

**AUDIT COMMITTEE MEETING**  
**OCTOBER 3, 2024**  
**OPEN MEETING 6:45 P.M. – 8:00 P.M.**  
**CATHOLIC EDUCATION CENTRE – SMALL BOARDROOM**  
IF YOU ARE UNABLE TO ATTEND IN PERSON, [CLICK HERE TO JOIN VIA VIDEO CONFERENCE](#)

**Chairperson: Loretta Durst**

Trustees/Members who are unable to attend the meeting  
are asked to please notify Sarah Barker,  
Administrative Assistant at [sbarker@pvnccdsb.on.ca](mailto:sbarker@pvnccdsb.on.ca)

**1. Call to Order**

- |  |                                   |
|--|-----------------------------------|
| a. Opening Prayer  | Trustee John Connolly             |
| b. Land Acknowledgement  | Board Chairperson Kevin MacKenzie |
| c. Approval of Agenda  |                                   |
| d. Declarations of Conflict of Interest                              |                                   |
| e. Approval of the Minutes of the Meeting of Thursday, June 13, 2024 | Page 3                            |
| f. Business Arising from the Minutes                                 |                                   |

**2. Recommended Actions/Presentations**

**3. Information Items**

- |   |                |
|---|----------------|
| a. <u>Engagement Letter to the Board</u>  | 3.a.1) Page 7  |
| Jon Hickey, Baker Tilly                   |                |
| b. <u>Planning Letter Audit Committee</u> | 3.b.1) Page 22 |
| Jon Hickey, Baker Tilly                   |                |
| c. <u>Baker Tilly: 2024 Audit Plan</u>    | 3.c.1) Page 28 |
| Jon Hickey, Baker Tilly                   |                |

d. Regional Internal Audit Plan

Amyr Bhanyani, Internal Auditor

3.d.1) RIAT Update Page 36

3.d.2) RBAP 2024-2026 Page 38

**4. Old Business**

**5. New Business**

**6. Next Meeting**

Date: November 14, 2024, Small Boardroom, 6:45 p.m.

**7. Conclusion**

- a. Closing Prayer
- b. Adjournment.

Chief Financial Officer Teri Smith

The Minutes of the Open Audit Committee Meeting held on June 13, 2024 at 6:45 p.m. in the Small Boardroom and by Google Meet (\*).

PRESENT

Trustees: Loretta Durst (Chair), John Connolly, Kevin Mackenzie (Ex Officio)(\*).

External Member: Trang Nguyen (\*).

Internal Auditor: Aryn Bhanyani, Jeff Henderson (\*).

External Auditor:

Administration: Stephen O'Sullivan, Sean Heuchert, Teri Smith.

Regrets: Deb McRae, Jon Hickey, Joanna Park, Veronica Mason.

Recorder: Sarah Barker.

**1. Call to Order**

Loretta Durst called the meeting to order at 7:05 pm.

a. Opening Prayer

John Connolly, led the Audit Committee in Opening Prayer.

b. Land Acknowledgement

Kevin MacKenzie provided a territorial recognition, acknowledging that we are meeting on the traditional territory of the Mississauga Anishinaabeg.

c. New member and election of Committee Chair

Loretta Durst addressed the committee and asked if there were any nominations for election of committee chairperson. Kevin MacKenzie nominated Loretta Durst, this was seconded by John Connolly. Trang Nguyen agreed with the nomination for Loretta Durst.

**Motion:** Moved by John Connolly seconded by Kevin MacKenzie, that Loretta Durst be reappointed Chairperson for the Audit Committee for the 2024-2025 Fiscal Year.

Carried.

d. Approval of Agenda

**Motion:** Moved by John Connolly, seconded by Kevin MacKenzie, that the Audit Committee Agenda for June 13, 2024 be approved.

Carried.

e. Declarations of Conflicts of Interest

There were no conflicts of interest declared.

f. Business Arising from the Minutes

There was no business arising from the Minutes.

**2. Recommended Actions/Presentations:**

There was no recommended actions/presentations.

**3. Information Items:**

a. Submission of March 31 Financial Information and Auditors Report

Teri Smith, Chief Financial Officer, advised the Board is responsible to report to the Ministry twice yearly, in March and August. The report in March is for information, and not a financial statement. Baker Tilly attended the Board Office the last week of April and there were no issues to report. The Board filed their financial report with the Ministry on time, on May 15th, 2024.

b. Financial Update: Interim Position

Sean Heuchert, Superintendent of Business and Finance, reviewed the Board financial update. There was higher than expected sick leave, ESL student count and transportation pressures, with lower than expected enrollment. This will be the boards third year in a deficit position.

A balanced budget was planned, but a 1.3 million dollar deficit is reported after revision. The Board is tracking different sources of revenue, and has implemented the “Opt-In” process for transportation this year. Currently 81% of students have used the Opt-In process and this should help with savings for the budget. The Trustees recently passed changes to the Employee Attendance Program which should also help with the next years budget. All schools budgets were maintained.

There were discussions regarding Bill 124 retro payments and funding for these payments.

c. COSBO EE Deloitte Report on Closed Sessions for Audit

Sean Heuchert, Superintendent of Business and Finance, referenced the Deloitte report included in the Agenda. He shared he had discussions with colleagues regarding the Audit Committee holding open and in camera meetings going forward. This would align with PVNC Catholic’s other committees and show transparency to the community. Open meeting agendas and minutes will be posted on the PVNC Catholic website going forward. Different options for meetings and their purpose was discussed, along with keeping the same terminology as existing committees.

**4. Old Business**

There was no old business discussed.

**5. New Business**

There was no new business discussed.

**6. Next Meeting**

- a. Date TBD, Small Boardroom, 6:30 p.m.

## 7. Conclusion

a. Closing Prayer

Teri Smith led the Audit Committee with a closing prayer.

b. Adjournment

**Motion:**Moved by John Connolly, seconded by Kevin MacKenzie,  
that the Audit Committee meeting be adjourned at 7:32 pm.

Carried.

