

**AUDIT COMMITTEE
Report No. 20-073**

23 September 2020

External Auditor's Audit Plan for the 2019-2020 Year-End Audit

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PURPOSE:

1. To seek Audit Committee approval of KPMG LLP's plan for the audit of the 2019-2020 Consolidated Financial Statements.

CONTEXT:

2. The *Education Act* requires that school boards prepare audited financial statements. The external auditor engages with Audit Committee as part of the audit planning process.

Ontario Regulation 361/10, Audit Committees requires that Audit Committee make a recommendation to the Board on the content of the external auditor's audit plan and on all proposed major changes to the plan.

KEY CONSIDERATIONS:

3. The *Education Act* requires that school boards prepare financial statements. Management is responsible for preparing and presenting the statements in accordance with requirements and standards which include Canadian public sector accounting standards. In addition, the financial statements must be audited by an external auditor who is licensed under the *Public Accountancy Act*. The purpose of the audit is to allow the external auditor to express an opinion on whether the District's financial statements are, in all material respects, in accordance with the established financial reporting framework.

Each year, the external auditor meets with Audit Committee and discusses the engagement letter and audit plan to ensure that members of Audit Committee are aware of the purpose, extent and limitations of the annual financial statement audit. The approach to the audit this year will include an assessment of changes to internal control processes that were made in response to the COVID-19 pandemic.

The engagement letter and audit plan are attached as appendices A and B, respectively. The information presented in these documents assists committee members in understanding the audit process and financial statements.

RESOURCE IMPLICATIONS:

4. The expected cost of the year-end audit is provided for in the annual budget.

COMMUNICATION/CONSULTATION ISSUES:

5. The external auditor's attendance at the meeting provides the opportunity for members of Audit Committee to raise any issues or areas of concern that may need to be addressed in the audit. The external auditor meets with various members of the senior management team including the Director of Education, Superintendent of Human Resources and Chief Financial Officer during the audit. In addition, Finance, Business and Learning Technologies and Facilities staff are consulted to obtain information necessary to form an audit opinion.

STRATEGIC LINKS:

6. An effectively functioning Audit Committee and approach to risk management is a key component of a focus on sustainably allocating resources as part of the District's strategic goal of maintaining a culture of social responsibility. Audit Committee's engagement with the external auditor establishes an understanding of the purpose, extent and limitations of the annual financial statements and provides an opportunity for members to consider the audit plan in relation to risk.

RECOMMENDATION:

THAT KPMG LLP's plan for the audit of the 2019-2020 Consolidated Financial Statements be approved.

Michael Carson
Chief Financial Officer

Camille Williams-Taylor
Director of Education and
Secretary of the Board

APPENDICES

Appendix A – KPMG LLP Engagement Letter
Appendix B – KPMG LLP Audit Planning Report