



NIAGARA CATHOLIC  
DISTRICT SCHOOL BOARD

## **REPORT TO THE SPECIAL BOARD MEETING NOVEMBER 15<sup>TH</sup>, 2011**

### **ANNUAL REPORT OF THE NIAGARA CATHOLIC AUDIT COMMITTEE FOR THE FISCAL YEAR ENDED AUGUST 31, 2011**

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#### **BACKGROUND INFORMATION**

This report summarizes the Audit Committee's actions for the year ending August 31, 2011.

#### **ROLE OF AUDIT COMMITTEES**

The primary role of the Audit Committee is to assist the Board of Trustees in fulfilling its duties related to governance and oversight. The Audit Committee is a committee of the Board and reports to the Board of Trustees, as such all final decisions rest with the Board. The Audit Committee duties include reviewing:

- The financial reporting process
- Internal Controls
- Internal Auditing
- External Auditing
- Compliance Matters
- Risk Management
- Any other board proposed activity

The Audit Committee is also responsible for recommending approval of the financial statements to the board of trustees.

#### **ESTABLISHMENT AND GOVERNANCE – December 7<sup>th</sup> 2010**

##### **Governance**

The Audit Committee was established by the Niagara Catholic District School Board at the Annual Organizational Meeting of the Board on December 7<sup>th</sup>, 2010 with the first meeting of the Audit Committee held on March 24<sup>th</sup>, 2011.

In accordance with Regulation 361/10; Section 3.1 and 3.2, all members of the Audit Committee are independent of the Board and all meetings of the Audit Committee are held In-Camera with approved minutes provided at the following In-Camera Meeting of the Niagara Catholic District School Board.

#### **MEMBERSHIP, TRAINING AND PRELIMINARY TASKS – January – March 2011**

##### **Audit Committee Members**

Subsequent to the recruitment and selection process indicated in Regulation 361/10, the following Audit Committee members were appointed to serve during the next term as follows:

- Father Paul MacNeil – Committee Chair and Trustee Representative  
(Elected chair on March 24<sup>th</sup>)
- Kathy Burtnik – Trustee Representative
- Ed Nieuwesteeg – Trustee Representative
- Joanne Kushner – External Member
- Marco Vetrone – External Member

Resources to the Audit Committee are;

- John Crocco, Director of Education, Secretary / Treasurer
- Larry Reich, Superintendent of Business and Finance
- Evan Kwok, John Forte and Roxana Negoï, Regional Internal Auditors

### **Audit Committee Training**

A professional development training opportunity, covering the structure of school boards, the Audit Committee's roles and responsibilities and the Audit Committee effectiveness was held on February 23<sup>rd</sup>, 2011 and attended by all Niagara Catholic Audit Committee members.

### **Preliminary Tasks and Organization**

At the beginning of the year, and in accordance with recommended good practice, various administrative tasks were completed. These included:

- (1) developing a work plan
- (2) developing a meeting schedule
- (3) developing a meeting agenda

It was agreed to hold at least three (3) meetings during each fiscal year, with additional meetings if necessary. All meetings have been held as planned. The members in attendance at each meeting are as follows:

<i>Member's Names</i>	<i>March 24<sup>th</sup>, 2011</i>	<i>June 14<sup>th</sup>, 2011</i>	<i>September 20<sup>th</sup>, 2011</i>
Father Paul MacNeil	Yes	Yes	Yes
Kathy Burtnik	Yes	Yes	Yes
Ed Nieuwesteeg	Yes	Yes	Yes
Marco Vetrone	Yes	Yes	Yes
Joanne Kushner	Yes	Yes	Yes

### **FIRST MEETING – March 24<sup>th</sup>, 2011**

At the first meeting held on March 24<sup>th</sup>, 2011 the committee introduced and confirmed the appointed members, elected the Chair and signed the confidentiality agreements. The scope and mandate of the Audit Committee was also discussed, including a discussion of the Board By-Laws relating to the Audit Committee. The Regional Internal Audit Manager made a presentation on the Internal Audit Mandate and the role of the internal audit.

### **SECOND MEETING – June 14<sup>th</sup>, 2011**

On June 14<sup>th</sup>, 2011, the Internal Audit Manager presented a report on the Entity Level Risk Assessment, including inherent and residual risk. In addition, dates for submission of financial reports to the Ministry of Education were also discussed in order to help plan for the fall.

### **SUMMARY AND ASSESSMENT**

#### **Internal/External Audit**

Relationships with both internal and external auditors have been cooperative and private meetings have been held with each other in the presence of Larry Reich, Superintendent of Business and Financial Services to coordinate presentations to the Audit Committee.

*External Auditors*

The external auditors, Crawford, Smith and Swallow Chartered Accountants LLP presented the scope and extent of their work to the committee for approval and the committee has reviewed them on the meeting held on September 20<sup>th</sup>, 2011. The external auditors have confirmed their independence in the letter dated September 13<sup>th</sup>, 2011.

*Internal Auditors*

The Audit Committee reviewed the results of the initial entity level risk assessment presented by the Internal Auditors. The Audit Committee reviewed the following two (2) internal reports:

1. Risk Assessment Report – Inherent
2. Risk Assessment Report – Residual

The Audit Committee endorsed each report, including management's action plan and advised the Board of Trustees to accept the action plan.

**Summary of the Work Performed**

The following is a summary of work undertaken by the Audit Committee in the last twelve (12) months:

- received a report from the internal auditors on their review of the effectiveness of controls across the school Board;
- reviewed the risk assessment detailing major financial and non-financial risks;
- agreed on the approach and scope of the audit work to be undertaken by the auditors (both internal and external);
- received assurances from the auditors regarding their independence;
- undertook an evaluation of the effectiveness of the internal audit function, including the Regional Internal Audit Manager (RIAM) and his/her team; and
- received a report from the Regional Internal Audit Manager on the work to be undertaken by the internal audit function.

**RECOMMENDATION**

**THAT** the Niagara Catholic District School Board receive the Annual Report of the Niagara Catholic Audit Committee (In Camera) for the Fiscal Year Ended August 31, 2011, as presented.

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Prepared by: Trustee MacNeil, Chair of the Audit Committee  
 John Crocco, Director of Education, Secretary / Treasurer (Resource)  
 Larry Reich, Superintendent of Business and Finance (Resource)

Presented by: Trustee MacNeil, Chair of the Audit Committee

Recommended by: Trustee MacNeil, Chair of the Audit Committee

Date: November 15, 2011