Loretta Durst  
Committee Chairperson  
/sb

Sean Heuchert  
Superintendent of Business  
and Finance



September 16, 2024

Peterborough Victoria Northumberland and Clarington Catholic District School Board  
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Attention: Sean Heuchert

Dear Madam:

Baker Tilly KDN LLP, the "Firm", is pleased to be appointed auditor of Peterborough Victoria Northumberland and Clarington Catholic District School Board (the "Board") for the year ending August 31, 2024. The purpose of this letter is to outline the terms of our engagement to audit the consolidated financial statements of Peterborough Victoria Northumberland and Clarington Catholic District School Board, which comprise the consolidated statement of financial position as at August 31, 2024 and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

### **Objective, Scope and Limitations**

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

It is important to recognize that an auditor cannot obtain absolute assurance that material misstatements in the consolidated financial statements will be detected because of:

- (a) Factors such as use of judgement, and the use of testing of the data underlying the consolidated financial statements;
- (b) Inherent limitations of internal control; and
- (c) The fact that much of the audit evidence available to the auditor is persuasive rather than conclusive in nature.

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Peterborough

Courice

Lindsay

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Furthermore, because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material fraud. Further, while effective internal control reduces the likelihood that misstatements will occur and remain undetected, it does not eliminate that possibility. For these reasons, we cannot guarantee that fraud, error, irregularities or illegal acts, if present, will be detected when conducting an audit in accordance with Canadian generally accepted auditing standards.

### **Content of Auditor's Report**

Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

#### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of Peterborough Victoria Northumberland and Clarington Catholic District School Board

##### *Opinion*

We have audited the consolidated financial statements of Peterborough Victoria Northumberland and Clarington Catholic District School Board and its local boards, (the "Board"), which comprise the consolidated statement of financial position as at August 31, 2024 and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Board as at August 31, 2024, and consolidated and its consolidated for the year then ended in accordance with the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("the Act").

In our opinion, the accompanying consolidated financial statements of the Board are prepared, in all material respects, in accordance with the Financial Administration Act supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act.

##### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Emphasis of Matter*



Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements, which describes the basis of accounting used in the preparation of these consolidated financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards.

*Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation of the consolidated financial statements in accordance with the Financial Administration Act supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act., and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants  
Licensed Public Accountants

If our opinion on the financial statements is other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form, or have not formed, an opinion, we may decline to express an opinion as a result of this engagement.

#### **Use, Distribution and Publication / Reproduction of Financial Statements**

The examination of the consolidated financial statements and the issuance of our audit opinion are solely for the use of Peterborough Victoria Northumberland and Clarington Catholic District School Board and those to whom our report is specifically addressed by us. We make no representations of any kind to any third party in respect of these consolidated financial statements and we accept no responsibility for their use by any third party.

Where our report is reproduced in any medium, the complete consolidated financial statements, including notes, must also be presented. Management is responsible for the accurate reproduction of the consolidated financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper based). This includes any incorporation by reference to either full or summarized consolidated financial statements that we have audited. We are not required to read the information contained in your website, or to consider the consistency of other information in the electronic site with the original document.

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review before the publication or posting process begins. Where the annual report or other document will be provided to us after the date of our auditor's report, we have a responsibility to take specific actions if we conclude that a material misstatement of the other information exists.

We ask that our name be used only with our consent and that any information to which we have attached a communication be issued with that communication unless otherwise agreed to by us.

## Our Responsibilities

We will perform our audit in accordance with Canadian generally accepted auditing standards. We will:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the consolidated financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Accordingly, except for information that is in or enters the public domain, we will not provide any third party with confidential information concerning the affairs of Peterborough Victoria Northumberland and Clarington Catholic District School Board without Peterborough Victoria Northumberland and Clarington Catholic District School Board's prior consent, unless required to do so by legal, regulatory, administrative or other authority, or the Code of Professional Conduct applicable to us.

We will communicate in writing to the Audit Committee the relationships between our firm and Peterborough Victoria Northumberland and Clarington Catholic District School Board, including related entities that, in our professional judgement, may reasonably be thought to bear on our independence. Further, we will confirm our independence with respect to Peterborough Victoria Northumberland and Clarington Catholic District School Board within the meaning of the applicable Provincial Code of Professional Conduct and information on relevant safeguards designed to ensure the auditor's continued independence.

The objective of our audit is to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. However, if we identify any of the following matters, they will be communicated to the appropriate level of management:

- (a) Misstatements, resulting from error, other than trivial errors;
- (b) Fraud or any information obtained that indicates that a fraud may exist;
- (c) Any evidence obtained that indicates that an illegal or possibly illegal act, other than one considered inconsequential, has occurred;
- (d) Significant weaknesses in the design or implementation of internal control to prevent and detect fraud or error; and
- (e) Related party transactions identified by us that are not in the normal course of operations and that involve significant judgements made by management concerning measurement or disclosure.

We may also communicate certain additional matters to the Audit Committee and the appropriate members of management. Such matters include:

- (a) Our professional judgements on the qualitative aspects of accounting principles used in Peterborough Victoria Northumberland and Clarington Catholic District School Board's financial reporting, including:
  - (i) The initial selection of and changes in significant accounting policies and their application, including the adoption of new accounting policies;
  - (ii) The effect of significant accounting policies in controversial and emerging areas, or those unique to your industry;
  - (iii) The existence of acceptable alternative policies and methods, and the acceptability of the particular policy or method used by management; and
  - (iv) The issues involved, and related judgements made by management, in formulating particularly sensitive accounting estimates and disclosures and the basis for our conclusions regarding the reasonableness of those estimates in the context of the consolidated financial statements taken as a whole.
- (b) Uncorrected misstatements aggregated by us during our audit that were determined by management to be immaterial, both individually and in the aggregate, to the consolidated financial statements taken as whole;
- (c) Any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in total could be significant to the consolidated financial statements or our report;
- (d) Our views about any matters that were the subject of management's consultation with other accountants about auditing and accounting matters;
- (e) Major issues that we discussed with management in connection with the retention of our services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards; and
- (f) Any serious difficulties that we encountered in dealing with management in the performance of the audit.

