



**HASTINGS AND PRINCE EDWARD DISTRICT SCHOOL BOARD**  
**AUDIT COMMITTEE**  
**PUBLIC MEETING MINUTES**  
November 5, 2014

**Members present:** S. Clements, J. Cobb - Chair, D. Inch, J. Fitzpatrick

**Regrets:**

**Guests:** W. Tod, B. Roy, G. Champlain

**Resource:** L. Miller, M. Savery-Whiteway

**Minutes:** J. Newman, Administrative Assistant

**Call to order**

The meeting was called to order at 3:30 p.m.

**Delegations/presentations**

**Line Robitaille – Regional Internal Audit Manager**

Line Robitaille, Regional Internal Audit Manager provided an update on the Internal Audit Plan and presented an education session on Fraud, Risks and Reactions.

Regional Audit Committee training sessions for new audit committee members, trustees and senior administration are expected to be announced shortly. Training is expected to take place in Ottawa mid. January or February 2015. Training facilitators will include the Regional Internal Audit Team and Ministry of Education staff.

Clarification/discussion items included:

- Availability of videoconferencing for the regional training sessions. Line will look into this and follow-up.

**External Auditors – BDO LLP**

Jason Becker representing BDO LLP was in attendance to review the Audited Consolidated Financial Statements for the year ending August 31, 2014.

Jason Becker and Superintendent Miller responded to questions and provided clarification as required.

Clarification/discussion items included:

- Amendments required to be incorporated into the final draft that will go to Board for approval.
- A request from committee members to see an updated final draft that will be taken to Board.
- Workplace Safety and Insurance Board obligations and how they are determined.

The following amendments will be made to the financial statements as presented to the Audit Committee:

**Discussed at Committee meeting:**

1	Page 19/20 – Note 8 Retirement and Other Employee Future Benefits <u>Retirement Benefits</u> (ii) Ontario Municipal Employees Retirement System	Year ended August 31, 2014 contributions amount corrected to \$2,493,823
2	Page 20 – Note 8	Add the following sentence:

	Retirement and Other Employee Future Benefits <u>Other Employee Future Benefits</u> (i) Workplace Safety and Insurance Board Obligations	<i>“Plan changes made in 2012 require school boards to provide salary top-up to a maximum of 4 ½ years for employees receiving payments from the workplace Safety and Insurance Board, where the previously negotiated collective agreement included such provision.”</i>
3	Page 20 – Note 8: Retirement and Other Employee Future Benefits <u>Other Employee Future Benefits</u> (iii) Sick Leave Benefits	Replace with: <i>(iii) Sick Leave Top-Up Benefits</i> <i>As a result of changes made in 2012-2013 to the short term sick leave and disability plan, a maximum of eleven unused sick days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expenses in the financial statements are \$96,102. For accounting purposes, the valuation of the accrued benefit obligation for the sick leave top-up is based on actuarial assumptions about future events determined as at August 31, 2012 and is based on the average daily salary banked sick days of employees as at August 31, 2014.</i>
4	Page 24 – Note 15 Contingent Liabilities	Three claim amounts changed to \$2,800,000, \$3,500,000, \$3,850,000 and exception amount changed to \$1,500,000
5	Page 25 – Note 17 Partnership in Tri-Board Transportation Services	Financial chart updated to reflect actual annual and accumulated surplus / (deficit) amounts.

**Other items:**

1	Page 11 – Note 1(h)(i) Retirement and other employee future benefits	Add the following sentence: <i>“The cost of retirement gratuities are actuarially determined using the employee’s salary, banked sick days and years of service as at August 31, 2012 and management’s best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.”</i>
2	Page 14 – Note 3 Temporary Borrowing	Change to second paragraph: <i>“These loans provide short-term financing to partially pay for capital expenditures for certain schools and for additions/renovations under the Prohibitive to Repair and Enrolment Pressures programs, as well as to finance the construction of Harmony and an addition at Harry J. Clarke under the Full Day Kindergarten and Capital Priorities Grant programs.”</i>

3	Page 19 – Note 8 Retirement and Other Employee Future Benefits	Added the following section: <u>Plan Changes</u> <i>In 2013, changes were made to the short term leave and disability plan. Under the new short term leave and disability plan, eleven unused sick leave days may be carried forward into the following year only, to be used to top-up benefits received under the short term leave and disability plan in that year. A new provision was established as of August 31, 2013 representing the expected usage of sick days that have been carried forward for benefit top-up in the following year. Retirement life insurance and health care benefits have been grandfathered to existing retirees and employees who retired in 2012-13.</i>
4	Page 24 – Note 16 Commitments	Replace with: <i>The board has approved construction in progress at Harmony and Harry J. Clarke schools, in addition to various other capital projects at existing schools. The contract prices for the committed capital projects total \$13,592,303. At August 31, 2014, a total of \$10,916,013 of these contracts has been completed, with the remaining \$2,676,291 in costs to be incurred subsequent to year end.</i>

**The Committee moved into Closed Session at 4:35 p.m.**

**Approval of Agenda**

Moved: J. Fitzpatrick  
 Seconded: D. Inch

**That the agenda be approved.**

**Carried**

**Approval of Minutes**

None – first public meeting of the Audit Committee

**Business Arising**

**N/A**

**Recommendations**

**2013-14 Financial Statements**

The audited Consolidated Financial Statements reflect the board's financial results for the 2013-2014 fiscal year. The Audit Committee of the board is responsible for reviewing the Financial Statements and the results of the external audit and to recommend, if appropriate, that the Board approve the audited Financial Statements. Superintendent Miller provided an overview of the 2013-2014 consolidated statement of operations and capital expenditures as reflected in the Financial Statements.

Moved: S. Clements  
 Seconded: J. Fitzpatrick

That the motion be amended to:

**That the Audit Committee recommends that Hastings and Prince Edward District School Board approve the Financial Statements for the 2013-2014 year *with amendments as noted* as contained in the Audit Committee Report No. B-1 dated November 5, 2014.**

**Carried**

**Information**

None

**The meeting adjourned at 5:04 p.m.  
The Audit Committee moved back into Closed Session.**