



REPORT

Audit Committee

- *Minutes of the Audit Committee meeting May 14, 2015.*



**Audit Committee Minutes
Education Centre
May 14, 2015 – 5:00 pm**

COMMITTEE MEMBERS PRESENT: David Kircher, Trustee; Raymond Roy, Trustee; Daryl Ellis, external member; Kim Cross, external member

STAFF: Heather Campbell, Director of Education; Laura Mills, Superintendent of Business; Terry Bortolin (teleconference), Regional Internal Audit Manager; Jory Caruso, Internal Auditor (teleconference); Sherri Belluz, Recording Secretary

1. Call to Order

The meeting was called to order at 5:06 p.m.

2. Election of Chair

Nominations were called for. David Kircher was nominated and accepted. No further nominations were received. David Kircher was acclaimed as Chair of the Audit Committee.

3. Approval of Agenda

The agenda was approved as amended to include item 7.g) Conflict of Interest Declaration – Ontario Regulation 361/10.

4. Disclosure of Conflict of Interest

There was no conflict of interest disclosed.

5. Confirmation of Minutes

The minutes of the Audit Committee meeting held on November 19, 2014 were approved as circulated.

6. Business Arising from the Minutes

There was no business arising from the minutes.



7. New Business

a) Internal Audit Workplan

Terry Bortolin, Regional Internal Audit Manager, provided an update on the Internal Audit 5 Year Plan. The scheduled audits for Year 4 (2014-15) consist of:

- Risk Management; Recruitment, Hiring and Retention; and
- Network and Application Access Management and Manage IT Security.

Due to the significant amount of planning time, it is recommended that the Network and Application Access Management audit be deferred to 2015-16.

The scheduled audits for Year 5 (2015-16) consist of:

- Monitoring and Reporting Outcomes;
- Manage Service Delivery; and
- Enrolment.

It is recommended that the Enrolment audit be deferred as the Network and Application Access Management audit will be included in Year 5.

The Audit Committee approved the revision to the Internal Audit 5 Year Plan.

b) Internal Audit Report: Risk Management

Terry Bortolin, Regional Internal Audit Manager, presented the Internal Audit Report: Risk Management findings. The objectives of this audit were to obtain an understanding of the key administrative, operational and financial functions relating to the risk management processes at the Rainy River District School Board, to evaluate the adequacy and effectiveness of the associated internal controls and to identify opportunities for process improvements.

The applicable policies, procedures, practices and guidelines were thoroughly examined to determine if the Rainy River District School Board is using the best practices for the risk management processes.

There were no significant audit findings to report. It was recommended that the Board should ensure that all Board tenants have updated lease agreements signed to ensure that tenants and the Board are appropriately covered by the tenant's insurance policy. There was also discussion with regards to a more formalized risk management model, Enterprise Risk Management (ERM), as a way to manage risk. The controls associated with risk management processes were found to be Satisfactory.



c) Internal Audit Report: Recruitment, Hiring and Retention

Terry Bortolin, Regional Internal Audit Manager, presented the Internal Audit Report: Recruitment, Hiring and Retention findings. The objectives of this audit were to obtain an understanding of the key administrative, operational and financial functions relating to the recruitment, hiring and retention processes at the Rainy River District School Board, to evaluate the adequacy and effectiveness of the associated controls and to identify opportunities for process improvements.

The applicable policies, procedures, practices and guidelines were thoroughly examined to determine if the Rainy River District School Board is using the best practices for the recruitment, hiring and retention processes.

The audit identified that there is no formalized process for approving hiring prior to the position being offered to the successful candidate. It was recommended that the Board should update Procedure 3.10 Interviews and Appointments. Administration will amend Board Procedure 3.10 to include the guideline "Recruitment and Selection Resource Manual for Management Staff". This guideline provides the step by step process for hiring and requires all Principals and Managers to adhere to the guidelines. The guideline will include a change in current practice and require that Principals and Managers will only recommend a candidate for hiring. All appointments must be approved by a senior administrator (i.e. Director of Education or designate). Principals and Managers will receive training on the new procedure on May 20, 2015 at which time it will be fully implemented. The controls associated with recruitment, hiring and retention processes were found to be Satisfactory.

d) Internal Audit Recommendations Update

The Committee received a report on outstanding recommendations from the completed internal audit reports. All practices and process are now in place and documented.

e) Statutory Declaration Compliance

The Director of Education reported that, during the 2013/14 fiscal year, nothing has come to the attention of administration that would lead to believe that the Rainy River District School Board was not compliant with the current federal and provincial acts, regulations and statutes.

f) Enterprise Risk Management Introduction

The Audit Committee received an introduction to the Enterprise Risk Management model that administration will begin to transition to over the next few years.



g) Conflict of Interest Declaration – Ontario Regulation 361/10

As per Ontario Regulation 361/10, Section 14(1), the trustee members on the Audit Committee are required to submit a Conflict of Interest Declaration at the first meeting of the Committee in each fiscal year. A person has a conflict of interest if his/her parent, child or spouse is employed by the Board.

As this meeting is the first meeting of the Committee in the new Trustee term, the Declaration forms were distributed.

8. Correspondence

Correspondence from BDO with regards to the 2013-14 Financial Statements was provided to the Committee members for their information.

9. In Camera

The Committee determined that there were no issues that required an in camera session.

10. Future Meeting

The next Audit Committee meeting will be scheduled September 2015.

11. Adjournment

The meeting adjourned at 5:55 p.m.