

Audit Committee Meeting – Public Session
February 13, 2017 – 5:00 p.m.
Head Office of the Near North District School Board
963 Airport Road, North Bay, ON

Committee Members Present

James Beatty, Committee Chair (Videoconference)
Michelina Beam, Trustee
Gary Jodouin, External Member
Judy Kleinhuis, External Member
David Thompson, Trustee

Staff Present

Liz Therrien, Superintendent of Business
Lianne Bettiol, Executive Assistant
Amanda Meighan, Superintendent of Support Services
Marsha O'Connor, Manager of Human Resources
Wende Proulx, Manager of Finance
Jackie Young, Director of Education

Guests

Melissa Dodge, Regional Internal Audit Manager
Harry Fry, Trustee

1.0 OPENING – PUBLIC SESSION

1.1 Welcome and Call to Order

Committee Chair Jim Beatty called the meeting to order at 5:00 p.m.

1.2 Adoption of the Agenda

2017-02-01 *Moved by Trustee David Thompson, seconded by External Member Judy Kleinhuis that the agenda for Public Session be approved as presented.*

CARRIED

1.3 Declaration of Conflict of Interest

No Declaration of Interest declared.

1.4 Adoption of the Previous Minutes of Proceedings of Public Session

2017-02-02 *Moved by External Member Judy Kleinhuis, seconded by External Member Gary Jodouin that the Committee approve the Audit Committee minutes as presented for the Public Session held on December 5, 2016.*

CARRIED

2.0 ITEMS FOR DISCUSSION AND/OR ACTION

2.1 Audit Committee Terms of Office *Wende Proulx, Manager of Finance*

Wende Proulx, Manager of Finance provided information on Ontario Regulation 361/10 Section 7 – Term of Appointment. The original term of office of a member of Audit Committee who is a Board member shall not exceed four (4) years. The duration for term of office of an External Member shall not exceed three (3) years. There is no clarity on why the terms are different for members of the Board and External Members. Trustees that are members of the Audit Committee may be reappointed and External Members may not be reappointed to the Audit Committee more than twice unless the Board advertises the position for at least 30 days. If after 30 days, the Selection Committee did not identify any potential candidates, the external member may continue to be a member until a successor is appointed or member is reappointed.

Action: *Wende Proulx: verify length of time that existing External Members have been on the Audit Committee and bring forward at next meeting*

2.2 NNDSB Governance Manual, GP-8, Board Committee Structures and By-Law #7 *Melissa Dodge, Regional Internal Audit Manager* *Liz Therrien, Superintendent of Business*

Melissa Dodge, Regional Internal Audit Manager provided an example of Standing Committee for Audit Committee structure and wording from a Governance standpoint for updating purposes. The current Governance Manual does not acknowledge the mandatory nature of the Audit Committee as well as the criteria of external membership. Near North District School Board GP-8, Board Committee Structure and By-Law VII – Board Committees were also provided by Liz Therrien, Superintendent of Business. By-Law VII for Ad-Hoc Committees references GP-8 which is for provincially legislated committees and therefore the By-Law requires amendment.

GP-8 references mandated committees such as SEAC, FNAC, SALEP and Audit Committees and therefore it has been identified the need to align the Board's Governance Manual and policies which what is stated in Provincial Legislation.

Action: *Liz Therrien: Draft proposed changes to By-Law VII and GP-8 and bring forward to Audit Committee for review. Once endorsed at the Audit Committee level by way of motion, proposed changes will be brought forward to the Board's Policy Committee.*
Timeframe: 1 month

External Member Judy Kleinhuis questioned Section 11 (6) of the Ontario Regulation 361/10, where it states "A majority of the members of the Audit Committee that includes at least one member who is not a board member constitutes a quorum." It was noted that the Audit Committee Meeting minutes of the October 25, 2015 meeting, both external members were absent from that meeting and therefore quorum requirements were not met.

Action: *Lianne Bettiol: Review motions from October 25, 2015 meeting to see if any items have to be re-ratified at the next Audit Committee Meeting.*

2.3 2016: SB38 Repository Leading Practices – Payroll Leading Practices *Liz Therrien, Superintendent of Business*

Repository of Leading Practices is now open to Senior Business Officials (SBO) and Regional Internal Auditor Managers on the OASBO Portal. Trustee Michelina Beam advised there could be more components for trustees to access on the OASBO Portal and questioned if there is anything else occurring with that. As per Melissa Dodge, Regional Internal Auditor, there will likely be a roll out once this step is complete. Superintendent Therrien advised that she has visited the Portal where best practices for payroll are currently posted and will review to determine if any such best practices should also be implemented at the Board. It was further communicated that Finance managers will receive access to the Portal on the approval of SBO.

Action: *Liz Therrien: Provide access to Finance Manager to access OASBO Portal that contains Leading Practice documents.*

3.0 INFORMATION ITEMS

3.1 Annual Report to the Board of Trustees for Year Ended August 31, 2016 (Summary and Detailed) *Liz Therrien, Superintendent of Business*

The Annual Report to the Board of Trustees for Year-Ended August 31, 2016 was presented and approved at the Regular Board of Directors Meeting on December 20, 2016.

3.2 Auditor General of Ontario – 2017 Value for Money Audit of the Ministry of Education: School Board Use of Government Funding *Liz Therrien, Superintendent of Business*

The Ministry of Education issued a memorandum on January 27, 2017 advising Directors of Education that the Office of the Auditor General of Ontario has identified to the Ministry of Education that it will conduct a value-for-money audit in 2017 on *School Board Use of Government Funding*. Audit can be conducted on any line of Grants for Student Needs and can be any school board in Ontario. 2/3rd of the work consists of value-for-money-audits. In addition the Auditor General carries out conventional audits of financial statements of many public entities to ensure the financial statements fairly represents the entity's financial position and operations. External member Judy Kleinhuis questioned if our school board has previously had this type of audit. As per Liz Therrien, we have never received such audit.

4.0 CLOSED SESSION

2017-02-03 *Moved by External Member Judy Kleinhuis, seconded by Trustee David Thompson that the Audit Committee move into Closed Session at 5:30 p.m.*

CARRIED

5.0 RATIFICATION OF BUSINESS TRANSACTED IN CLOSED SESSION

2017-02-06 *Moved by External Member Gary Jodouin, seconded by External Member Judy Kleinhuis that the Audit Committee ratify the following item from Closed Session:*

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CARRIED

6.0 ADJOURNMENT

2017-02-07 *Moved by Trustee Michelina Beam, seconded by Trustee David Thompson that the Audit Committee Meeting of February 13, 2017 adjourn at 7:06 p.m.*

CARRIED

Jim Beatty
Committee Chair

Jackie Young
Director of Education