

## AUDIT COMMITTEE REPORT (PUBLIC)

Wednesday, May 19, 2021

6:00 pm

Zoom Meeting

Members: Mark Fisher (Trustee), Jennifer Jennekens (Trustee), Grace Lee (External Member), Shannon Hoeft (External Member)

Staff and Guests: Lynn Scott (Trustee), Keith Penny (Trustee), Camille Williams-Taylor (Director of Education), Mike Carson (Chief Financial Officer), Kevin Gardner (Manager, Financial Services), Sandra Lloyd (Manager, Risk and Supply Chain Management), Genevieve Segu (Regional Internal Audit Team Manager), Gordon Champagne (Senior Regional Internal Auditor), Rebecca Grandis (Senior Board Coordinator)

1. Call to Order

Trustee Fisher called the public session to order 6:01 p.m and acknowledged that the meeting is taking place on unceded Algonquin Territories and thanked the Algonquin Nations for hosting the meeting on their land.

2. Approval of Agenda

**Moved by Shannon Hoeft,  
THAT the agenda be approved.  
Carried**

3. Delegations

There were no delegations.

4. Superintendent's Report

Chief Financial Officer (CFO) Carson advised that the Grants for Student Needs (GSN) have been announced by the province. As a result of the delayed release of information, it is not possible to present the staff-recommended budget at the Committee of the Whole (COW) Budget meeting on 26 May 2021 but staff will provide analysis on the GSN at that meeting.

There were no major revisions to the special education grants. There will be continued funding for the first part of the school year for COVID-19 relief, a total of

\$15.0 million in funding was announced for the OCDSB, with only half of the amount committed for the first half of the school year. The remaining funds will be allocated, subject to Ministry decision, based on public health at that time.

Staff continue to work with Ottawa Public Health (OPH) on the vaccination program for education workers. Discussions with OPH and the City of Ottawa have occurred to look at closed schools as vaccination sites.

5. COVID-19 Update

CFO Carson advised that schools continue to remain closed, with the exception of the 200-300 students with the most exceptional special education needs, who are attending in person. The students are attending at various locations across the District and are being transported by the Ottawa Student Transportation Authority (OSTA).

CFO Carson noted that the Minister has stated his preference for students to return to in-person learning before the close of the 2020-2021 school year. He advised that the Premier announced that summer camps will proceed and staff are working with third-party operators to understand what that entails for the District, considering public health protocols and the availability of space. Staff are awaiting guidance from the province on this matter.

CFO Carson advised that planning has commenced for the 2021-2022 school year. The summer construction schedule is busy and will continue into the fall to address building envelope issues and HVAC upgrades, including the work that is a part of the federal and provincial funding that was provided.

Director Williams-Taylor advised that there is funding provided in the GSN for the re-engagement of students and learning as schools reopen for the 2021-2022 year. She noted there is additional funding for mental health supports, in collaboration with partners in health, for students as they return to school.

In response to a query from Trustee Fisher about replacing the current vaccine strategy for students with COVID-19 vaccinations, CFO Carson advised that OPH has not announced such a strategy and is not providing any details until vaccine supplies are confirmed.

6. Matters for Action

6.1 Review of Audit Committee Report

a. 17 February 2021

**Moved by Trustee Jennekens,**

**THAT the Audit Committee report of 17 February 2021 be received.**

**Carried.**

b. Business Arising

No business arising from the minutes.

7. Matters for Discussion

7.1 Report 21-045, 2020-2021 Updated Financial Forecast (March) (M. Carson)

Your Committee had before it Report 21-045, explaining the changes in the 2020-2021 Updated Financial Forecast, as compared to the 2020-2021 Budget.

CFO Carson presented the report noting that the financial forecast for this year is impacted by many factors. Monthly reporting on Priorities and Partnerships Fund (PPF) grants has included additional accountability requirements for federal funding that flowed to school boards through the province. CFO Carson advised that funding provided in August 2020 was to support the hiring of additional staff to respond to COVID-19 and it has been challenging to reconcile these staffing additions into the fall of 2020.

CFO Carson noted that although analysis continues on the revenues, staff are comfortable with the amounts outlined in the forecast.

Manager Gardner outlined the report and provided the following information:

- The projected deficit is \$18.7 million, \$1.0 million more than the approved budget;
- The net accumulated surplus is \$21.0 million, of which over \$9.0 million is committed to support capital projects (used largely for portable classroom funding);
- Lower enrolment resulted in a decrease in the GSN amounts allocated to the District;
- The Indigenous Education allocation increased by \$1.0 million;
- Minor tangible capital assets (MTCA) funding allowed for \$3.9 million to be redirected to the operations budget;
- The Ministry provided stabilization funding of \$14.4 million to compensate for the decrease in enrolment;
- New funding of \$16.7 million was received for COVID-related needs (ventilation, staffing, remote learning, safety supplies, etc.);
- COVID-related funding grants for a total of over \$36.0 million were received for operating purposes;
- Approximately \$3.8 million will be directed to support capital expenditures such as the purchase of Chromebooks;