The matters communicated will be those that we identify during the course of our audit. Audits do not usually identify all matters that may be of interest to management in discharging its responsibilities. The type and significance of the matter to be communicated will determine the level of management to which the communication is directed.

We will consider Peterborough Victoria Northumberland and Clarington Catholic District School Board's internal control to identify types of potential misstatements, consider factors that affect the risks of material misstatement, and design the nature, timing and extent of further audit procedures. This consideration will not be sufficient to enable us to render an opinion on the effectiveness of internal control over financial reporting.

At the end of the engagement, we will provide management or others so designated with our recommendations designed to help make improvements in your internal control structure and operation. This communication will be in a mutually agreeable format and will include only those matters that came to our attention during our audit.

### **Management's Responsibilities**

Management is responsible for:

#### Financial Statements

- (a) The preparation and fair presentation of Peterborough Victoria Northumberland and Clarington Catholic District School Board's consolidated financial statements in accordance with the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("the Act");

#### Completeness of information

- (b) Providing us with and making available complete financial records and related data, and copies of all minutes of meetings of the the Board of Trustees and committees, as applicable;
- (c) Providing us with information relating to any known or probable instances of non compliance with legislative or regulatory requirements, including financial reporting requirements;
- (d) Providing us with information relating to any illegal or possibly illegal acts, and all facts related thereto;
- (e) Providing us with information regarding all related parties and related party transactions;
- (f) Any additional information that we may request from management for the purpose of this audit;
- (g) Providing us with unrestricted access to persons within the Board from whom we determine it necessary to obtain audit evidence;

#### Fraud and error

- (h) Internal control that management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- (i) An assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud;

- (j) Providing us with information relating to fraud or suspected fraud affecting the Board involving:
  - (i) Management;
  - (ii) Employees who have significant roles in internal control; or
  - (iii) Others, where the fraud could have a non trivial effect on the consolidated financial statements;
- (k) Providing us with information relating to any allegations of fraud or suspected fraud affecting the Board's consolidated financial statements communicated by employees, former employees, analysts, regulators or others;
- (l) Communicating its belief that the effects of any uncorrected financial statement misstatements aggregated during the audit are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole;

#### Recognition, measurement and disclosure

- (m) Providing us with its assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the consolidated financial statements;
- (n) Providing us with any plans or intentions that may affect the carrying value or classification of assets or liabilities;
- (o) Providing us with information relating to the measurement and disclosure of transactions with related parties;
- (p) Providing us with an assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("the Act");
- (q) Providing us with information relating to claims and possible claims, whether or not they have been discussed with Peterborough Victoria Northumberland and Clarington Catholic District School Board's legal counsel;
- (r) Providing us with information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which Peterborough Victoria Northumberland and Clarington Catholic District School Board is contingently liable;
- (s) Providing us with information on whether Peterborough Victoria Northumberland and Clarington Catholic District School Board has satisfactory title to assets, whether liens or encumbrances on assets exist, or assets are pledged as collateral;
- (t) Providing us with information relating to compliance with aspects of contractual agreements that may affect the consolidated financial statements;
- (u) Providing us with information concerning subsequent events;
- (v) Providing us with representations on specific matters communicated to us during the engagement;

#### Written confirmation of significant representations

- (w) Providing us with written confirmation of significant representations provided to us during the engagement on matters that are:
- (i) Directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements;
  - (ii) Not directly related to items that are material to the consolidated financial statements but are significant, either individually or in the aggregate, to the financial statements; and
  - (iii) Relevant to management's judgements or estimates that are material, either individually or in the aggregate, to the consolidated financial statements.

#### Professional team member matters

- (x) Not soliciting the staff of the Firm;
- (y) Providing appropriate work space and technical arrangements as appropriate including privacy and telephones; and
- (z) Ensure that the staff of the Firm are treated in a responsible and professional manner at all times, recognizing there is zero tolerance to inappropriate actions at any level.

#### **Preparation of Schedules/ Assistance Requested**

We understand that you and/or your employees will prepare agreed upon schedules and will locate requested documents for our use at dates agreed upon prior to commencement of our audit.

This assistance will facilitate our work and will help to minimize our costs. Any failure to provide these working papers or documents on a timely basis, may impede our services, and require us to suspend our services or withdraw from the engagement.

#### **Fees**

Our fixed fee for the services outlined in this letter is \$45,900 plus HST. The fixed fee includes the following:

- Independent auditor's report
- Preparation of financial statements
- 7-month specified procedures' audit and audit report

If significant additional time is necessary, we will discuss the reasons with you and agree on a revised fee estimate before we incur the additional costs.

Our fees and costs will be rendered as work progresses and are payable on presentation.

Invoices unpaid 30 days past the billing date may be deemed delinquent, and are subject to an interest charge of 18% per annum (or as set out on the invoice). We reserve the right to suspend our services or to withdraw from this engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due us, you agree to reimburse us for our costs of collection, including lawyers' fees.

We will use all reasonable efforts to complete the performance of the services described in this engagement letter within the agreed upon time frame. However, we shall not be liable for failures or delays in performance that arise from causes beyond our control, including cooperation from management, timely performance by the Board of its obligations to provide necessary information included in our year-end list of requirements provided to staff, quality of financial and other information, full cooperation and access to the Board's team members during our audit, and the prompt supply of any additional documentation requested during the audit fieldwork. Significant delays will have a significant impact on our fees and the agreed upon delivery date.

Any other work undertaken by us will be billed separately.

### **Other Services**

If requested by you, we will, as allowed by the Rules of Professional Conduct, prepare other special reports as required. Management will provide the information necessary to complete these reports and will file them with the appropriate authorities on a timely basis.

### **Terms and Conditions**

The attached Terms and Conditions are incorporated into, and form an integral part of this engagement letter.

### **Term**

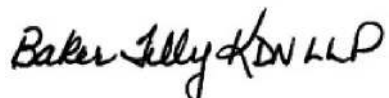
The above terms of our engagement will be effective from year to year until amended or terminated in writing.



