Near North District School Board

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Ashley St. Pierre, Chair

Craig Myles, Director of Education

Audit Committee
Friday, September 26, 2025, 3:00pm
In-person at North Bay Board Office with Zoom Meeting component

<u>Committee Members Present</u>
Ashley St. Pierre, Trustee ®
Shane Hall, Trustee
Caren Gagne, Trustee ®
Judy Kleinhuis, External Member ®

<u>Staff Present</u>
Seija Van Haesendonck, Superintendent of Business
Wende Proulx, Manager of Finance
Stephanie Courchesne, Executive Assistant

<u>External Participants</u>
Melissa Dodge, Regional Internal Audit Team Manager ®
Tiffany Cecchetto, KPMG ®

<u>Absent</u>
Theresa Graham, External Member

1. **Call to Order**
   The meeting was called to order at 3:11pm after a short delay. SBO Van Haesendonck thanked everyone for their patience and understanding as the technical issue was resolved.

   Following the roll call, it was noted that the meeting had quorum.

2. **Election of the Chair**
   In accordance with Ontario Regulation 361/10, it was noted that the first Audit Committee meeting of each fiscal year must include the election of the Committee Chair. The Chair position is held for one year or until September 30 of the following year, provided the

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individual remains a member of the Committee. Any of the five members can act as Chair of this committee.

Superintendent Van Haesendonck put forward a call for nominations for the Chair of the Audit Committee for the 2025/2026 fiscal year.

Trustee Hall nominated Trustee Caren Gagne for the position of Chair, citing her dedication, strong sense of responsibility, and passion for governance and oversight. Trustee Gagne expressed appreciation for the confidence of her colleagues and accepted the nomination. With no further nominations received, the Committee moved to close nominations.

Motion: Moved by Trustee Hall, and seconded by Ms. Kleinhuis, that nominations be closed. CARRIED

Motion: Moved by Judy Kleinhuis, and seconded by Trustee Hall, that Trustee Caren Gagne be acclaimed Chair of the NNDSB Audit Committee for the period of September 26, 2025 to September 30, 2026. CARRIED

The Committee congratulated Trustee Gagne on her appointment. She thanked her fellow trustees and external members for their trust and reaffirmed her commitment to maintaining the Committee's integrity, transparency, and accountability.

Trustee Gagne took the Chair position.

3. Declaration of Conflict of Interest

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

4. Approval of Agenda

A motion was then made to approve the agenda.

Moved by Judy Kleinhuis, and seconded by Trustee Hall, that the agenda for the Audit Committee meeting of September 26, 2025, be approved as presented. – CARRIED.

5. Approval of Minutes from Previous Meeting

The Chair next called for approval of the minutes of the previous meeting held on June 23, 2025. A motion to approve the minutes as presented was moved.
Moved by Trustee Hall, and seconded by Judy Kleinhuis, that the minutes of the Audit Committee meeting held on June 23, 2025, be approved as presented. - CARRIED

6. Business Arising

6.1. External Audit Committee Member Recruitment Update

Under business arising, staff provided an update regarding the recruitment process for a new external Audit Committee member. Following a public posting for applicants, several expressions of interest were received.

The selection process, as required by O.Reg. 361/10, involves the Board Chair, the Director of Education, and the Senior Business Official. The panel will review all applications and determine if any candidate meets the qualifications. If a suitable applicant is identified, a recommendation will be brought forward to the October Board meeting for approval. Should the recommended candidate be approved, they will be formally appointed and invited to join the Audit Committee for the November meeting.

Should no qualified candidate be identified, Ms. Kleinhuis has generously offered to let her name stand again to ensure continuity and stability in the Committee's work. Staff and Committee members took the opportunity to acknowledge and commend Ms. Kleinhuis for her outstanding service to the Audit Committee and to the Board over the past ten years. Members expressed deep appreciation for her consistent attendance, active participation, thoughtful questions, and valuable contributions to financial oversight and governance.

Chair Gagne thanked Ms. Kleinhuis personally on behalf of the Committee for her long-standing commitment and the wisdom she brings to each discussion, noting that her perspective has been invaluable to the Board's fiscal accountability.

