

AUDIT COMMITTEE REPORT (PUBLIC)

Wednesday, September 22, 2021

6:00 pm

Zoom Meeting

- Members: Mark Fisher (Trustee), Sandra Schwartz (Trustee), Jennifer Jennekens (Trustee), Shannon Hoeft (External Member)
- Staff and Guests: Lynn Scott (Trustee), Camille Williams-Taylor (Director of Education), Mike Carson (Chief Financial Officer), Sandra Lloyd (Manager of Risk and Supply Chain Management), Genevieve Segu (Regional Internal Audit Team Manager), Gordon Champagne (Senior Regional Internal Auditor), Pasquale L'Orfano (Regional Internal Auditor), Rebecca Grandis (Senior Board Coordinator), Susan Baker (Board Coordinator)
- Others Present Robert Clayton (Lead Audit Engagement Partner KPMG LLP)
Rebecca Prophet (Audit Senior Manager KPMG LLP)

1. Call to Order

Trustee Fisher called the public session to order 6:00 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 noted that he would include the COVID-19 update with his superintendent's report.

CFO Carson advised that there have been no significant issues with the return to school. He acknowledged the exceptional work of all staff and departments that led to a seamless start to the year. CFO Carson advised that enrolment numbers have

increased from what was projected in the 2021-2022 budget. The increase will have a positive financial impact but did result in staffing adjustments and the reorganization of classes.

CFO Carson reported that the shortage of bus drivers is a significant challenge provincially and in the Ottawa region in particular. He noted that he along with the superintendent of business of the Ottawa Catholic School Board (OCSB) and Vicky Kyriaco, General Manager of the Ottawa Student Transportation Authority (OSTA) have met daily with the Ministry of Education (the Ministry) to look at ways to manage routes effectively. CFO Carson acknowledged the challenges students and families face and noted that principals and teachers are focused on supporting those students who are unable to attend class due to lack of transportation.

CFO Carson advised that there are challenges for community groups that require access to school spaces. Staff have been in contact with representatives from the coterminous school boards and Ottawa Public Health (OPH) to look at the feasibility of issuing permits. Community Use of School (CUS) permits will not be issued in September 2021 by any of the local school boards but staff will re-examine the issue for October 2021.

CFO Carson reported that a significant amount of staff time has been allocated to ensuring the District is in compliance with Ministry guidance on the mandatory vaccine protocol and the required attestation of vaccine status from staff and regular visitors to school sites. He noted that Human Resources and Business and Learning Technologies staff have worked diligently to ensure the employee attestation information was collected.

Director Williams-Taylor acknowledged the efforts of staff and the Board of Trustees to ensure structures were in place to provide for the safe return of students and staff. Director Williams-Taylor reported that the Board of Trustees passed a motion that required the mandatory vaccination of employees. She advised that the mandate adheres to the Ontario Human Rights Code (OHRC).

Director Williams-Taylor reported that 93% of staff have completed the attestation and over 90% of respondents are fully vaccinated. There will be follow-up with staff who have not completed the attestation. Director Williams-Taylor acknowledged the exceptional work of the Communications Team in ensuring information was shared with students and staff, the community, and the Ministry and she also recognized the efforts of Supply Chain staff who obtained the test kits and ensured their safe storage. She also noted that the election activities at school sites were very well managed by Facilities staff.

Director Williams-Taylor summarized by acknowledging the exceptional work of administrative and Facilities staff in addition to the education teams, for their dedication to students within the District.

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

- CFO Carson advised that during the 2020-2021 school year, the District procured several hundred high efficiency particulate absorbing (HEPA) filters that meet the American Society of Refrigerating and Air Conditioning Engineers (ASHRAE) standards. The Ministry of Education and the Government of Ontario allocated an additional 700 to 800 units for the fall of 2021 and the units have been received. CFO Carson reported that District staff meet regularly with OPH, as well as the Ministry of Labour to ensure ventilation systems are compliant with ASHRAE standards. Staff has requested that the Ministry supply filters for the units they provided to ensure the District does not incur additional costs; a commitment has not been received;
- ASHRAE provided a document outlining guidance to schools for air exchanges and filtration and staff have been following those guidelines. In buildings with automated systems there are no areas where those systems are not meeting the established standards. Ministry of Labour inspectors also receive their guidance from the ASHRAE standards. Personal protective equipment (PPE) has more often been the subject of concern during labour inspections;
- Air quality inspections are not conducted daily but the systems are inspected to ensure they are operating as they were programmed;
- If there are concerns about air quality in a particular room staff will investigate to ensure the monitoring system is operating effectively;
- Ventilation systems are programmed to operate in accordance with specific standards and if the operation of the system has not changed it can be assumed that the air quality is acceptable;
- The preventative maintenance schedule for ventilation systems was conducted during the summer. Fans and belts were replaced on a timely basis to mitigate any system problems;
- CFO Carson reported that he was confident that most rooms with mechanical ventilation are achieving the acceptable targets in accordance with the standards; and
- Director Williams-Taylor reported that the District has committed to adhere to the inter-board extracurricular sporting activities schedule that has been established for the 2021-2022 school year and agreements are in place among the coterminous boards. She advised that it is difficult to comment on what extracurricular sporting activities are taking place at District schools as programs vary from site-to-site.

5. COVID-19 Update

The COVID-19 update was combined with the Superintendent's Report at item 4.

6. Matters for Action

6.1 Review of Audit Committee Report

a. Audit Committee, 19 May 2021

Moved by Trustee Shannon Hoeft,

THAT the report from the Audit Committee, dated 19 May 2021, be received.

