

APPENDIX C: Annual Audit Committee Self- Assessment for the year ended August 31, 2021

TDSB Annual Audit Committee Report
To the Board of Trustees
For the year ended August 31, 2021

<i>Please select one number for each statement from the RATING column</i>	AVERAGE RATING
COMPOSITION & QUALITY: (O.Reg 361/10 S.3, 14)	
External Audit Committee Members have the appropriate qualifications to meet the objectives of the audit committee's mandate, including appropriate accounting, financial, Management or legal experience.	4.4
The audit committee demonstrates integrity, credibility, trustworthiness, active participation, an ability to handle conflict constructively, strong interpersonal skills, and the willingness to address issues proactively including those not purely financial or accounting related in nature.	3.6
The audit committee demonstrates appropriate sector knowledge and includes a diversity of experiences and backgrounds.	3.8
Members of the audit committee meet all applicable independence and conflict of interest requirements.	5.0
The audit committee participates in a continuing education program to enhance its members' understanding of relevant accounting, reporting, regulatory, auditing, and sector issues.	2.0
The audit committee monitors compliance with financial school board governance regulations and guidelines.	3.5
New audit committee members participate in an orientation program to educate them on the sector, their responsibilities, and the district school board's financial reporting and accounting practices.	4.0
UNDERSTANDING BUSINESS, INCLUDING RISKS: (O.Reg 361/10 S.9)	
<p>The audit committee inquires about how the board of trustees or other committees of the board take into account significant risks that may directly or indirectly affect financial statement reporting. Examples include:</p> <ul style="list-style-type: none"> • Ministry Reporting requirements • Financing and liquidity needs • Financial exposures • The school board's reputation • Financial management's capabilities • Fraud control • Organizational pressures, including "tone at the top" 	2.8

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The audit committee reviews the process implemented by management to effectively identify and assess significant risks, and assesses the steps taken to control such risks.	3.5
The audit committee reviews the Regional Internal Audit Team's risk assessment and has an understanding of the identified risks.	4.2
The audit committee considers the school board's performance versus that of its peers in a manner that enhances comprehensive risk oversight. These may include internal controls and sector trends for areas where significant differences are apparent.	3.2
Where the audit committee has come across information that would lead it to believe that a fraudulent or unusual activity has taken place, appropriate action is taken (such as requesting special investigations).	2.8
POLICIES AND PROCEDURES: (O.Reg 361/10 S.9, 11, 15)	
The audit committee reports its proceedings to the board of trustees after each committee meeting.	5.0
The audit committee prepares recommendations for the board of trustees to adopt and/or approve.	4.0
The audit committee develops a calendar that dedicates the appropriate time and resources needed to execute its responsibilities.	3.3
Audit committee meetings are conducted effectively, with sufficient time spent on significant or emerging issues.	3.2
The level of communication between the audit committee and relevant parties is appropriate; the audit committee chair encourages input on meeting agendas from committee members, management, the internal auditors, and the external auditors.	4.0

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Where applicable, the audit committee provides feedback to the Director of Education concerning the competency of the school board's senior management as it relates to financial risk and control matters.	2.3
The agenda and related information (e.g. prior meeting minutes, press releases, and financial statements) are circulated in advance of meetings to allow audit committee members sufficient time to study and understand the information.	3.8
Written materials provided to the audit committee members are relevant and concise.	3.8
Written materials provided by the audit committee members to the board of trustees are relevant and concise.	4.0
Meetings are held with enough frequency to fulfill the audit committee's duties. There should be a minimum of three meetings scheduled each year, as well as any additional meetings called at the request of the audit committee chair.	3.3
When required, audit committee meetings include separate (in camera) sessions with management and the internal and external auditors.	4.6
The audit committee maintains adequate minutes of each meeting.	5.0
The audit committee respects the line between oversight and management of the financial reporting process.	4.3
Audit committee meetings are attended by a quorum and members come to meetings well prepared.	4.2
The audit committee is responsive to requests from the board of trustees for any other activities required.	3.7
The audit committee has obtained confirmation that the board of trustees has met all statutory filings and requirements.	2.8
The audit committee has submitted all required reports to the board of trustees on a timely basis.	4.3
OVERSIGHT OF THE FINANCIAL REPORTING PROCESS: (O.Reg 361/10 S.9)	
The audit committee reviews the financial statements for completeness and accuracy and makes a recommendation to the board of trustees for approval.	4.8

