# Guideline on Audit Committee Reporting

Section 15 of Ontario Regulation 361/10, “Audit Committees”, requires an audit committee to report to the board of trustees. This document provides additional guidance on the timing and format of the reports.

There are three types of reports and two frequencies for audit committee reporting:

**Report Type** **Frequency** **Method of reporting**

Meeting Report After each meeting Oral and/or written

Detailed Annual Report Annual Written

Ministry Report Annual Written

## Meeting Report

After each audit committee meeting, the audit committee chair will contact the chair of the Board and request that an audit committee update (matters discussed at the audit committee meeting) be added to the agenda of the next Board meeting. This report will be delivered verbally by the audit committee chair (or designate). Where the audit committee brings forward a recommendation for the Board to adopt, the recommendation shall be provided in writing. Examples of recommendations would include, but are not limited to, the following:

* The internal audit plan;
* Any significant changes to the internal audit plan since the prior approval;
* The appointment, replacement or dismissal of the external auditor;
* The setting or adjustment of the fees of the external auditor;
* The external auditor’s audit plan;
* Any significant changes to the external auditor’s audit plan since the prior approval; and
* The approval of the audited financial statements.

A suggested format for the written report is presented in **Appendix A**.

## Detailed Annual Report (to the Board of Trustees)

Every year, no later than November 30th, the audit committee will present a report to the Board of Trustees, covering the prior fiscal year. The report will include:

* The internal audit plan, which includes any planned internal audits on enrolment;
* A description of any changes made to the internal audit plan(s);
* A list of the work performed by internal audit during the period, together with a list of the work the auditor expected to perform during the period;
* A summary of risks identified and findings made by internal audit;
* A summary of the work performed by the committee for the year;
* The audit committee’s assessment of the board’s progress on addressing any internal or external audit findings and recommendations;
* A summary of the matters addressed by the committee at its meetings;
* The attendance record of audit committee members; and
* Other matters that the audit committee considers relevant (e.g. fraud, special mandates and assignments, specialist involvement, etc.)

Note: The internal audit activities outlined in this report may include both the activities of the regional internal audit team and any internal auditor serving a single board.

A suggested format for the report is presented in **Appendix B**.

## Ministry Report (to the Board of Trustees and forwarded to Ministry of Education)

Every year, no later than November 30th, the audit committee will present a second annual report to the Board of Trustees which will be submitted to the Ministry of Education no later than January 15th. The intent of the reporting is twofold:

* A list of the work performed by the internal auditors in the fiscal year provides a report to the Ministry on the use of the internal audit funding allocation and confirms that each board has received a minimum of two engagements from the auditors (or a comprehensive audit covering at least two processes); and
* A list of planned enrolment audits for upcoming fiscal years allows better coordination of enrolment audits performed by the Ministry of Education and the regional internal audit teams.

This report should be signed by the audit committee chair and presented to the Board prior to submission to the Ministry.

Note: As the internal audit funding allocation under the GSN supports only the regional internal audit function, the ministry report should only include audits undertaken by the regional internal audit team.

The report should follow the format presented in **Appendix C**.

# Appendix A - Sample Report after Each Meeting

To the Board of Trustees of DSB XXXX

Dated XXXXX

Following the statutory committee meeting held on XXXX, in XXXX, Ontario, the audit committee recommends to the Board of Trustees the approval of the following:

* XX
* XX

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Audit Committee Chair

Enclosures

# Appendix B - Sample Detailed Annual Report

**Annual Report to the Board of Trustees**

**For the year ended August 31, 20XX**

This report summarizes the audit committee’s actions for the year ending August 31, 20XX.

## Audit Committee Members

The audit committee consisted of *<insert number>* members listed below:

* XX – Chair
* XX – Trustee representatives
* XX – External members

*(Where applicable, insert beside individuals names who resigned during the year “resigned” as well as their resignation date.)*

In addition, regular attendees at the Committee meetings were:

* XX – Director of Education
* XX – Superintendent of Business
* XX – Regional Internal Audit Manager
* XX – *(Insert title)*
* XX – *(Insert title)*

## Administrative Tasks

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

* adopting and/or modifying the following bylaws/protocols;
* developing a work plan;
* developing a meeting schedule and agenda for the year; and
* *<insert other items where appropriate>*

## Meetings

It was agreed to hold three meetings throughout the year with a fourth meeting, from December to May, if necessary. All meetings have been held *(or were not held and the reason)* as planned.

The members in attendance at each meeting were as follows:

| Member’s Name | Sept xx, 20xx | Nov xx, 20xx | MM xx, 20xx | *Jun xx,* *20xx* |
| --- | --- | --- | --- | --- |
| *<insert name 1>**<insert name 2>* | *X*X | XX | X | XX |

## Governance

The audit committee operated throughout the fiscal year ending August 31, 20xx. All of the members satisfied the eligibility requirements in accordance with Ontario Regulation 361/10.