Carried

b. Business Arising

There was no business arising from the 19 May 2021 Audit Committee report.

6.2 Report 21-062, External Auditor's Audit Plan for the 2020-2021 Year End Audit (M. Carson)

Your Committee had before it Report 21-062, the External Auditor's Audit Plan for the 2020-2021 Year-End Audit.

Mr. Rob Clayton, and Ms. Rebecca Prophet of KPMG LLP, were in attendance to present the audit plan. Mr Clayton noted that in September 2021 the Ministry of Education (the Ministry) advised school boards that they will be required to report the value of PPE that was supplied during the 2020-2021 year in financial statements. KPMG and District staff are working on determining how PPE will be accurately reported based on the inventory received at a weighted cost the Ministry has provided.

Ms. Prophet reviewed the executive summary noting that the external audit applies a risk-based approach. She advised that audit of the Ottawa-Carleton District School Board (OCDSB) is a group audit including the components of the Ottawa-Carleton Education Network (OCENET), school council funds, the Ottawa Student Transportation Authority (OSTA), and school-generated funds.

Ms Prophet reported that the materiality for the 2020-2021 audit is \$13.0 million and is consistent with the 2019-2020 year. She noted that the proposed fees outlined in the audit plan and the engagement letter are in line with the quote that was previously provided.

Ms. Prophet advised that a new auditing standard is being applied to how estimates are identified and reflected in financial statements.

Moved by Trustee Jennekens

THAT KPMG LLP's plan for the audit of the 2020-2021 Consolidated Financial Statements be approved.

Carried

Carried

6.3 Multi-Year Internal Audit Plan (G. Segu)

Ms. Segu presented the Multi-Year Internal Audit Plan and noted that meetings were held with CFO Carson to discuss the plan to ensure that the work of the Regional Internal Audit Team (RIAT) was not being duplicated by District staff. The timeline of the plan has changed from five years to three to manage the changing risk landscape more effectively. The RIAT is required to conduct a minimum of two engagements in a year for each school board.

Moved by Shannon Hoeft,

THAT the Ottawa-Carleton District School Board Audit Committee Approves the 2021-2024 Multi-Year Internal Audit Plan.

CFO Carson advised that the areas of focus identified in the report are aligned with District priorities and he is comfortable with the recommendation in the report.

Moved by Shannon Hoeft

THAT the Ottawa-Carleton District School Board Audit Committee Approves the 2021-2024 Multi-Year Internal Audit Plan.

Carried

6.4 2021-2022 Regional Internal Audit Plan (G. Segu)

Ms. Segu presented the 2021-2022 Regional Internal Audit Plan.

The plan for 2021-2022 year includes the following:

- The completion of work finalized in 2020-2021 and not yet reported;
- The initiation of work postponed by management in 2020-2021;
- Cyclical follow-up procedures;
- One new engagement; and
- A placeholder to account for in-year requests and potential changing priorities during the year.

Moved by Trustee Schwartz,

THAT the Ottawa-Carleton District School Board Audit Committee: recommends for approval the 2021-2022 Internal Audit Plan as presented in Appendix 3.

In response to a query from Trustee Schwartz, RIAT Manager Segu noted that the proposed COVID-19 response has been delayed as school districts continue to be impacted by the pandemic. The timeframe for completing this engagement remains uncertain but will occur when there is sufficient distance from the pandemic to conduct a proper review.

Moved by Trustee Schwartz

THAT the Ottawa-Carleton District School Board Audit Committee: Recommends for approval the 2021-22 Internal Audit Plan as presented in Appendix 3.

Carried

6.5 2020-2021 Annual Report on (RIAT) Internal Audit Activities (G. Segu)

Ms. Segu presented the 2020-2021 Annual Report on RIAT Internal Audit Activities that outlined the following:

- A confirmation of the independence of the audit activities;
- A description of its function;
- A confirmation of conformance with the Code of Ethics; and
- A summary of the 2020-21 activities.

Moved by Trustee Jennekens,

THAT the Ottawa-Carleton District School Board Audit Committee:

1. Receives for information the 2020-21 Annual Report on Internal Audit Activities;
2. Approves the 2021-22 Regional Internal Audit Team Charter; and
3. Receives for information the SAIV Final Report.

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

- In response to a query about a reference in the Charter to audit committees as Boards of Trustees, and the fact the OCDSB Audit Committee has external members, Ms. Segu advised that the reference was intended to describe the Audit Committee as a sub-committee of the Board and not describe the composition of the committee; and
- CFO Carson confirmed that the Chair of the Audit Committee would sign the Charter once the Audit Committee Report of 22 September 2021 is approved by the Board.

Moved by Trustee Jennekens

THAT the Ottawa-Carleton District School Board Audit Committee:

- 1. Receives for information the 2020-21 Annual Report on Internal Audit Activities;**
- 2. Approves the 2021-22 Regional Internal Audit Team Charter; and**
- 3. Receives for information the SAIV Final Report.**

Carried

7. Matters for Discussion

7.1 Regional Internal Audit Update (G. Segu)

Ms. Segu provided the Audit Committee with an update on the progress of the 2020-2021 RIAT work.

In response to a query, Ms. Segu advised that the RIAT could not complete two audits in the 2020-2021 year; the COVID Response Review and the Educational Assistant Deployment Review. These outstanding items are reflected in the Audit Plan 2021-2022.

8. New Business

There were no items of new business.

9. Adjournment

The public meeting adjourned at 7:14 pm.

Mark Fisher, Chair, Audit Committee