

KAWARTHA PINE RIDGE DISTRICT SCHOOL BOARD

AUDIT COMMITTEE MEETING MINUTES

Held Monday, November 9, 2020 at 3:00 p.m.
Roy H. Wilfong Boardroom, 1994 Fisher Drive, Peterborough, Ontario

Present: Milena Ceglie (Committee Chairperson) (virtual), Diane Lloyd (Chairperson of the Board) (virtual), Sarah Bobka (Vice-chairperson of the Board) (virtual), Terry Brown; and Alison McLaren (virtual).

Also Present: C. Arnew, A. Foster, C. McKeen; V. Mason (virtual), T. Rodgers (virtual), R. Steinginga (virtual), and S. Foss.

Due to the current health advisory and public health measures in place provincially, the meeting was available for committee members to attend in person or virtually using WebEx.

CALL TO ORDER AND LAND ACKNOWLEDGEMENT

Committee Chairperson M. Ceglie 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 Bobka
Seconded by: Trustee Brown

That the Agenda be adopted as printed.

CARRIED

ADOPTION OF MINUTES

It was,

Moved by: Trustee D. Lloyd
Seconded by: A. McLaren

That the minutes of the Audit Committee meeting of September 21, 2020 be adopted as recorded.

CARRIED

AUDITOR REPORTS

Draft Financial Statements for Year Ended August 31, 2019

Superintendent Arnew noted that 2019-2020 finished with a sizeable surplus that is beyond budget expectations, consistent with other boards across the province as a result of the pandemic closures and not spending as anticipated. Superintendent Arnew cautioned that the surplus is fully expected to be offset this current year as pandemic expenditures increase, and potential revenue decreases are realized.

R. Steiginga, representing Baker Tilly KDN LLP, presented the draft Consolidated Financial Statements as of August 31, 2020 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 2019-2020 Draft Audited Consolidated Financial Statements reflect an annual surplus of \$14.5 million as compared to a budgeted surplus of \$0.842 million. This favourable variance of \$13.658 million is the result of a \$0.254 million surplus in School Generated Funds, as well as a \$14.26 million favourable variance in School Board Operations, offset by \$0.019 million of revenue recognized for Land.

Questions of clarification were addressed, and discussion continued.

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. Seven schools were also tested in late September and early October and no significant deficiencies were identified; however it was recommended that management continue to work with the schools to improve retention of supporting documents and the recording of harmonized sales tax rebates.

V. Mason also reviewed highlights of 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 and accounting principles and policies.

V. Mason expressed appreciation for the cooperation of management during the year.

Chairperson Ceglie extended thanks to the external auditors and administrative staff for the completion of the Financial Statements.

It was,

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

That the Kawartha Pine Ridge District School Board Consolidated Financial Statements for the Year Ended August 31, 2020, be approved.

CARRIED

Internal Audit Update

T. Rodgers, Senior Regional Internal Auditor, informed the committee that the Regional Internal Audit Team will be completing the two pieces of work on the Internal Audit Plan for 2020-2021 and Terms of Reference for the Legislative Compliance and Strategic Risk Assessment audits were provided to the committee. The work is expected to start in the new year once the new director and other key staff are in place.

DECISION ITEMS

Draft Annual Reports of the Audit Committee for the Year Ended August 31, 2020

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.

It was,

Moved by: Trustee Brown
Seconded by: Trustee Bobka

That the Detailed Annual Report of the Audit Committee for the Year Ended August 31, 2020 be approved.

CARRIED

It was,

Moved by: Trustee Brown
Seconded by: D. Lloyd

That the Summarized Annual Report of the Audit Committee for the Year Ended August 31, 2020 be approved and forwarded to the Ministry of Education by January 15, 2021.

CARRIED

It was,

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

That the Committee move to In-camera Session (4:01 p.m.).

CARRIED

The Open Session of the meeting resumed (4:10 p.m.).

Committee Chairperson Ceglie noted that the next meeting of the Audit Committee will take place on February 8, 2021.

ADJOURNMENT

It was,

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

That the Audit Committee meeting be adjourned at 4:12 p.m.

CARRIED

Milena Ceglie
Committee Chairperson
November 9, 2020