## External Auditors

The relationship with the external auditors has been satisfactory *(adjust if necessary)* and private meetings were held during the year. The external auditors *(insert name of auditor firm)* presented the scope and extent of their work to the committee, which the committee reviewed and recommended for approval at the XXXX meeting. The external auditors confirmed their independence in the letter dated XXXX. The audit committee reviewed and recommended the approval of the annual audited financial statements on XXX. The audit committee recommended the reappointment of the external auditors for the next fiscal year during the meeting held XXXXXX. *(Where applicable)* The external audit services will be going to tender during the next fiscal year.

## Internal Auditors

The relationship with the internal auditors has been satisfactory *(adjust if necessary)* and private meetings were held during the year. The Committee reviewed the results of the risk assessment, as well as the risk-based internal audit plan (attached) for the 20XX/XX fiscal year.

*(Include where applicable)*

The following changes were made to the originally submitted internal audit plan:

* *Change # 1*
* *Change # 2, etc.*

The internal auditors performed the following work during the year:

PLANNED AUDITS:

* + Audit # 1 *(completed/in progress)*
	+ Audit # 2 *(completed/in progress)*

UNPLANNED AUDITS:

* + Audit # 1 *(completed/in progress)*
	+ Audit # 2 *(completed/in progress)*

*(Where applicable)* The following planned audits were not undertaken for the following reasons:

* *Audit, reason*
* *Audit, reason*

For all completed audits, the following is a summary of risks and findings made by the internal auditor:

| ***Audit***  | ***Risks*** | ***Findings*** |
| --- | --- | --- |
| *<Title Audit 1>* | * *Risk 1*
* *Risk 2*
 | * *Finding 1*
* *Finding 2*
 |
| *<Title Audit 2>* |  |  |
| *<Title Audit 3>* |  |  |

The audit committee endorsed each report, including management’s action plan, and advised the board of trustees to accept it. *{May specify if the meetings were held in camera}*.

The audit committee received reports from internal audit that assessed the progress toward management’s implementation of action plans developed in response to previous audit findings. This enabled the audit committee to engage management in a discussion regarding findings not satisfactorily actioned, as well as encouraging renewed efforts on overdue action plans.

*(Insert name of third party audits or reviews)* **Audit / Review** *(if applicable)*

XXXX *(describe the date, the extent and the results of any audits or reviews performed by outside parties)*

## Audit Committee training *(if applicable)*

A development training opportunity covering *<insert topic>* was held on *<insert date>* and attended by all members.

## Summary of the work performed

In addition to the items noted above, the following outlines further work performed by the audit committee in the last 12 months:

* Received a report from the internal auditors on their review of the effectiveness of controls across the school board;
* Confirmed that the external and internal auditors did not encounter any difficulties in the course of their work;
* Recommended the fees charged by the external auditors in respect of the 20XX audit;
* Reviewed the fees paid to the external auditors in respect of non-audit work undertaken during the year *(if applicable)*;
* Undertook a review of the external auditors’ performance;
* Obtained confirmation from the Director of Education that the school board was compliant with all current federal and provincial Acts, Regulations and Statutes.
* Undertook an evaluation of the effectiveness of the internal audit function, including the performance of the regional internal audit manager and his / her team;
* Queried management on their approach to risk management as well as their strategy to manage such risks; and
* Performed a self-assessment.

Other tasks performed during the year: *(list where appropriate)*

* Reviewed the effectiveness of the school board’s whistleblower policy *(if applicable)*

By the signature noted below, we attest that we have discharged our duties and responsibilities under Ontario Regulation 361/10.

On behalf of the audit committee

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Audit Committee Chair

# Appendix C - Sample Ministry Report

**Annual Report to the Board of Trustees and Forwarded**

**To the Ministry of Education**

**For the year ended August 31, 20XX**

**District School Board Name:** xxx

**Fiscal Year:** 20XX/XX

**Re:** Annual audit committee report to the Ministry of Education as per Ontario Regulation 361/10

**(Where no internal audits were started or completed by August 31, XX)**

The regional internal audit team did not undertake any internal audits or other engagements during the 20XX/XX fiscal year. However, the team worked on the (update/completion) of the risk assessment *(if applicable)*. The status of the risk assessment as of August 31, 20XX is xxx.

**OR**

**(Where internal audits were started and/or completed by August 31, 20XX)**

During the 20XX/XX fiscal year, the following internal audits or other engagements were started by the regional internal audit team but not completed by August 31st:

* Internal audit # 1 (Status of audit at August 31st: Planning / Fieldwork / Report drafted / Complete pending presentation to Audit Committee)
	+ *(Where the audit covers multiple processes, please list processes)*
* Internal audit # 2 (Status of audit at August 31st: Planning / Fieldwork / Report drafted / Complete pending presentation to Audit Committee)
	+ *(Where the audit covers multiple processes, please list processes)*

In addition to those listed above, the following audits were completed in the 20XX/XX fiscal year:

* Internal audit # 1
	+ *(Where the audit covers multiple processes, please list processes)*

**AND**

Based on the internal audit plan, we are expecting enrolment audits to be performed in the 20XX/XX fiscal year.

**OR**

Based on the internal audit plan, we are not expecting any enrolment audits to be performed.

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Date Signature Title