**Conclusion**

We are proud to serve as auditor of Peterborough Victoria Northumberland and Clarington Catholic District School Board and we appreciate your confidence in our work. If the services outlined herein are in accordance with your requirements and if the above terms are acceptable, please have one copy of this letter signed in the space provided below and return it to us.

Yours truly,



per: Joanna Park, CPA, CA  
Partner

The services and terms set out in this engagement letter are as agreed.

**Peterborough Victoria Northumberland and Clarington Catholic District School Board**

I have authority to bind the Board.

Per: \_\_\_\_\_

Name: Sean Heuchert

Title: Superintendent of Business and Finance

## **Terms and Conditions**

These terms and conditions are an integral part of the engagement letter (collectively, the "Engagement Letter") to which they are attached. In the event of any conflict between these terms and conditions and the engagement letter to which they are attached, the terms of such engagement letter shall govern.

### **Privacy**

It is hereby acknowledged that in order to complete our engagement as auditor, we may be required to access or have access to personal information in your possession. Our services are provided based on the following:

- a) You represent that before we access this personal information, you have obtained the necessary consents for the collection, use and disclosure of this personal information as required under the applicable privacy legislation; and
- b) We will collect and utilize this personal information only for the purpose of completing this engagement. Any information collected will be subject to our Privacy Policy, which is available online at our website, or in hard copy from the privacy officer in our office.

### **Working Papers**

The working papers, files, other materials, reports and work created, developed, or performed by us in conjunction with this engagement remain the property of the Firm and will be retained by the Firm in accordance with the Firm's policies and procedures.

### **File Inspections**

In accordance with professional regulations and firm policy, our client files must periodically be reviewed by practice inspectors and by other firm personnel to ensure that the Firm is adhering to professional and firm standards. File reviewers are required to maintain confidentiality of client information.

### **Indemnification**

You hereby agree to release, indemnify and hold harmless the Firm and its partners, agents, officers and employees, from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands or liabilities arising out of or in consequence of:

- (a) a breach by Peterborough Victoria Northumberland and Clarington Catholic District School Board, or its members of Council, officers, or employees, of any of the provisions herein;
- (b) any misrepresentation by your management; and
- (c) the services performed by us pursuant to this engagement,

unless, and to the extent that, such losses, costs, damages and expenses are found by a court to have been due to the negligence, willful misconduct or dishonesty of the Firm.

This release and indemnification will survive termination of this engagement letter.

### **Limitation of Liability**

You agree that any and all claims you may have against our Firm or its professional staff arising out of all services provided to Peterborough Victoria Northumberland and Clarington Catholic District School Board by us, whether in contract, negligence, or otherwise known to law, shall be regarded as one claim and our liability to the Board shall be limited to the lesser amount of \$150,000 or the amount of our professional liability insurance in effect as at the date of the claim being made known to us and only to the extent that such insurance is available to satisfy any claim. If this limit of liability is insufficient for your purposes, we would be pleased to discuss with you a different limit that may result in our charging a higher fee.

You expressly agree that the Board will not bring any proceedings in any court of any jurisdiction advancing any claim against our professional staff and employees.

You expressly agree that any liability our Firm may have to you shall not be joint and several with any other party, but shall be several, and limited to the percentage or degree of our fault in proportion to the fault or wrongdoing of all persons who contributed to the loss.

You expressly agree that any and all claims, whether in contract, negligence, or otherwise known to law arising out of our professional services under this engagement vest exclusively in Peterborough Victoria Northumberland and Clarington Catholic District School Board, and you agree to wholly indemnify and hold harmless our Firm and its professional staff from any and all claims that may be brought against our Firm or its professional staff by any elected official, director or officer of the Board in any way arising out of or connected to our services provided to you.

You agree that our liability for all claims you may have or bring in connection with the professional services rendered arising out of or ancillary to this agreement shall absolutely cease to exist after a period of four years from the date of:

- a) Performance of this engagement;
- b) Delivery to the Board of our Independent Auditor's Report, your financial statements, or the completion of the preparation of any tax filing with any government authority;
- c) Suspension or abandonment of this engagement; or
- d) Termination of our services pursuant to this agreement,

whichever shall occur first, regardless of whether you were aware of the potential for making a claim against us within that period. Following the expiration of the aforesaid period, you agree that neither you, your agents or assigns shall make any claim or bring any proceeding against us.

### Limited Liability Status - Partnership

The Firm is a registered Limited Liability Partnership ("LLP") established under the laws of the Province of Ontario and, where applicable, has been registered extraprovincially under provincial legislation. The Firm is a partnership, but its partners have limited liability. Individual partners are only personally liable for losses arising from the partner's own negligent or wrongful acts, or if the partner was aware of another partner or employees' error or omission and did not take the actions that a reasonable person would take to prevent it.

### Alliance of Independent Firms

We are a member of Baker Tilly Canada Cooperative, an association of independently owned and operated accounting firms in Canada some of which practice under a common name and that sponsor a number of programs to enhance the ability of the members to be of service to their respective clients nationally and internationally. The national association is not an accounting firm and our practice is not integrated with that of any of the other members. Baker Tilly is a registered trademark of the Baker Tilly Canada Cooperative used under license. We at the Firm are solely responsible for the professional engagement covered by this letter.

Baker Tilly Canada Cooperative is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Neither Baker Tilly Canada Cooperative nor Baker Tilly KDN LLP are Baker Tilly International's agents and do not have authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Canada Cooperative, Baker Tilly KDN LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under licence from Baker Tilly International Limited.

### Costs of Responding to Government Inspection, etc.

If, with respect to this engagement or related services, the Firm is required by government regulation, subpoena, or other legal, investigative, administrative or other process to produce our working papers, or to respond to information or other requests, the Firm will bill the time incurred based on our standard hourly rates plus applicable taxes and disbursements. This paragraph shall survive termination of the Engagement Letter.

