

Ministry of Education
School Business Support Branch
19th Floor, Mowat Block
900 Bay Street
Toronto ON M7A 1L2

Ministère de l'Éducation
Direction du soutien aux activités scolaires
19^e étage, Édifice Mowat
900, rue Bay
Toronto ON M7A 1L2



2014: SB22

MEMORANDUM TO: Directors of Education
Senior Business Officials

FROM: Cheri Hayward
Director
School Business Support Branch

DATE: September 16, 2014

SUBJECT: **Guidance for Holding Audit Committee Meetings in Closed Session**

I am writing to update the guidance provided in memo 2011: SB06 "Closed sessions for audit committee meetings".

The previous memo recommended that s. 207(2) (a) of the *Education Act* be interpreted to include all matters related to audit committee proceedings, thereby allowing the entire audit committee meeting to be closed to the public.

However, to ensure that audit committees meetings are more open and transparent, the Ministry has updated its guidance such that s. 207(2) (a) of the *Education Act* be interpreted to include risk, security and control weaknesses. It is a best practice for this subject matter to be held in closed session to enable candid discussion without disclosing the weaknesses publicly. The discussion of any matters that do not meet the criteria set out in s. 207(2) of the *Education Act* should be open to the public.

School boards are reminded that they are required to exercise discretion under s. 207(2) of the *Education Act* before deciding whether to close a committee meeting to the public. This will involve considering the facts of each situation and the principles of openness and accountability. If you have any questions or concerns on the subject matter that can be held in camera, please seek your own legal advice.

Where a portion of a meeting is closed to the public, this does not preclude the audit committee from inviting third parties to attend the meeting, such as the senior administration of the school board, the internal auditor, the external auditor and other members of the board of trustees.

Should you have any questions or concerns regarding audit committee meetings, please contact Paula Hatt, Senior Analyst, Audit at paula.hatt@ontario.ca or 416-326-1170.

Original signed by

Cheri Hayward
Director
School Business Support Branch

cc: Regional Internal Audit Managers