

## AUDIT COMMITTEE REPORT (PUBLIC)

Wednesday, October 21, 2020

6:00 pm

Zoom Meeting

Members: Mark Fisher (Trustee), Keith Penny (Trustee), Erik Husband (External Member), Annik Blanchard (External Member)

Staff and Guests: Lynn Scott (Trustee), Justine Bell (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), Gordon Champagne (Senior Internal Auditor), Rebecca Grandis (Senior Board Coordinator)

1. Call to Order

Chair Fisher called the public session to order at 6:04 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 advised that the Ontario School Boards' Insurance Exchange (OSBIE) provided an insurance premium refund to the District in the amount of \$200,000. This amount represents approximately 20% of the premiums paid by the District. OSBIE has been successful at keeping administration costs low and is focused on risk and claims management. The refund will be reflected in the financial statements and will provide funding to support further risk management work.

CFO Carson noted that staff continues to work on finalizing the 2019-2020 financial statements. Although there are challenges carrying out some of the audit work while working remotely, CFO Carson is confident that the November timelines for the presentation of the financial statements will be met.

CFO Carson congratulated Manager Sandra Lloyd on her thirty-year association with the OCDSB and the Supply Chain Management Association of Canada.

CFO Carson reported that the District received the approval to proceed with the construction of a new secondary school in the Riverside South area. Of the \$550 million in capital funding to school boards from the province, the OCDSB has received over \$65 million for local projects. The provincial funding for the new secondary school will need to be augmented to complete the construction. Design and Construction staff will apply the experience they have gained from the construction of the new secondary school in Stittsville to plan the new project.

## 5. COVID-19 Update

CFO Carson advised that there have been fewer than 100 confirmed cases of COVID-19 in the District since schools reopened. Considering the number of staff and students in District buildings, the measures that have been put in place to limit the spread of the virus are working. Staff shortages continue to be a concern across the province. The District has been able to manage shortages and mitigate school closures.

CFO Carson reported that Regulation 274, Hiring Practices, was recently repealed by the province. It is hoped that the movement away from seniority-based hiring practices may provide more flexibility within the District to hire additional staff. There continue to be staff shortages in occasional teachers, early childhood educators, educational assistants and custodians.

Manager Lloyd noted that the province underestimated the cost of supplying personal protective equipment (PPE). Acquiring and managing PPE, supplied through the provincial supply chain, has been challenging. The October order for the District, which was comprised of twelve tractor-trailers of supplies, arrived at the end of September. The District does have the capacity to house the supplies in the warehouse, but it was never intended to function as a distribution centre. There continue to be demands for hand sanitizer, gowns and gloves. Staff will continue to monitor the supply chain issues to ensure the District has adequate supplies.

During the question period, the following points were noted:

- Staff have used Ministry funding for enhancement to lower-tier HVAC systems to ensure increased maintenance and more frequent filter changes;
- Ottawa Public Health (OPH) is satisfied with the District process for ventilation monitoring;

- Winter may be problematic in sites where open windows are part of the ventilation system; and
- Staff are looking at leasing or acquiring a backup heating system to employ on short notice if windows must be open in winter.

6. Matters for Action

6.1 Review of Audit Committee Report

a. 23 September 2020

**Moved by Annik Blanchard,**

**THAT the Audit Committee report dated 23 September 2020 be received.**

**Carried**

b. Business Arising

There was no business arising.

6.2 Report 20-074, 2019-2020 Annual Report on Internal Audit Activity

Your Committee had before it Report 20-074, seeking approval of the annual report to the Board summarizing the work performed by the Regional Internal Audit Team (RIAT), during the 2019-2020 year, in accordance with Regulation 361/10, Audit Committees.

Manager Gardner advised that report is a summary of the work of the RIAT and the plan, approved in September of 2019, proposed two audit engagements; attendance support review and attendance data visualization.

Moved by Trustee Penny,

THAT Appendix A to Report 20-074 be approved as the 2019-2020 Annual Report on Internal Audit Activity.

Follow up procedures were also conducted and reported on past audits. It was confirmed there have not been any enrolment audits planned for this year. Appendix A to Report 20-074 will be shared with the Ministry as required.

**Moved by Trustee Penny,**

**THAT Appendix A to Report 20-074 be approved as the 2019-2020 Annual Report on Internal Audit Activity. (Attached as Appendix A)**

**Carried**

6.3 Report 20-075, Audit Committee Annual Report for 2019-2020

Your committee had before it Report 20-075, seeking approval of the 2019-2020 annual report on the work performed by the Audit Committee.

CFO Carson noted that despite the challenges presented during the year, the Audit Committee was able to accomplish a great deal. The work on the Strategic Enterprise Risk Management (SERM) continues. Staff have used a risk-based approach to managing the District's COVID-19 response. It is anticipated that there will be an orientation and training session on the SERM for all trustees and the new external members in the coming year.

Moved by Annik Blanchard,

THAT Report 20-075 be approved as the Audit Committee Annual Report to the Board for 2019-2020.