### Termination

If we elect to terminate our services for non-payment, or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended, and to reimburse us for all of our out of pocket costs, through the date of termination.

Should Peterborough Victoria Northumberland and Clarington Catholic District School Board not fulfill its obligations toward the Firm under the agreement, particularly those set out under the heading "Management's Responsibilities", and in the event that Peterborough Victoria Northumberland and Clarington Catholic District School Board fails to remedy such default within thirty days following receipt of a notice from the Firm to this effect, the Firm may, without prejudice to its other rights and recourses, and without any further notice, cease providing services hereunder and consider the present agreement terminated. In such case, the Firm will not be responsible for any loss, costs, expenses or damages resulting from such termination.

### Severability

If any provisions of this Engagement Letter are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and be binding to the fullest extent permitted by law.

### Governing Law, Attornment

This Engagement Letter is subject to and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall for all purposes be interpreted as a contract of this Province. Each party agrees that any action or proceeding relating to this Engagement Letter shall be brought in any court of competent jurisdiction in a court of this Province and irrevocably waives any right to, and will not, oppose (i) any such Provincial action or proceeding on any jurisdictional basis and (ii) the enforcement against it in any other jurisdiction of any judgment or order duly obtained from a court of this Province.

### Security of Electronic Communication

During the engagement we may from time to time communicate with you electronically. However, as you are aware, the electronic transmission of information cannot be guaranteed to be secured or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. We shall not have any liability to you arising from or in connection with the electronic communication of information to you during or as a result of its electronic transmission outside of the Firm's electronic environment. If the communication relates to a matter of significance and there are concerns about possible effects of electronic transmission a hard copy of such transmission should be requested from us.

Baker Tilly KDN LLP has adopted the policy of corresponding by electronic mail ("e-mail") and storing data electronically unless notified otherwise. If you specifically want us to never use e-mail in respect of correspondence on your file and/or do not consent to us storing data electronically due to the inherent data security risks and cyber threats, please notify us in writing. Otherwise, we will assume that you have approved of our use of electronic data storage and communication.

**Timely Performance**

The Firm will use all reasonable efforts to complete the performance of the services described in this engagement letter within the agreed upon time frame. However, the Firm will not be liable for failures or delays in performance that arise from causes beyond our control, including cooperation from management, timely performance by you of your obligations to provide necessary information, quality of financial and other information, full cooperation and access to the Board's team members during the engagement and the prompt supply of any additional documentation requested during the engagement. Significant delays will have a significant impact on our fees and the agreed upon delivery date.

**Aggregated Data**

Notwithstanding any other provision of this Engagement Letter, the Firm may create Aggregated Data regarding the purchase and use of products and services by you or the Board from the Firm and may use and disclose Aggregated Data in any manner and for any purpose (commercial or otherwise) whatsoever, without any notice, compensation or attribution to you, the Board or any other person. In this Engagement Letter, "**Aggregated Data**" means data that has been aggregated or otherwise depersonalized so that the information does not identify a specific client or other person or organization.

**Cloud Service Providers**

The Firm uses commercially available cloud service providers to assist the Firm in the provision of information, products and services to its clients, to provide services to the Firm, to assist the Firm to use personal information as set out in the Privacy Policy and as otherwise permitted by applicable law. To the extent you provide us with your personal information, we will handle your personal information in accordance with our Privacy Policy, available online at our website or in hard copy from the privacy officer in our office.

Baker Tilly KDN LLP  
272 Charlotte St.  
Peterborough, Ontario  
K9J 2V4

Joanna Park

**Consent to Receive Promotional Emails**

Pursuant to Canada's Anti-Spam Legislation (“CASL”), the Firm seeks your consent to receive promotional emails from us that may be of interest to you.

By signing below, you consent to receive emails (including discounts and newsletters) regarding the Firm and its products and services and other matters (including the products and services of the Firm's affiliates and other organizations) at the email address you provided to us. You may withdraw your consent at any time.

Please note that your consent to receive promotional emails above will not affect your receipt of emails from us that relate to products you have previously purchased from us or services we provide to you.

\_\_\_\_\_

**Acknowledgement:**

I consent to receive emails (including discounts and newsletters) from the Firm regarding the Firm's products, services and related offerings.

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Organization: Peterborough Victoria Northumberland and Clarington Catholic District School Board

Date: \_\_\_\_\_

October 3, 2024

Members of the Audit Committee  
Peterborough Victoria Northumberland and Clarington Catholic District School  
Board  
1355 Lansdowne St. W  
Peterborough, Ontario  
K9J 7M3

**Baker Tilly KDN LLP**  
272 Charlotte St.  
Peterborough, ON  
Canada K9J 2V4

T: (705) 742-3418  
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[www.bakertilly.ca](http://www.bakertilly.ca)

**Re: Audit of the Consolidated Financial Statements of the Peterborough Victoria Northumberland and Clarington Catholic District School Board**

Dear Members of the Audit Committee:

This report is intended solely for the use of the Audit Committee and should not be distributed without our prior consent. We accept no responsibility to a third party who uses this communication.

We have been engaged to express an audit opinion on the consolidated financial statements of the Peterborough Victoria Northumberland and Clarington Catholic District School Board ("the Board") for the year ended August 31, 2024. Canadian Auditing Standards ("CAS") require that we communicate the following information with you in relation to your audit.

Management is responsible for establishing and maintaining an adequate internal control structure and procedures for financial reporting. This includes the design and maintenance of accounting records, recording transactions, selecting and applying accounting policies, safeguarding of assets and preventing and detecting fraud and error.

**Auditor Independence**

CAS require communications with audit committees, or other appropriate parties responsible for governance, at least annually, regarding all relationships between the Board and our Firm that, in our professional judgement, may reasonably be thought to bear on our independence.

