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## Audit Committee

### Draft Minutes

21 June 2021

An electronic meeting of the Audit Committee was convened at 4:00 p.m. on Monday, 21 June 2021, with Robin Pilkey presiding.

The following committee members were present: Trustees Robin Pilkey (Chair), Michelle Aarts, James Li, and David Smith

The following external members were present: Joyee Chau, Ian MacKay, and Mary Preece

The following individuals were present in the audience: Daniel Nortes, Mun Shu Wong, Marisa Chiu, Wasif Hussain, Craig Snider, Pina Colavecchia, Lillian Cheung, Tony Rossi, Shirley Chan, Leola Pon, Cassandra Alviani-Alvarez, Curtis Ennis, Wendy Heis, Jim Spyropoulos, Hassan Mahmood, Angela Nardi-Addressa, Paula Hatt, Peter Singh, Sabrina Wang, Domenic Giorgi, Maia Puccetti, Liz Holder, Elizabeth Addo, Andrew Gold, Gary Green, Audley Salmon

#### 1. Approval of the Agenda

Mary Preece moved and seconded by Ian MacKay the Approval of the Agenda

The motion was carried.

#### 2. Declarations of Possible Conflict of Interest

No conflicts were declared.

#### 3. Approval of Meeting Minutes

Joyee Chau moved and seconded by Mary Preece approval of the meeting minutes of **March 22, 2021** with the following correction to the following sentence in Item 8 of the minutes:

*"The Committee considered a report from staff (see AC:003A, page 259), presenting the ~~Enterprise Risk Management (ERM) Implementation Status Update~~. New Student Information System (SIS) Project Update.*

The motion was carried.

#### 4. Chairs Update

The Committee heard an update from the Chair regarding the annual self-assessment, noting to members that all responses are due by no later than July 23, 2021.

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**5. 2021 External Audit Service Plan and 2021 Public Sector Accounting Standards (PSAS) Update [4117]**

The Committee considered a report from staff (see AC:004A, page 5), presenting the External Audit Service Plan and 2021 Public Sector Accounting Standards (PSAS) Update. This item was presented to the committee by the following staff: Lilian Cheung & Pina Colavecchia. The Committee heard and discussed:

- A question was asked about the materiality of changes in capital funding that relate to COVID. In response staff indicated that efforts are still being undertaken to assess and understand the stipulations that may exist if any for COVID funding from government. It was noted that some of the funds are claims based and the mechanics and structure are not yet entirely clear. Additionally, some also have timelines related to the percentage of completion; prior to the funds flowing.
- Staff were asked to advise if the insurance receivables reflected in the report related to Jones Avenue and York Memorial claims. Staff confirmed that this was correct.
- A question was raised related to any previous discussion or rationale behind the audit of Toronto Lands Corporation (TLC). Staff remarked that there had not been previous discussion at the audit committee. Additionally, the audit of TLC is not a Ministry requirement but rather a management decision. Staff further stated that the service contract entered into in 2019 included an audit of TLC.
- Staff were asked to advise when there will be a report about asset retirement obligations as there appears the potential that this may be significantly impactful. Staff responded by indicating that the Ministry has requested this same information by November 15th. It is the intention of staff to have this information before the audit committee at the same time.

Trustee Aarts moved and seconded by Trustee Smith: **That the Audit Committee RECOMMENDS that the External Audit Service Plan be approved, and Public Sector Accounting Standards Update be received.**

The motion was carried.

**6. Enterprise Risk Management Initiative Update [4118]**

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The Committee considered a report from staff (see AC:004A, page 55), presenting the Enterprise Risk Management Initiative Update. This item was presented to the committee by the following staff: Tony Rossi and Hassan Mahmood. The Committee heard and discussed:

- The committee asked questions about control processes being contemplated to mitigate risk – following the exercise of prioritizing risk that is being undertaken via the ERM initiative. The committee was advised that a draft Risk Register will be presented to the audit committee meeting in March 2022.
- A question from the committee was asked about what staff was contemplating to establish a healthy risk culture across the organization. In response staff indicated that there have been identified risk “champions” who are present to set tone in tandem with the ERM risk committee and department leads that sit on the ERMC. There will also be a broader survey of staff across the board.
- A comment was raised from the committee suggesting that at present how this process interacts with the Board of Trustees is not clear and outlined in great clarity. Staff were encouraged to step back to assess and plan how this will be clarified as part of the plan – to support decision making and clear path around decision making. Staff acknowledged the remarks and committed to work towards making the process as clear and transparent as possible.

