



## AUDIT COMMITTEE REPORT (PUBLIC)

Monday, November 27, 2023

7:00 pm

Zoom Meeting

Members: Donna Blackburn (Trustee), Lyra Evans (Trustee), Matthew Lee (Trustee), Brian Burns (External Member), Shannon Hoeft (External Member),

Staff and Guests: Pino Buffone (Director of Education), Randy Gerrior (Associate Director, Business Operations), Teri Adamthwaite (General Manager, Finance), Kim Lebrun (Team Manager, Financial Services), Ian Muirhead (Finance Officer), Gordon Champagne (Senior Regional Internal Auditor), Darren Gatley (Senior Board Coordinator)

Others Present: Rob Clayton (Lead Audit Engagement Partner KPMG LLP), Rebecca Prophet (Audit Senior Manager KPMG LLP)

1. Call to Order

Acting Chair Gerrior called the public session to order at 7:03 p.m.

2. Acknowledgement of Territorial Lands

Acting Chair Gerrior acknowledged that the meeting is taking place on unceded Algonquin Homelands and thanked the Algonquin Nations for hosting the meeting on their land.

3. Approval of Agenda

**Moved by Trustee Lyra Evans,**

**THAT the agenda be approved.**

**Carried**

4. Declarations of Interest

No declarations of interest were filed.



5. Delegations

There were no delegations.

6. Associate Director's Report

Associate Director Gerrior reported that there were some challenges in submitting the compliance report and completing the financial statements due to changes in Bill 124.

7. Matters for Action

7.1 Election of the Chair

Acting Chair Gerrior reviewed the election process.

Acting Chair Gerrior called for nominations.

Trustee Lee, seconded by Trustee Blackburn, nominated Trustee Blackburn.

Trustee Lyra Evans, seconded by Shannon Hoeft, nominated herself.

**Moved by Trustee Lyra Evans, seconded by Trustee Blackburn,**

**THAT nominations be closed.**

**Carried**

Following an election, Associate Director Gerrior declared Trustee Lyra Evans Chair of the Audit Committee.

Trustee Lee left the meeting.

7.2 Review of Audit Committee Report

a. 25 October 2023

**Moved by Trustee Blackburn,**

**THAT the Audit Committee report, dated 25 October 2023, be received.**

**Carried**

b. Business Arising

There was no business arising.

7.3 Report 23-087, Draft 2022-2023 Consolidated Financial Statements



Your Committee had before it Report 23-087, seeking approval of the draft 2022-2023 Consolidated Financial Statements.

Moved by Brian Burns,

THAT the draft 2022-2023 Consolidated Financial Statements attached as Appendix A to Report 23-087 be approved.

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

- The variance in accounts payable (AP) is related to the Bill 124 accrual of \$26 million of which there is an associated receivable against it;
- The inflation adjustment against the asset retirement obligation (ARO) of 14.5% came from the Ministry based on the updated Bank of Canada commodity price index (BCPI) rates from the initial assessment from 2020;
- The BCPI rates were based on the provincial guideline and not local rates;
- Changes to the reporting requirements, based on the BCPI, affected school boards across the province;
- The District has older buildings and the ARO costs are higher than the provincial average; however, each school district saw a significant increase against the balance;
- Staff noted that there was no risk of increased liability due to the increase against the ARO; and
- Associate Director Gerrior noted that the inflation adjustment to the ARO impacted school boards, hospitals, and other sectors across the province who have older buildings.

Moved by Brian Burns,

**THAT the draft 2022-2023 Consolidated Financial Statements attached as Appendix A to Report 23-087 be approved (Attached as Appendix A).**

**Carried**

8. Matters for Discussion

8.1 Report 23-086, Analysis of the District's 2022-2023 Financial Results (R. Gerrior)

Your Committee had before it Report 23-086, providing for discussion, information regarding the District's financial results for the year ended 31 August 2023.



Associate Director Gerrior noted that staff inherited a second deficit budget and that staff took steps last year to reduce spending in order to align with revenues and continue to work in balancing revenues and expenses.

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

- Staff have addressed the supply teacher cost escalation within the current budget;
- The current budget has minimal flexibility and factors such as increased or additional snow removal costs or an increase to utilities can have a significant impact within the budget;
- The Ministry is reviewing the District's transportation spending through the Ottawa Student Transportation Authority (OSTA) and staff noted that they are expecting a draft report on the matter in December 2023. Associate Director Gerrior added that the District's spending on small van transportation will be one of the components of the review and that the Ottawa-Carleton District School Board (OCDSB) spends a significant amount on small vehicle transportation compared to other school districts within the province; and
- The District is considering moving to a small yellow school bus fleet model of approximately 20 seating capacity rather than the van transportation model to cover special transportation needs and the Ministry has indicated that they would provide additional funding if the District adopts this model. Although there is a driver shortage, the transition to Class B drivers will provide opportunity for interested van operators to transition to these buses. Small van operators have shown interest in the new small yellow bus model as they believe this is where the industry is evolving.

## 8.2 RIAT Update (oral)

Mr. Champagne provided an update from the Regional Internal Audit Manager (RIAM) on the progress of the 2023-24 Regional Internal Audit Team (RIAT) work and noted that a further update would be provided at the 21 February 2024 meeting.

In response to a request from Trustee Lyra Evans, the RIAT noted that they would provide a written update on RIAT internal audit activities for distribution to members after the meeting.

## 9. Information Items

### 9.1 Long Range Agenda



The long range agenda was provided for information.

10. New Business

There was no new business.

11. Upcoming Meeting Dates

The upcoming meeting dates were provided for information.

12. Adjournment

The public meeting adjourned at 7:57 p.m.

---

Lyra Evans, Chair, Audit Committee