We will, through our planning process, identify any potential independence threats and will communicate any concerns we identify. The Board, management and the Audit Committee have a proactive role in this process, and are responsible for understanding the independence requirements applicable to the Board and its auditor. You must also bring to our attention any concerns you may have, or any knowledge of situations or relationships between the Board, management, personnel (acting in an oversight or financial reporting role) and our Firm, its partners/principals and audit team personnel that may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the Chartered Professional Accountants of Ontario and applicable legislation, covering such matters as:

- (a) holding a financial interest, either directly or indirectly, in a client;
- (b) holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- (c) personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;

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- (d) economic dependence on a client; and
- (e) provision of services in addition to the audit engagement.

In accordance with our professional requirements, we advise you that we are not aware of any relationships between the Board and our Firm that, in our professional judgement, may reasonably be thought to bear on our independence.

Accordingly, we hereby confirm that our audit engagement team, our Firm and the other Baker Tilly Canada offices are independent with respect to the Board within the meaning of the Rules of Professional Conduct Rule 204 of the Chartered Professional Accountants of Ontario.

### **Our Responsibilities as Auditor**

As stated in the engagement letter, our responsibility as auditor of your Board is to express an opinion on whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Board in accordance with the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("the Act").

An audit is performed to obtain reasonable but not absolute assurance as to whether the financial statements are free of material misstatement. Due to the inherent limitations of an audit, there is an unavoidable risk that some misstatements of the financial statements will not be detected (particularly intentional misstatements concealed through collusion), even though the audit is properly planned and performed.

Our audit includes:

- Assessing the risk that the financial statements may contain material misstatements that, individually or in the aggregate, are material to the financial statements taken as a whole;
- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessing the accounting principles used, and their application;
- Assessing the significant estimates made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern; and
- Evaluating the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

As part of our audit, we will obtain a sufficient understanding of the business and internal control structure of the Board to plan the audit. This will include management's assessment of:

- The risk that the financial statements may be materially misstated as a result of fraud and error; and
- The internal controls put in place by management to address such risks.

The engagement team must undertake a documented planning process prior to commencement of the audit to identify concerns, address independence considerations, assess the engagement team requirements, and plan the audit work and timing. It may be necessary to contact members of the Audit Committee if significant matters arise from planning procedures.

An audit does not relieve management or those responsible for governance of their responsibilities for the preparation of the Board's financial statements.

The firm maintains a system of quality management that supports the consistent performance of quality audit engagements.

### **Audit Committee Members' Responsibilities**

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditor, management and the Board of Trustees to ensure the auditor has a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.

The Audit Committee's responsibilities include:

- Being available to assist and provide direction in the audit planning process when and where appropriate;
- Meeting with the auditor as necessary and prior to release and approval of financial statements to review audit, disclosure and compliance issues;
- Where necessary, reviewing matters raised by the auditor with appropriate levels of management, and reporting back to the auditor their findings;
- Making known to the auditor any issues of disclosure, corporate governance, fraud or illegal acts, non-compliance with laws or regulatory requirements that are known to them, where such matters may impact the financial statements or the Independent Auditor's Report;
- Providing guidance and direction to the auditor on any additional work the auditor feels should be undertaken in response to issues raised or concerns expressed;
- Making such enquiries as appropriate into the findings of the auditor with respect to corporate governance, management conduct, cooperation, information flow and systems of internal controls; and
- Reviewing the draft financial statements prepared by management, including the presentation, disclosures and supporting notes and schedules, for accuracy, completeness and appropriateness, and approve same to be passed to the Board of Trustees for approval.

At the end of our audit, we are required to evaluate, as part of our audit, whether the two-way communication between us and the audit committee has been adequate for the purpose of the audit.

### **Audit Approach**

Outlined below are certain aspects of our audit approach which are intended to help you in discharging your oversight responsibilities. Our general approach to the audit of the Peterborough Victoria Northumberland and Clarington Catholic District School Board is to assess the risks of material misstatement in the financial statements and then respond by designing audit procedures.

### **Illegal Acts, Fraud, Intentional Misstatements and Errors**

Our auditing procedures, including tests of your accounting records, will be limited to those considered necessary in the circumstances and will not necessarily disclose all illegal acts, fraud, intentional misstatements or errors should any exist. We will conduct the audit under CAS, which include procedures to consider (based on the control environment, governance structure and circumstances encountered during the audit), the potential likelihood of fraud and illegal acts occurring.



These procedures are not designed to test for fraudulent or illegal acts, nor will they necessarily detect such acts or recognize them as such, even if the effect of its consequences on the financial statements is material. However, should we become aware that an illegal or possible illegal act or an act of fraud may have occurred, other than one considered clearly inconsequential, we will communicate this information directly to the Audit Committee.

It is our responsibility to maintain professional skepticism throughout the audit. This recognizes the possibility that a material misstatement due to fraud could exist, notwithstanding our past experience of the honesty and integrity of the Board's management and the audit committee.

It is management's responsibility to detect and prevent illegal actions. If such acts are discovered or the Audit Committee becomes aware of circumstances under which the Board may have been involved in fraudulent, illegal or regulatory non-compliance situations, such circumstances must be disclosed to us.

### **Related Party Transactions**

During our audit, we conduct various tests and procedures to identify transactions considered to involve related parties. Related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Related parties also include management, trustees and their immediate family members and companies with which these individuals have an economic interest.

We will ensure that any related party transactions that are identified during the audit have been represented by management to have been disclosed in the notes to financial statements, recorded in accordance with the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("the Act"), and have been reviewed with you. Management is required to advise us if any related party transactions have occurred that have not been disclosed to us. The Audit Committee is required to advise us if they are aware of or suspect any other related party transactions have occurred which have not been disclosed in the financial statements.

### **Significant Accounting Principles and Policies**

The Board's financial statements will be prepared by management using various accounting principles, which have been incorporated into the Board's accounting policies and disclosed in the notes to the financial statements. Where accounting policies have changed from one period to the next, such changes will be noted and the effect of these changes will be disclosed.

The accounting policies adopted may be acceptable policies under the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("the Act"); however, alternative policies may also be acceptable under the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("the Act"). The Board and the Audit Committee have a responsibility to not adopt extreme or inappropriate interpretations of the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("the Act") that may have inappropriate or misleading results. Alternative policies, if adopted, may produce significant changes in the reported results of the operations, financial position and disclosures of the Board.

