

MAY 31, 2018
OPEN SESSION - BOARD AUDIT COMMITTEE MEETING

The Waterloo Region District School Board held an Open Session Audit Committee Meeting this evening at 6:00 p.m. in the Cambridge Room with the following members in attendance:

Trustees: K. Smith (Chairperson), K. Woodcock
External Committee Members: J. Chmiel, J. Weir

WRDSB Staff: J. Bryant, M. Gerard, S. Thompson
Regional Internal Audit Team (RIAT): J. Baker, A. Eltherington

Guests:
WRDSB Staff - G. Shantz, N. Landry, S. Case, M. Hilton
D PricewaterhouseCoopers LLP – D. Zorgdrager, K. Murray
Deloitte LLP – J. Pryce, R. Szukits

Regrets: C. Harrington

INTRODUCTIONS & WELCOME

Chairperson K. Smith called the meeting to order at 6:00 pm. Chairperson K. Smith welcomed members and guests to the Audit Committee meeting. Members of the committee and guests introduced themselves.

DECLARATIONS OF CONFLICT OF INTEREST

There were no declarations of conflict of interest.

APPROVAL OF AGENDA

A. Moved by J. Chmiel, seconded by K. Woodcock:

That the agenda of the Open Audit Committee Meeting of May 30, 2018, be approved.

-Carried-

APPROVAL OF MINUTES

B. Moved by J. Weir, seconded by J. Chmiel:

That the minutes of the Open Audit Committee Meeting of November 28, 2017, be approved.

-Carried-

APPOINT PRICEWATERHOUSECOOPERS LLP AS EXTERNAL AUDITORS

S. Case reported on securing external auditors for a three-year period. A tender document was posted on Biddingo.com on November 30th, 2017 with a closing date of January 8th, 2018. Following a two-stage process, PricewaterhouseCoopers was awarded the contract for a three-year period with the possibility of 2-1 year extensions.

C. Moved by K. Woodcock, seconded by J. Chmiel:

That the Audit Committee recommend to the Board of Trustees, the appointment of the firm PricewaterhouseCoopers LLP, as the external auditor for the 3 year period from 2017-18 to 2019-20 (2-1 year extensions available based on performance), be approved.

-Carried-

S. Case left the meeting at this time.

PRICEWATERHOUSECOOPERS LLP STATUS UPDATE

D Zorgdrager presented the 2018-19 WRDSB Draft Audit Plan. He noted the audit approach is consistent with past practice. K. Murray commented on risks being similar to previous years and will include reviewing risk of fraud in revenue recognition and risk of material misstatement due to management override. When the question was asked of members if they were aware of any instances of actual, suspected or alleged fraud affecting the organization, the members replied they were not aware of any.

The audit fee for 2018 as set out in Appendix A of the Audit Plan is \$69,900. The Engagement Letter is also included.

D. Moved by K. Woodcock, seconded by J. Chmiel:

That the PricewaterhouseCoopers LLP Audit Plan for the Waterloo Region District School Board for the year ending August 31, 2018 and the actions contained therein, be approved.

-Carried-

INTERIM FINANCIAL STATEMENTS

M. Gerard introduced N. Landry, Controller, Financial Services to review the Interim Financial Statements as at November 30, 2017 and February 28, 2018. It was noted the primary driver of revenue is enrolment and expenditure pressures include absenteeism and transportation.

This report was provided for information of the Audit Committee.

REGIONAL INTERNAL AUDIT TEAM STATUS UPDATE

J. Baker updated members on the work of the Regional Internal Audit Team since November 2017.

Privacy Audit Terms of Reference

The Privacy Audit objective is to assess the effectiveness of the procedures of the WRDSB to comply with Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) and the Personal Health Information Protection Act (PHIPA) to protect the private information of staff and students. The audit is well underway.

Draft 2018-19 Internal Audit Plan

J. Baker was invited to Coordinating Council in March to identify topics for audits for the coming year. The Internal Audit Plan for 2018-19 will include Information Technology Security Audit - Follow-up and Network Penetration Test. This audit will assess the effectiveness of the Board's information technology security controls which protect information. Also included will be a Human Resource Payroll - Replacement Consultation. The Regional Internal Audit Team will serve in a consultative manner and provide feedback on this project.

The follow-up reviews will include the IT Strategy, Attendance Support and Payroll.

E. Moved by J. Chmiel, seconded by K. Woodcock:

That the Regional Internal Audit Plan for the Waterloo Region District School Board for 2018-2019 and the actions contained therein, be approved.

-Carried-

Annual Independent Assertion

J. Baker confirmed with members and in compliance with the International Standards for the Professional Practice of Internal Auditing the Regional Internal Audit Team is organizationally independent and has been allowed to carry out responsibilities in an unbiased manner, free from interference in determining the scope of internal audit projects, performing work and communicating results.

Regional Internal Audit Response to Auditor General's Report

J. Baker stated the regional internal auditors have drafted a response for the Director, School Business Support Branch, regarding support the regional internal audit teams can provide.

This report was provided for information of the Audit Committee

FUTURE AGENDA ITEMS

None

FUTURE MEETING DATES

Wednesday, September 26, 2018

ADJOURNMENT

F. Moved by J. Chmiel, seconded by K. Woodcock:

That the Open Session - Audit Committee of May 30, 2018 be adjourned.

-Carried-

The meeting adjourned at 6:30 pm.