- Increased spending of \$11.0 million on instructional supports (teachers and office staff) to respond to COVID-19 and an increased provision of \$4.7 million for occasional teachers is projected;
- A decrease in the cost of supplies and services of \$5.0 million is expected;
- Savings are expected in transportation costs as a result of lower contract costs and fewer transit passes of \$7.1 million;
- Additional expenditures included, increased custodial spending (\$2.4 million), increased spending on safety supplies, equipment and ventilation (\$5.2 million), and increased spending on portable relocations (\$2.3 million) and reduced costs for various supplies and services (\$463,000);
- Loss of revenue was noted in Community Use of Schools (CUS) permits (\$1.0 million), a reduced share of the former benefit plan due to central agreements (\$825,000), reduced international student fees (\$925,000) and administrative fees (\$457,000), an increase in legal costs for provision of legal claims (\$2.2 million); and
- Loss of revenue was reported in the Extended Day and Childcare Programs of \$5.8 million.

During the discussion and in response to questions, the following points were noted:

- In 2020, if school boards used more than 2% of the available accumulated surplus to balance a budget and in response to COVID-19, Ministry permission was required. This year, should the District require exceeding the use of 2% of the accumulated surplus to balance the budget, the Minister will be required to grant the request and a deficit reduction plan will be implemented;
- The revised estimates are a part of the filing the District is required to complete in December. The revised estimates are included in this report to illustrate the changes from the revised estimates (presented January) to the financial forecast (as of March), which reflects changes to date. This summary information is reported to be included in the Government of Ontario's consolidated financial statements;
- Childcare agencies in the province were eligible for the Canadian Emergency Relief Benefits (CERB), school boards were not eligible for this funding. School boards requested the same consideration for access to supports from the province and some funding was provided;
- Staff made the decision to retain childcare staff during the closure period as they were confident they would receive funding support from the province and retaining existing staff would minimize disruption;

- Staff continue to lobby the province for the additional funding to support childcare;
- If a large amount of the District's accumulated surplus is required to balance the budget and it results in a small deficit, a deficit reduction program would be implemented to return the District to a positive financial position. This would hinder decision-making and reduce the Board's flexibility in responding to local needs;
- Operating the Extended Day Program through the summer months will not have a significant impact on the program deficit. There would be no cost for regular staff during the summer as they are 10 and 10.5 month employees;
- Staff have ensured that if childcare programs are authorised to operate in the summer, they will have priority at school sites. Staff are working with the City of Ottawa, in advance of the announcement of guidelines and protocols, to look to ways to operate in a cost effective manner;
- There is no staffing compensation associated with the capital funding, only for equipment that qualifies as tangible capital assets; and
- Throughout the 2020-2021 school year, staff allocated the necessary funds to meet most of the needs of the District. Additional funding was also allocated to meet unique staffing requirements. Staff have been nimble in responding to issues as they arose during the year and were able to leverage the spending policies to take full advantage in support of students and staff in the District.

## 7.2 Regional Internal Audit Team (RIAT) Update (G. Segu)

Ms. Segu, the Regional Internal Audit Team (RIAT) Manager, outlined her update on the Audit Plan for the 2020-2021 school year.

During the presentation the following information was provided:

- The pandemic has delayed the preparation of a report on the Cybersecurity Review that commenced in October 2020. Ms. Segu advised she will present a report at the September 2021 meeting of the Audit Committee;
- The COVID-19 Response Review and the Educational Assistant Deployment Review were delayed at management's request as staff were focused on issues related to the pandemic. The review will be postponed until the 2021-2022 school year;

During the discussion and in response to questions the following was noted:

- CFO Carson advised that he was unable to find a time to conduct the COVID-19 Response Review and to engage the appropriate staff

members. He suggested that in addition to the pandemic response review, it would be beneficial to review the broader continuity of business practices;

- Trustee Fisher noted the importance of a report that would outline lessons learned through the pandemic. A review of the performance during the pandemic would be beneficial and inform future response to emergencies;
- CFO Carson advised that he and the RIAT Manager would look to the fall of 2021 to conduct a review of the pandemic response; and
- Trustee Scott commented on the importance of undertaking the review with the current senior team.

8. Audit Committee Meeting Schedule 2021-2022

Chair Fisher presented the meeting schedule for the 2021-2022 school year.

CFO Carson noted that a meeting in September is required by legislation. The November meeting occurs to receive the financial statements. He noted that the meeting in October is dependent on the work to be presented but may be cancelled if it is not required.

9. New Business

Chair Fisher queried the external members to determine if they had any additional requirements and if they were being adequately supported. Ms. Hoeft noted that she found that the information provided is fulsome and helpful. Dr. Lee noted that this is an unusual year and suggested that in a regular year the reporting could be more efficient.

10. Adjournment

The public meeting adjourned at 7:06 p.m.

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Mark Fisher, Chair, Audit Committee