The Audit Committee has a responsibility to review the accounting policies adopted by the Board, and where alternative policies are available, make determinations as to the most appropriate policies to be adopted in the circumstances. If members of the Audit Committee are concerned that the adoption or change of an accounting policy may produce an inappropriate or misleading result in financial reporting or disclosure, this concern must be discussed with management and the auditor. If the Audit Committee believes that a policy or policies adopted are inappropriate or produce a misleading result in the circumstances, these concerns should be discussed with us directly, either privately or in Audit Committee meetings.

### **Risk-based**

Our risk-based approach focuses on obtaining sufficient appropriate audit evidence to reduce the risk of material misstatement in the financial statements to an appropriately low level. This means that we focus our audit work on higher risk areas that have a higher risk of being materially misstated.

### **Materiality**

Materiality is defined as:

Materiality is the term used to describe the significance of financial statement information to decision makers. An item of information, or an aggregate of items, is material if it is probable that its omission or misstatement would influence or change a decision. Materiality is a matter of professional judgement in the particular circumstances.

We plan to use an overall materiality of \$3,700,000 and a performance materiality of \$3,145,000.

Materiality is used throughout the audit and in particular when:

- a) Identifying and assessing risk of material misstatement;
- b) Determining the nature, timing and extent of further audit procedures; and
- c) Evaluating the effect of uncorrected misstatements, if any, on the financial statements and in forming an opinion on the auditor's report.

### **Audit Procedures**

The objective of the tests of controls is to evaluate whether certain controls operated effectively. The objective of the tests of details is to detect material misstatements in the account balances and transaction streams. Substantive analytical procedures are used to identify differences between recorded amounts and predictable expectations in larger volumes of transactions over time.

In response to our risk assessment and based on our understanding of internal controls, we will use a substantive approach for the audit.

Should any member of the Audit Committee wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact us at any time.

Yours very truly,

*Baker Tilly KDN LLP*

per: Joanna Park, CPA, CA  
Partner

3.c.1)

**PETERBOROUGH VICTORIA NORTHUMBERLAND AND CLARINGTON CATHOLIC  
DISTRICT SCHOOL BOARD**

**2024 AUDIT PLAN**

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## PETERBOROUGH VICTORIA NORTHUMBERLAND AND CLARINGTON CATHOLIC DISTRICT SCHOOL BOARD

### 2024 Audit Plan

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#### I. AUDIT PLANNING

##### **Purpose and use of report**

To enhance the effectiveness of the external audit process and to facilitate our effective approach of working with management to minimize our fees by involving your staff to the greatest extent possible, we are providing you with a written audit plan. This document is for use by both the Peterborough Victoria Northumberland and Clarington Catholic District School Board (School Board) and our audit staff in planning the timing and audit emphasis of procedures which we propose to carry out during the audit.

A properly developed Audit Plan also meets the following three specific requirements of auditors:

1. Canadian generally accepted auditing standards require that audits be adequately planned and properly executed and a documented audit plan provides the basis for meeting this requirement.
2. It ensures coordination of audit activities with management's activities such as changes in School Board personnel, modification of financial systems or changes in emphasis of administrative activities.
3. The preparation of an audit plan assists the Audit Committee in reviewing, and making suggestions to the overall scope of the external auditor's activities.

While the purpose of our planned audit activities is directed towards ultimately expressing a professional opinion on the financial statements, an important by-product of these services is the ability to provide practical management advice to all levels of personnel at the School Board. As auditors, we must be cognizant of areas where our knowledge gained, and experience developed, at the School Board and other organizations can assist in providing useful recommendations and advice. Accordingly, the audit staff is encouraged to make suggestions regarding areas where they believe the School Board could improve operating results and where work could be completed in a more efficient and timely manner. Any such information will be discussed with management and summarized in our year end letter to management.

The audit plan has been prepared in a flexible manner to accommodate any modifications which may be required as a result of matters discovered during the course of any of our audit activities or as a result of significant operating changes of which we are not yet aware.

**PETERBOROUGH VICTORIA NORTHUMBERLAND AND CLARINGTON CATHOLIC DISTRICT  
SCHOOL BOARD**

**2024 Audit Plan**

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**I. AUDIT PLANNING** (continued)

**Key dates**

(a) Meetings

(i)	Audit Committee	October 3, 2024	Review and approve audit plan
(ii)	Audit Committee	November 14, 2024	Review draft audited consolidated financial statements
(iii)	Board of Trustees	November 26, 2024	Approve consolidated financial statements

(b) Audit field work

(i)	School visits	Fall, 2024 (performed remotely)
(ii)	Interim audit and systems documentation	N/A
(iii)	Audit of the consolidated financial Statements	October 21-29, 2024

(c) Deliverables

(i)	7-month specified audit procedures report	May, 2024 (completed)
(ii)	Draft financial statements and auditor's report	Mid November, 2024
(iii)	Draft management letter	Mid November, 2024
(v)	Final audited consolidated financial statements	Later of: approval by the Board of Trustees or November 15, 2024

(d) Statutory filing deadlines

(i)	EFIS forms	November 15, 2024
(ii)	Audited consolidated financial statements	TBD

**PETERBOROUGH VICTORIA NORTHUMBERLAND AND CLARINGTON CATHOLIC DISTRICT  
SCHOOL BOARD**

**2024 Audit Plan**

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**I. AUDIT PLANNING** (continued)

**Use of client's accounting staff**

We would like to use the School Board's staff to the greatest extent possible through the performance of many tasks ranging from the retrieval of source documents from School Boards files to the preparation of year end working papers.

Although we will gain efficiencies through the use of client's personnel, the audit staff must be continually alert as to other areas where the use of client staff or alternative audit procedures can result in improved audit effectiveness.

