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Jay MacJanet, Director of Education

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### **Audit Committee**

Thursday, January 29, 2026, 2:00pm  
In Person/Teams Hybrid Meeting

#### Committee Members Present

Theresa Graham, External Member (IP)  
Narmada Subramanian, External Member (Virtual)  
Louis Dimitracopoulos, CAO Ministry of Education (Virtual)

#### Staff Present

Jay MacJanet, Director of Education (IP)  
Seija Van Haesendonck, Superintendent of Business (IP)  
Wende Proulx, Manager of Finance (IP)  
Stephanie Courchesne, Executive Assistant (IP)

#### External Participants

Tiffany Cecchetto, KPMG (Virtual)

#### **1. Call to Order**

The meeting was called to order at 2:03pm by Superintendent Van Haesendonck. A land acknowledgement recognizing the traditional territory of the Nipissing First Nation and the Anishinaabe peoples was read. Attendance was recorded, and the committee welcomed two new members. Narmada Subramanian was appointed as an external member by the Board of Trustees in November 2025, and Louis Dimitracopoulos was appointed as the Minister of Education's representative, as control and charge over the administration of the affairs of the Board are vested in the Minister of Education effective December 1, 2025.

#### **2. Election of Chair – Superintendent Van Haesendonck**

##### **2.1. Call for Nominations**

As the Audit Committee Chair position is vacant, an election for the position was conducted at the outset of the meeting. SBO Van Haesendonck called for nominations, and Louis Dimitracopoulos nominated Theresa Graham for the position of Chair.

*Motion: Moved by Louis Dimitracopoulos and seconded by Theresa Graham, that nominations for the position of Chair of the Audit Committee be closed. CARRIED.*

With no further nominations presented, the nominee, Theresa Graham was acclaimed as Chair for a term concluding no later than September 30, 2026. The newly elected Chair subsequently assumed presiding responsibilities for the remainder of the meeting.

*Motion: Moved by Louis Dimitracopoulos and seconded by Narmada Subramanian, that Theresa Graham be acclaimed Chair of the NNDSB Audit Committee for the period beginning January 29, 2026 until September 30, 2026 at the latest. CARRIED.*

### **3. Declaration of Conflict of Interest**

The floor was opened for declarations of conflict of interest, with none declared.

### **4. Approval of Agenda**

*Moved by Louis Dimitracopoulos, and seconded by Narmada Subramanian, that the agenda for the Audit Committee meeting of January 29, 2026, be approved as presented. CARRIED.*

### **5. Approval of Minutes from Previous Meeting**

The Chair asked committee members if there were any comments on the attached minutes from the September 26, 2025 meeting. The Chair noted that although no current committee members were present at the meeting, staff had confirmed the minutes were an accurate representation of the meeting.

*Moved by Louis Dimitracopoulos, and seconded by Narmada Subramanian, that the minutes of the Audit Committee meeting held on September 26, 2025, be approved as presented. CARRIED*

### **6. Business Arising**

No new business to report.

### **7. In-Camera**

With no objections, the committee moved into a closed session at 2:09pm.

*Motion: Moved by Louis Dimitracopoulos and seconded by Narmada Subramanian, that the Committee move into Closed Session to discuss an item pertaining to the Education Act R.S.O. 1990, c. E.2 section 207(2)(b) – disclosure of intimate, personal or financial information in respect of a member of the board or committee, an employee or prospective employee of the board or a pupil or his or her parent or guardian. CARRIED.*

## **8. Arise and Report**

The regular session of the Audit Committee meeting resumed at 2:21pm.

## **9. New Business**

### **9.1 External Auditor's Report and Draft Audited Consolidated Financial Statements presentation for the year ended August 31, 2025 – Tiffany Cecchetto**

Tiffany Cecchetto, KPMG Partner, provided a detailed overview of audit planning, execution, and findings through a review of the Audit Findings Report. She noted that the Ministry of Education provides a template of specific notes to the financial statements, which included a subsequent events note to identify that the board was placed under supervision. Timing of financial statement approval was also mentioned, as this affects the completion of audit tests, including legal confirmation letters.

Significant changes to auditing conditions were highlighted. Materiality for the year was set at 2.4% of forecast revenues, within the standard 0.5–3% range and remained appropriate after year-end results. Key audit team members remained consistent. The release of the Minister's Review report on October 30, 2025 also required the audit team to adjust its audit approach, particularly around expense claims, purchasing card transactions and reconciliations. A modified risk assessment increased scrutiny of certain transactions. Additional testing focused on trustee expenses, the Director of Education's expenses, and purchasing card reconciliation timelines.

Ms. Cecchetto confirmed that no new accounting standards affected the financial statements. She also noted management cooperated fully, providing all required documentation. While materiality was set at \$4.5 million, she stressed that qualitative issues can be significant even when amounts are small. Unreconciled P-card statements totaling \$66,000 were noted that may be of interest to the committee. Audit testing noted unreconciled p-card statements from four senior staff, including ten months' of

unreconciled p-card transactions for the Director's p-card, and a total of four unreconciled statements from three other senior staff, which creates the potential risk that personal transactions were not identified and reimbursed on a timely basis. The auditors also noted that some p-card limits exceeded approved levels without proper authorization or the limit increases were not temporary in nature. Ms. Cecchetto noted that the posting threshold for adjustments was \$225,000, but stressed qualitative concern remained high.

