstatements, fraud, illegal acts or significant weaknesses in internal controls were identified. Purchasing cards were tested in the 2019 audit and all transactions tested had evidence of review and approval, as well as having supporting documentation for the transaction. V. Mason also reviewed highlights of the Audit Report 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 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 D. Lloyd
Seconded by: Trustee Brown

That the Kawartha Pine Ridge District School Board Consolidated Financial Statements for the Year Ended August 31, 2019, be approved.

CARRIED

Internal Audit Update

V. Job, Senior Regional Internal Auditor, provided information on the 2019-2020 Regional Internal Audit Plan, reviewed the School Generated Funds Audit 2018-2019 and noted that the report for the School Cash Online Audit 2018-2019 was being drafted for presentation at the next Audit Committee Meeting on February 10, 2020.

Discussion regarding School Cash Online and consistent financial practice at schools took place and questions of clarification were addressed.

DECISION ITEMS

Draft Annual Reports of the Audit Committee for the Year Ended August 31, 2019

Superintendent Arnew explained that annually, the Audit Committee provides the Board with a detailed report of the 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: Trustee Brown

That the Detailed Annual Report of the Audit Committee for the Year Ended August 31, 2019 be approved.

CARRIED

It was,

Moved by: Trustee Brown
Seconded by: M. Ceglie

That the Summarized Annual Report of the Audit Committee for the Year Ended August 31, 2019 be approved and forwarded to the Ministry of Education by January 15, 2020.

CARRIED

It was,

Moved by: Trustee Brown
Seconded by: M. Ceglie

That the Committee move to In-camera Session (4:19 p.m.).

CARRIED

The Open Session of the meeting resumed (4:28 p.m.).

ADJOURNMENT

It was,

Moved by: Trustee D. Lloyd
Seconded by: Trustee Brown

That the Audit Committee meeting be adjourned at 4:29 p.m.

CARRIED

Sarah Bobka
Committee Chairperson
November 11, 2019