



REPORT TO BOARD OF TRUSTEES October 22, 2013

Jim McKenzie, Associate Director & Treasurer

SUBJECT: Annual Audit Committee Report to the Board of Trustees

PREPARED BY: Jim McKenzie, Associate Director & Treasurer
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BACKGROUND:

Ontario Regulation 361/10, Section 15, of the Education Act requires an audit committee of a board to present an annual report to the Board of Trustees each fiscal year.

The Annual Audit Committee Report to the Board of Trustees for the year ended August 31, 2013 is attached.

RECOMMENDATION:

That the St. Clair Catholic District School Board receive the report: *Annual Audit Committee Report to the Board of Trustees*, for information.



Annual Audit Committee Report to the Board of Trustees for the year ended August 31, 2013

This report summarizes the Audit Committee’s actions for the year ended August 31, 2013.

Audit Committee Members

The Audit Committee consisted of the members listed below:

- C. Bryden – Chair & Trustee Representative
- L. Ward – Trustee Representative
- C. Bulsza – External Member
- R. Lavoratore – External Member

Assessment

At the beginning of the year and in accordance with recommended good practice various administrative tasks were completed. These included:

- Declaration of Conflicts of Interest
- Development of a meeting schedule and agenda for the year

It was agreed that the Committee would meet a minimum of three times during the year with a fourth meeting if necessary. All meetings have been held as planned.

The members in attendance at each meeting were as follows:

<u>Name</u>	<u>Sep 25, 2012</u>	<u>Nov 13, 2012</u>	<u>Mar 26, 2013</u>
C. Bryden	x	x	x
L. Ward	x	x	x
C. Bulsza	x	x	
R. Lavoratore		x	x

Governance

The Audit Committee operated throughout the fiscal year ending August 31, 2013. All of the members satisfied the eligibility requirements in accordance with Ontario Regulation 361/10.

External Auditors

The relationship with the external auditors has been satisfactory. The external auditors, Deloitte, presented their Audit Service Plan to the Committee for approval at the meeting held on March 26, 2013. The Audit Committee recommended the approval of the annual audited financial statements on November 13, 2012. The external auditors have confirmed their independence in a letter dated November 13, 2012.

The Deloitte Audit Engagement Letters were presented to the Committee on March 26, 2013.

The following reports were issued by Deloitte:

- Independent Auditor’s Report for the Consolidated Financial Statements of the St. Clair Catholic District School Board, August 31, 2012
- Accountants’ Report with Respect to the period from September 1, 2012 to March 31, 2013

Internal Auditors

The relationship with the internal auditors has been satisfactory. The Committee reviewed the results of the initial risk assessment, as well as the risk-based internal audit plan prepared by the Regional Internal Audit Manager. The audit committee reviewed and endorsed internal audit strategies and the annual plan for the school board and has received regular reports on the outcome of audit work and recommendations made. At the meeting of September 25, 2012, the committee reviewed and endorsed the internal audit's 2011/12 annual opinion and report.

The Audit Committee reviewed the following internal audit reports during the year:

- Risk Assessment Audit Universe, September 25, 2012
- 2012-13 Audit Plan, September 25, 2012
- Regional Internal Audit Report – Terminations, Retirements & Succession Planning, March 26, 2013

The audit committee endorsed each report, including management's action plan and advised the board of trustees to accept it.

The Audit Committee reviewed the following internal audit presentations during the year:

- Regional Internal Audit Initiative Update, March 26, 2013
- Internal Audit Standards: Why They Matter, March 26, 2013
- International Standards for the Professional Practice of Internal Auditing, March 26, 2013

Summary of the work performed

The following is a summary of work undertaken by the Audit Committee for the year ending August 31, 2013:

- Reviewed the risk assessment detailing major financial and non-financial risks.
- Received a report from the RIAM on the work undertaken by the internal audit function.
- Received an update from the Regional Internal Audit Manager.
- Reviewed the 2013 Audit Service Plan with Deloitte for the year ending August 31, 2013.
- Agreed the approach and scope of the audit work to be undertaken by the auditors (both internal and external).
- Received assurances from the auditors regarding their independence.
- Reviewed the August 31, 2012 Audited Financial Statements, received a report from the external auditors on the statements and made recommendation to the Board of Trustees for approval.
- Submitted the Annual Audit Committee Report to the Board of Trustees and Ministry of Education.
- Reviewed Interim Financial Reports for 2012-13.

By the signature noted below, we attest that we have discharged our duties and responsibilities respecting Ontario Regulation 361/10.

On behalf of the Audit Committee

C. Bryden, Chair