As further information for committee members, Management provided an extensive overview of corrective actions taken since the Minister's report was released, and in response to the additional audit testing. The administrative guideline governing P-cards has been redistributed and key areas re-enforced. Cardholders were reminded that they must complete monthly reconciliations on a timely basis, including obtaining supervisor approval, comply with expense rules, and provide all receipts. The finance department will also provide monthly reporting to the Superintendent of Business regarding incomplete reconciliations and card suspension or revocation will be initiated in accordance with the guideline. Management continues remediation work, and the finance department reports feeling more supported in enforcing compliance.

Ms. Cecchetto commended the finance team for their responsiveness to the audit processes overall. All audit quality indicators and timelines were met. No independence concerns were identified. The draft audit report was provided in Appendix B. The audit opinion notes that the financial statements present fairly, in all material respects, the consolidated position of the Entity as at August 31, 2025, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with the basis of accounting described in note 1 to the financial statements.

The committee asked no further questions and thanked KPMG for their extended work.

## **9.2 Review Draft Audited Consolidated Financial Statements – Superintendent Van Haesendonck**

SBO Van Haesendonck presented the financial statements in detail. She explained that this year an accompanying financial statement report was added based on previous committee feedback to assist committee members in analyzing financial results. Appreciation was expressed for the Manager of Finance and her team, who completed the EFIS submission, a highly detailed process requiring extensive interdepartmental input.

The Board reported a small surplus of just under \$75,000 for 2024–25, consistent with the prior year. The accumulated surplus remained stable at approximately \$24.2 million, of

which \$21.8 million is unappropriated operating surplus. The Superintendent reviewed comparisons against budget, emphasizing that variances are most meaningful when measured against estimates rather than prior-year actuals. Committee members were briefed on the structure of board committees, noting that budget and variance reporting oversight and review is provided by the Board's Finance Committee, while the Audit Committee is legislated to oversee the audit and financial statement reporting processes.

SBO Van Haesendonck noted that although the initial 2024-25 budget projected a small surplus, a significant drop in elementary enrollment occurred in the 2024-2025 school year resulting in a revision at Revised Estimates projecting a \$2 million deficit (\$1.5 million deficit for compliance purposes). The Board ultimately improved its position due to miscellaneous unbudgeted revenues and savings due to position vacancies, and lower expenditures in some areas. Thus, the year-end surplus represents a substantial improvement compared to expectations at the mid-year point.

The Superintendent reviewed major variances, noting that in 2024-25 the increase in salary grids was fully reflected resulting in both higher funding and higher expenditures, but enrollment decline offset some of the increased salary-related funding. Additional detail was provided by reviewing Note 11 (expenses by object), showing salaries and benefits at approximately 70.7%, which was slightly lower than budget due to vacancies. Fees and contractual services totaled approximately \$24 million, of which 70% represented transportation costs through the consortium. Interest expenses consisted primarily of fully funded debenture repayments, with a small portion related to short-term borrowing for capital. Members were invited to ask questions, particularly new members unfamiliar with the statements.

Next steps for finalizing the audit were outlined. If recommended by the Audit Committee for approval, the financial statements would typically be presented for approval to the Board of Trustees. Due to supervision, the Superintendent is coordinating with the Ministry of Education and Minister's Office to determine the official approval timeline and process. Financial statements will be posted publicly on the board's website following approval.

The committee thanked the finance team for their work.

*Motion: Moved by Louis Dimitracopoulos and seconded by Narmada Subramanian that the draft audited consolidated financial statements for the year ended August 31, 2025 be recommended for approval by Paul Calandra, Minister of Education, in his capacity having control and charge over the administration of the affairs of the Near North District School Board. CARRIED.*

### **9.3 Review draft Annual Report to the Ministry of Education for year ended August 31, 2025 – Superintendent Van Haesendonck**

*Motion: Moved by Louis Dimitracopoulos and seconded by Narmada Subramanian, that the Annual Report to the Ministry of Education for the year ended August 31, 2025 be approved. CARRIED.*

### **9.4 Review Draft Annual Report (Summary) to the Ministry of Education for the year ended August 31, 2025 – Superintendent Van Haesendonck**

*Motion: Moved by Louis Dimitracopoulos and seconded by Narmada Subramanian, that the Annual Report (Summary) to the Ministry of Education for the year ended August 31, 2025 be recommended for approval by Paul Calandra, Minister of Education, in his capacity having control and charge over the administration of the affairs for the Near North District School Board, for submission to the Ministry of Education. CARRIED.*

Tiffany Cecchetto left the meeting at 3:20pm.

### **9.5 External Auditor Assessment Survey – Superintendent Van Haesendonck**

The committee discussed the external auditor assessment survey. As the assessment is a best practice, not mandatory and all three committee members are new, having no prior September presentation to compare against, the committee agreed to defer the survey until next year. Historical evaluations will be brought forward for reference at a future meeting.

### **10. Next Meeting Date**

The committee reviewed future scheduling, noting that the third required meeting of the year is normally held in June, with the possibility of an additional winter meeting depending on the internal auditor's readiness to present a new report. The new date will be canvassed before setting a date.

### **11. Adjournment**

*Motion: Moved by Louis Dimitracopoulos and seconded by Narmada Subramanian that there being no further business to discuss, on January 29, 2026, the Audit Committee stands adjourned at 3:24pm. CARRIED.*