Ian MacKay moved and seconded by Mary Preece; **That the Enterprise Risk Management Initiative Update be received.**

The motion was carried.

#### **7. Student Information System (SIS) Migration Update [4119]**

The Committee considered a report from staff (see AC:004A, page 63), presenting the Student Information System (SIS) Migration Update. This item was presented to the committee by the following staff: Peter Singh. The Committee heard and discussed:

- There was no direct discussion of this item

Trustee Li moved and seconded by Trustee Smith; **That the new Student Information System (SIS) update be received for information.**

The motion was carried.

#### **8. TDSB Internal Audit Department and Engagement Update [4120]**

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The Committee considered a report from staff (see AC:004A, page 75), presenting the TDSB Internal Audit Department and Engagement Update. This item was presented to the committee by the following staff: Wasif Hussain. The Committee heard and discussed:

- A question of clarification was asked to staff to explain what is meant by high risk areas. In response staff stated that these are internal control areas where the audit committee believes a process is of higher risk versus another area where the risk is perceived to be lower.
- The committee asked if there was anything that assesses impact of devices not being provided to students over the summer – given they are being collected by staff at present. Staff remarked that from an audit perspective what is being assessed is the risk of equipment that has been leant out to pupils – not the impact of devices being returned at the end of the school year. Staff are allowing students in summer programs to keep the devices. In all other circumstances, the equipment is being called back so they can be cleaned, serviced as needed and prepared for distribution in time for school startup in September.
- A request was made of staff to share historically what has been identified as areas of high risk, when circulating the questionnaire to audit committee members. Staff indicated agreement and will provide to the committee an outline of common themes to provide context and history to committee members.

Mary Preece moved and seconded by Trustee Smith; **That the Internal Audit Department Update – June 2021 be received.**

The motion was carried.

#### **9. Regional Internal Audit Team Engagement and Status Update [4121]**

The Committee considered a report from staff (see AC:004A, page 81), presenting the Regional Internal Audit Team Engagement and Status Update. This item was presented to the committee by the following staff: Paula Hatt. The Committee heard and discussed:

- Comment was made by the committee that the information in report would seem to suggest that the staffing complement in the IT department is significantly smaller when compared to other boards. Staff responded by stating that the current IT complement is 325 following significant efforts to streamline operations. Compared to other boards the TDSB may appear under-staffed; however, whenever needed the board has committed resources to streamline operations via automation efforts. IT department also does onboard contract staff when shortages exist or to support project driven initiatives.

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Trustee Smith moved and seconded by Ian MacKay: **That the Regional Internal Audit Team (RIAT) Engagement and Status Update be received.**

The motion was carried.

**10. Accountant's Report, March 31, 2021 [4122]**

The Committee considered a report from staff (see AC:004A, page 101), presenting the Accountant's Report, March 31, 2021. This item was presented to the committee by the following staff: Pina Colavecchia. The Committee heard and discussed:

- There was no direct discussion of this item

Joyee Chau moved and seconded by Mary Preece: **That the Accountant's Report for the period of September 1, 2020 to March 31, 2021 submitted to the Ministry of Education be received.**

The motion was carried.

**11. Audit Committee O. Reg 361/10 Requirements – Work Tracker [4123]**

The Committee considered a report from staff (see AC:004A, page 113), presenting the work tracker checklist of the O. Reg. 361/10 requirements to assist with the planning of Audit Committee activities and meeting agendas. This item was presented to the committee by the following staff: Wasif Hussain. The Committee heard and discussed:

- There was no direct discussion of this item

Ian MacKay moved and seconded by Trustee Aarts: **That the Audit Committee RECOMMENDS that the Audit Committee O.Reg 361/10 Requirements – Work Tracker report be received.**

The motion was carried.

**12. Consideration of Private Items**

At 5:57 p.m. Trustee Smith moved and seconded by Trustee Aarts: **That the meeting be moved into PRIVATE.**

The motion was carried.

Robin Pilkey  
Chair