7. New Business

7.1. 2024-2025 KPMG Audit Planning Report

The Chair invited Tiffany Cecchetto, Partner with KPMG, to present the Audit Planning Report for the 2024–2025 fiscal year. Ms. Cecchetto reviewed the comprehensive audit approach, including the determination of materiality, the updated group audit standards, and the procedures planned for the upcoming external audit.

She explained that the new Canadian Auditing Standards now require additional procedures to be performed when consolidated financial statements include component entities, such as the Board's Transportation Consortium. Although the Consortium's operations are small relative to the Board's overall revenues and assets, the auditors will continue to review its audited financial statements and perform analytical and risk assessment procedures to confirm accuracy and consistency.

Ms. Cecchetto noted that materiality has been established at $4.5 million, up slightly from $4.4 million in the prior year, reflecting the Board's overall growth in expenditures. She explained the methodology used for determining this figure and emphasized that KPMG employs a conservative approach given the public nature of the Board's financial

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statements. She also confirmed that the audit will be primarily substantive in nature and not reliant on internal controls, while still assessing the design and implementation of key control processes. Ms. Cecchetto outlined procedures related to fraud risk assessment and management override of controls, explaining that such testing is a required component of every audit engagement.

The Committee confirmed collectively that no members were aware of any suspected instances of fraud, illegal activity, or misappropriation of assets within the Board. The Committee also confirmed that no new related parties had been established in the current fiscal year.

Ms. Cecchetto provided further context on audit independence, confirming that KPMG provides only permitted services to the Board, including the annual audit, the seven-month provincial report, and specific funding agreement audits. These engagements do not impair auditor independence. She also reported that KPMG conducted Ministry-directed specified auditing procedures related to enrolment during the summer of 2025, which was successfully completed.

Committee members asked several questions regarding audit processes, engagement documentation, and risk assessment templates.

Trustee Gagne thanked Ms. Cecchetto for her clarity, professionalism, and thorough presentation, noting that the Committee appreciates the continued collaboration with KPMG and the transparency of the audit process.

7.2 Regional Internal Audit Team Update

The Committee then heard from Ms. Melissa Dodge, representing the Regional Internal Audit Team. Ms. Dodge provided a staffing update, and assured the Committee that the department remains well-positioned to deliver the planned audit work across all eight participating boards.

Ms. Dodge reported that the Managed Communications audit is nearing completion and that she expects a draft report to be shared with the Committee later in the fall or early winter. Additionally, an upcoming audit on Safe and Inclusive Schools will be undertaken in the coming months, which will allow for cross-board comparison of practices and identification of best practices.

Committee members thanked Ms. Dodge for the update and commended her for maintaining progress despite staffing challenges.

7.3 Audit Committee Member Survey Self Assessment Results

The Committee reviewed the results of the annual self-assessment survey distributed in June 2025. Three of five members participated, and no significant concerns were identified. The responses indicated that members are confident in their understanding of the Committee's role and feel that meetings are conducted effectively and with appropriate documentation.

SBO Van Haesendonck explained the survey cycle and the timeline for the other related surveys, including those assessing the performance of the external and internal auditors.

7.4 Regional Internal Audit Team Assessment

The Committee next discussed the results of the Regional Internal Audit Team assessment. Only one member had submitted a response, which was not sufficient to produce a meaningful result. Trustee Hall recommended that the Committee defer the assessment until the next cycle to allow for broader participation and to provide new members with more experience before evaluating the team's performance.

The Committee agreed unanimously to defer the assessment until the next year. Staff acknowledged that the limited results were understandable given the concurrent release of two lengthy surveys and the internal audit team's reduced activity over the past year due to staffing changes.

8. Next Meeting Date

The next Audit Committee meeting date will be determined based on the completion of the external audit and financial statement review, which is expected in late November.

9. Adjournment

Before closing, the Chair once again extended her gratitude to Ms. Kleinhuis for her decade of exemplary service and expressed appreciation to all members, staff, and auditors for their continued commitment to ensuring financial transparency and strong governance within the Near North District School Board.

Motion: That there being no further business to discuss, on September 26, 2025, the Audit Committee stands adjourned at 4:05pm. Moved by Trustee Hall, seconded by Judy Kleinhuis. CARRIED