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The audit committee considers the quality and appropriateness of financial accounting and reporting, including the transparency of disclosures.	4.0
The audit committee reviews the school board's significant accounting policies.	3.3
The audit committee understands and concurs with the process used by management to identify and disclose related-party transactions.	3.3
The audit committee oversees the school board's external financial reporting and internal control over financial reporting.	4.0
The audit committee receives sufficient information to assess and understand management's process for evaluating the school board's system of internal controls (e.g. financial reporting and disclosure controls, operation controls, compliance controls).	3.0
The audit committee understands and gives appropriate consideration to the internal control testing conducted by the internal auditors, and the external auditors and management to assess the process for detecting internal control issues or fraud. Any significant deficiencies or material weaknesses that are identified are addressed, reviewed, and monitored by the audit committee.	3.0
The audit committee makes inquiries of the external auditors, internal auditors, and management on the depth of experience and sufficiency of the school board's accounting and finance staff.	3.7
The audit committee recommends to the board of trustees that management takes action to achieve resolution when there are repeat comments from auditors, particularly those related to internal controls.	3.7
Adjustments to the financial statements that resulted from the external audit are reviewed by the audit committee, regardless of whether they were recorded by management.	4.7
The audit committee is consulted when management is seeking a second opinion or disagrees with the external auditor on an accounting or auditing matter. In the case of a disagreement, the audit committee leads the parties toward resolution.	3.3
OVERSIGHT OF AUDIT FUNCTION: (O.Reg 361/10 S.9)	
The audit committee understands the coordination of work between the external and internal auditors and clearly articulates its expectations of each.	4.0
The audit committee reviews the annual and multi-year audit plans and makes suggestions/recommendations for adjustments when appropriate.	4.0

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The audit committee regularly reviews the internal audit function (e.g. independence, the mandate, activities, structure, budget, compliance with IIA standards and staffing).	2.8
The internal audit reporting lines established with the audit committee promote an atmosphere where significant issues that might involve management will be brought to the attention of the audit committee.	3.5
The audit committee adequately reviews significant internal audit findings, management's action plans to address these findings and the status of action plans presented in earlier meetings.	4.5
The audit committee ensures that there are no unjustified restrictions or limitations on the scope of any internal audit.	3.3
The audit committee provides oversight over the role of the external auditors from selection to termination and has an effective process to evaluate the external auditors' independence, qualifications and performance.	4.0
The audit committee considers the external audit plan and provides recommendations.	4.5
The audit committee adequately reviews significant external audit findings, management's action plans and the status of action plans presented in earlier meetings.	4.5
The audit committee reviews and makes recommendations to the board on the audit fees paid to the external auditors.	4.5
The audit committee comprehensively reviews management's representation letters to the external auditors, including making inquiries about any difficulties in obtaining the representations.	4.3
The audit committee recommends to the board of trustees and oversees a policy regarding the permissible (audit and non-audit) services that the external auditors may perform and considers the scope of the non-audit services provided.	4.0
ETHICS & COMPLIANCE: (O.Reg 361/10 S.9)	
The audit committee reviews the school board's system for monitoring integrity and compliance and reviews any action taken by the board to address non-compliance via annual whistleblower reporting	3.8
The audit committee performs an adequate review of the findings of any examination by regulatory agencies or the Ministry of Education.	4.0
The audit committee reviews management's procedures for enforcing the school board's code of conduct.	2.8
The audit committee oversees the school board's whistleblower process and understands the procedures to prohibit retaliation against whistleblowers.	4.0

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MONITORING ACTIVITIES: (O.Reg 361/10 S.10,15)	
An annual performance evaluation of the audit committee is conducted and presented to the board of trustees.	
The school board provides the audit committee with sufficient funding to fulfill its objectives and engage external parties for matters requiring external expertise.	

4.2
3.0