



AUDIT COMMITTEE REPORT (PUBLIC)

**Wednesday, May 22, 2019
7:00 pm
Trustees' Committee Room
133 Greenbank Road
Ottawa, Ontario**

Members: Sandra Schwartz (Trustee), Mark Fisher (Trustee), Keith Penny (Trustee), Erik Husband (External Member)

Staff and Guests: Lynn Scott (Trustee), Camille Williams-Taylor (Director of Education), Michael Carson (Chief Financial Officer), Kevin Gardner (Manager of Financial Services), Sandra Lloyd (Manager of Risk and Supply Chain Management), Genevieve Segu (Regional Internal Audit Manager), Gord Champagne (Senior Regional Internal Auditor), Nicole Guthrie (Board/Committee Coordinator)

1. Call to Order

Trustee Schwartz called the public session to order at 7:03 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 Trustee Penny

THAT the agenda be approved.

Carried

3. Delegations

There were no delegations.

4. Superintendent's Report

Chief Financial Officer (CFO) Carson shared that the senior team will meet to discuss the Strategic Enterprise Risk Management (SERM) framework. Jan Mattingly, Risk Management Advisor, will work with staff to review the concepts and next steps.

CFO Carson advised that on 21 May 2019 Premier Doug Ford announced that funding would be made available to large municipalities and school boards to review their budgets to find savings. He added that the District is awaiting further details.

CFO Carson noted that the District would present the 2019-2020 Staff Recommended Budget on 29 May 2019. He added that staff are confident the recommended budget will permit the District to operate at a similar level of service in 2019-2020 but advised that ongoing reductions in revenue will necessitate an earlier start to the budget deliberations for the 2020-2021 budget year.

Mr. Husband queried the choice of the International Standards Organization (ISO) 31000 model over the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, CFO Carson noted that Ms. Mattingly was involved in the development of the ISO 31000 model and that it was customized for Ontario School Districts.

Mr. Husband commented that he was pleased to see reference to SERM in the 27 March 2019 Audit Report. He expressed confidence that the District is headed in the right direction.

5. Matters for Action

5.1 Review of Audit Committee Report

a. 27 March 2019

Moved by Trustee Penny,

THAT the Audit Committee report dated 27 March 2019 be received.

Carried

b. Business Arising

There was no business arising from the report.

6. Matters for Discussion

6.1 Report 19-040, 2018-2019 Updated Financial Forecast (February)

Your committee had before it Report 19-040, 2018-2019 Updated Financial Forecast, providing information on the District's 2018-2019 Updated Financial Forecast as of 28 February 2019.

CFO Carson advised that the Ministry has announced transitional support for transportation in 2019-2020 and suggested that the funding formula will be reviewed. The funding for 2019-2020 is set at the current years' deficit plus 4%. The amount of funding to offset the deficit is based on the District's performance in the effectiveness and efficiency reviews and the District anticipates receipt of the maximum entitlement.

In response to a query from Trustee Penny, staff advised that the increase of the occasional teacher costs by \$2.9 million was identified in the forecast.

Staff advised that the legal provision to address potential costs relating to legal claims is approximately \$4.5 million.

6.2 Report 19-046, Student/Visitor Incidents Reported to OSBIE

Your committee had before it Report 19-046 providing a summary report on the various types and the number of student/visitor incidents reported to the District's insurer, the Ontario School Board Insurance Exchange (OSBIE) for the period 1 September 2017 to 31 August 2018.

Incident reports are submitted to OSBIE to inform the insurer of incidents that have occurred that may result in potential claims. Risk management staff also reviews the information with follow-up with principals and other departments to assist in the mitigation of further incidents.

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

- Trustee Fisher queried whether or not the severity of the injury is noted. Staff advised that in some cases, severity will be recorded. Incidents may be updated with further details as the school receives confirmation of the injury. When detailed information of incidents are confirmed after the initial reporting, updates are provided to OSBIE;
- Staff advised that the category listed as "other", is input by school staff. Items typically not listed as a cause are input as other. A comment box enables staff to annotate the other;
- Staff had previously been recording every incident, but the requirement is only to report if an ambulance is called or medical attention is sought. This has resulted in a decrease in the number of reported incidents. However, the risk management training provided to staff has also contributed to the reduction;
- Mr. Husband shared that he was pleased to note the trend was towards an overall decrease in the number of incidents reported; however, he queried whether or not the District had a target for further reductions. Staff is working with the Employee Wellness division to ensure the safety of personnel is improved in the same area. Staff noted that it would be difficult to improve in the area of sport-related incidents given the nature of sport. Slips and falls are an area the District can expect further improvement and staff are optimistic the pilot project of salt use during the 2018-2019 school year will show up in the comparison of 2018-2019 to 2017-2018;
- Mr. Husband suggested the report highlight comparisons with other school boards;
- Trustee Fisher expressed the view that a blended report comparing staff incidents, especially those within the classroom, with that of student/visitor incidents would be of value. Staff is working with the Human Resources department to provide a comparison. A hazard is a hazard, regardless of

who is impacted. There may be some common aspects related to injury, but some categories may not have a comparator; and

- Chair Schwartz recommended that Appendix B note comparisons to previous years.

7. Information Items

7.1 Long Range Agenda

The long range agenda was provided for information.

Mr. Husband expressed appreciation for the new format and noted the importance of the document to ensure all the elements required under the Act are met. CFO Cason advised that he would review the long range agenda to reflect the status of each element.

7.2 Information from the Regional Internal Audit Manager

Ms. Segu, Regional Internal Audit Manager, noted that she began in mid-January 2019 and has spent the first several months deepening her understanding of the role and function of the Regional Internal Audit Team (RIAT) in the Ontario East region and familiarizing herself with the nine school boards that make up the portfolio.

Ms. Segu noted that conversations with the Human Resources department had been undertaken to begin the audit of attendance support. Using a data visualization tool from Deloitte, the RIAT plans to map the results of the attendance support audit into an informative report. The audit will focus on the process, and the Deloitte tool will help the RIAT team make comparisons with other boards. She added that the field work for the audit would be completed by August and the RIAT may be in a position to report in September 2019.

Ms. Segu noted that the RIAT intends to provide the Audit Committee with a report regarding the follow-up of the audits on health and safety, continuing education and school council funds in September 2019. The RIAT is reassessing the relevance of the recommendations noting that processes and systems may have changed and may no longer be applicable. She added that the RIAT will provide follow-up reporting to the Audit Committee on a more regular basis in the future.

Ms. Segu advised that the RIAT will align the work of the risk assessment with the timeline of the District's work plan for SERM. She noted that the school boards have suggested that one audit be conducted across the nine boards allowing the boards to benchmark results and make comparisons.

Ms. Segu noted that she is in the process of acquiring a data analytics tool to enable full data analytic audits offsite.

Trustee Fisher expressed the view that facilities and fleet management and revenue and expenditure management are areas of concern to the District

and hoped to see them added to the audit plan. Ms. Segu responded that until the SERM has been implemented or the RIAT has had an opportunity to conduct a risk assessment she could not advise whether these would be priority areas or not.

Mr. Champagne noted that the last audit of facilities was conducted in 2012 and that it may be reviewed again.

In response to a query from Trustee Fisher regarding the scheduling of audits, Ms. Segu responded that the RIAT works with senior staff in advance of the risk assessment to gather information and input prior to the audit's commencement to avoid duplication of effort.

8. New Business

There was no new business.

9. Adjournment

The public meeting adjourned at 7:59 p.m.

Sandra Schwartz, Chair, Audit Committee