Chair Scott asked for clarification on the Audit Committee's review of the District's policies for risk assessment and risk management and whether a specific review had been conducted. CFO Carson committed to providing an amendment to the report to indicate the work has not yet begun but is planned.

**Moved by Annik Blanchard,**

**THAT Report 20-075 be approved as the Audit Committee Annual Report to the Board for 2019-2020.**

**Carried**

#### 6.4 2020-2021 Regional Internal Audit Plan (G. Segu)

Regional Internal Audit Manager Segu presented the 2020-2021 Annual Report on Internal Audit Activities for the review and the approval of the Audit Committee.

The plan for 2020-2021, includes the following work:

- the continuation of work initiated in 2019-2020;
- cyclical follow-up procedures;
- a placeholder for Management requests and changing priorities; and
- one new engagement if time allows.

Ms. Segu noted that the plan also includes a new COVID-19 response review. This review would evaluate the District's response to the pandemic and consider opportunities to improve emergency preparedness and crisis management in the future. As well, a review of educational assistant (EAs) deployment has been added to provide management with an assessment of the deployment of EAs and the challenges they face in managing student behaviours.

Moved by Annik Blanchard,

THAT the Ottawa-Carleton District School Board Audit Committee Recommends for Approval the 2020-21 Internal Audit Plan as Presented in Appendix 1.

During the discussion about the COVID-19 response review the following points were noted:

- the process for selecting a firm to undertake the work on the COVID-19 response review was determined by the dollar value of the contract as it falls within the sole source threshold;
- MNP was the firm engaged to conduct the COVID-19 response review as they are doing the work across the region and are familiar with the risk profile of school boards;
- the purpose of the COVID-19 response review is to identify gaps and establish an action plan for future emergency preparedness;
- the review should consider the uncertainties boards faced around the timing of announcements and the impact on planning;
- the review will focus on general gaps;
- Trustee Penny expressed concern about the vague description of the review as well as the increased workload this may cause for staff. He noted that the District's COVID-19 response was not planned and is tactical and dynamic;
- CFO Carson expressed concern that it may be too early to conduct a review and that staff will monitor the work to ensure it has value;
- Trustee Fisher noted that the work of the RIAT must be aligned with the external audit work; and
- Ms. Segu noted that she would contemplate areas of review identified as priorities by the District.

**Moved by Annik Blanchard,**

**THAT the Ottawa-Carleton District School Board Audit Committee Recommends for Approval the 2020-21 Internal Audit Plan as Presented in Appendix 1.**

**Carried**

7. Matters for Discussion

7.1 2019-2020 Annual Report on (RIAT) Internal Audit Activities (G. Segu)

Your committee had before the report on the 2019-2020 Annual Report on Internal Audit Activities.

The report includes requirements under the regulation, the mandate and the framework. Highlights from the report include the following:

- The mandate defines the purpose of the RIAT and it has not changed since its presentation to the Audit Committee in September of 2019;
- To ensure independence, the RIAT reports functionally to the nine Audit Committees of the Eastern Ontario region and administratively to the Senior Business Official of the host board;
- The RIAT consists of two internal auditors, one senior auditor and one internal audit manager, all are qualified staff with professional designations. The RIAT manager and members complete annual professional development that includes ethics training; and
- The mandate requires the RIAT to perform duties in accordance with the Framework and that internal and external quality assessments be conducted on a periodic basis;

The report included the 2019-2020 plan for the District that included three completed engagements:

- Attendance support review;
- Attendance visualization; and
- Follow-up procedures.

The RIAT presented follow up procedures to the District in the 2019-20 Detailed Status report, to date there are 18 recommendations outstanding. Due to COVID-19, the recommendations have not been updated.

## 8. Information Items

### 8.1 Memo No. 20-117, Regional Internal Audit Team Evaluation Process for 2019-2020

Your Committee had before it Memo 20-117, providing information for the performance evaluation process of the Regional Internal Audit Team (RIAT) for 2019-2020.

CFO Carson urged Committee members to complete the evaluation form and submit their responses to Manager Gardner no later than 30 October 2020. The responses will be compiled and presented at the 23 November 2020 Audit Committee meeting.

8.2 Long Range Agenda (Draft Version)

CFO Carson noted that the long range agenda (LRA) contains items for consideration of the Audit Committee for a future meeting. The document was drafted to align with the regulation.

CFO Carson and Trustee Fisher will review the LRA to consider the content of meetings and focus areas in the new year. Members of the Committee will also have an opportunity to provide input into the planning of future meetings.

9. New Business

Trustee Fisher advised that the 23 November 2020 meeting would be the last meeting with external members Annik Blanchard and Erik Husband in attendance. Trustee Fisher noted the Committee would welcome their feedback or reflection on any items or structural changes that could be focused on in the future.

10. Adjournment

The public meeting adjourned at 7:19 p.m.

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Mark Fisher, Chair, Audit Committee