**Audit fee budget**

**Estimated fees are based on the Pricing Schedule in the Audit Proposal:**

	<b>Total Fee</b>
<b><i>Year End Audit</i></b>	
Peterborough Victoria Northumberland and Clarington District School Board	\$ 39,000
<b><i>Other reports</i></b>	
7-month report	<u>6,900</u>
<b>Total</b>	<b><u>\$ 45,900</u></b>

**PETERBOROUGH VICTORIA NORTHUMBERLAND AND CLARINGTON CATHOLIC DISTRICT  
SCHOOL BOARD****2024 Audit Plan**

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**I. AUDIT PLANNING** (continued)**Accounting services**

If any situation should arise, we would discuss the matter with the Senior Staff prior to any additional work being performed. These services may include assistance with EFIS and preparation of working papers.

**Materiality**

At the planning stage of the audit, materiality is considered in determining the nature, extent and timing of audit procedures. The consolidated materiality used in developing our audit procedures is based on total revenues. Currently, we are planning to use a materiality of \$3,700,000. This materiality is only an estimate based on prior amounts. If final year-end figures differ significantly, materiality will be adjusted accordingly.

**Staffing**

The senior members of the engagement team will be as follows:

Joanna Park CPA, CA, Lead Partner  
Richard Steiging CPA, CA, Partner  
Veronica Mason CPA, CA, Senior Manager  
Jon Hickey, CPA, Manager



## PETERBOROUGH VICTORIA NORTHUMBERLAND AND CLARINGTON CATHOLIC DISTRICT SCHOOL BOARD

### 2024 Audit Plan

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#### I. AUDIT PLANNING (continued)

##### Assumptions

Since our prime responsibility will be to express an opinion on the consolidated financial statements of the School Board, our audit approach will be based upon the following assumptions:

- i) That the accounting transactions and monthly reconciliations are completed, reviewed and accurate.
- ii) That School Board Finance staff will prepare such schedules, analyses, and other information for the School Board and its internal departments and have them available prior to the start of the audit. The Finance staff will also prepare the EFIS submission.
- iii) That effective systems of internal controls continue to be adhered to as have been described to us.

Based on these assumptions being met, we can meet our professional standards and provide high quality professional service to you on a cost-efficient basis.

#### II. PLANNED AUDIT PROCEDURES

##### Systems Review, Internal Control Evaluation, Testing and Recommendations

In order to meet our professional standards, we review the accounting systems and related systems of internal control. Internal controls within the accounting system that we intend to rely upon for audit purposes are tested to ensure that they have operated effectively throughout the year. This reliance allows us to attain audit evidence in a cost-effective manner, and the effectiveness of the internal control structure guides us in determining the extent of our substantive audit testing.

Should we determine that there are weaknesses in the system of internal controls, they will be reported to you. Where weaknesses are identified, we will suggest alternatives to allow improvements, where possible. With our significant experience in the public sector realm, you benefit from our knowledge of working with many different systems and knowing what "works best" in various circumstances.

**PETERBOROUGH VICTORIA NORTHUMBERLAND AND CLARINGTON CATHOLIC DISTRICT  
SCHOOL BOARD****2024 Audit Plan**

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**II. PLANNED AUDIT PROCEDURES (continued)****Year End Audit**

Our year end visit emphasizes detailed examination of transactions and balances reported on your consolidated financial statements. Much of the testing of transactions processed through your accounting systems are tested in our systems review. Our risk based audit approach will focus our audit efforts on significant items in the year end. This approach ensures the audit process is efficient as possible for us and the School Board. We will co-ordinate our efforts to complete our field work according to the prearranged deadlines, as set out in the key date section of this plan.

Should we discover any information or situation which would otherwise lead to the inclusion of a qualified opinion with respect to the School Board's consolidated financial statements, we will immediately inform and fully discuss such matters with the Superintendent of Business and Finance and then the Audit Committee.

**Approach to Sampling**

The extent of testing is based on our professional judgement, incorporating our risk assessment, the effectiveness of controls over the business processes and dollar value significance of the transaction. Non-routine and complex transactions are singled out for detailed scrutiny.

**Management Letters**

We provide constructive advice to streamline the operations of our clients. We place a high priority on meaningful and timely management letters designed to enhance internal controls and communicate regulatory matters of importance and identify opportunities to enhance operational performance.

Our management letter will be drafted at the end of the audit and presented to your Superintendent of Business and Finance for discussion. The letters will then be finalized incorporating management comments for the final version to be included in the Superintendent of Business and Finance's report to the Audit Committee.

**PETERBOROUGH VICTORIA NORTHUMBERLAND AND CLARINGTON CATHOLIC DISTRICT SCHOOL BOARD****2024 Audit Plan**

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**II. PLANNED AUDIT PROCEDURES (continued)****Quality Control Procedures**

We strive to deliver service of the highest quality to all of our clients at all times. Baker Tilly KDN LLP will meet this objective in two ways. First, we focus on quality during our field work by placing senior people in the field for project management. This gives us flexibility to fine tune our field work to adapt to ongoing changes in your operations.

Second, our service and technical review policies provide a double check to ensure we meet our clients' needs and maintain a high level of technical excellence. The quality control procedures will include:

- **File Review.** The quality of the service will be enhanced by a requirement that all work be reviewed by a team member more senior than the person performing the work. This will include the review of working papers by partners and managers.
- **Concurring Audit Review.** We have another partner with relevant experience review the consolidated financial statements and management letters and participate in the discussion and resolution of significant accounting and reporting matters.

**Meetings**

We will attend such meetings as are called to discuss our work and reports and shall provide such information as requested to enhance the understanding of the Trustees concerning matters pertaining to the annual consolidated financial statements. In addition to reviewing draft consolidated financial statements with staff, we would attend meetings of the Audit Committee and/or Board of Trustees to present our comments as a result of our audit.



**Peterborough Victoria Northumberland Clarington Catholic District School Board**

TO: The Chairperson and Members of the PVNCCDSB Audit Committee  
 FROM: Regional Internal Audit Manager  
 DATE: October 03, 2024  
 SUBJECT: Regional Internal Audit Update

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**1. Purpose**

This report provides information on work that the Regional Internal Audit Team (RIAT) has undertaken since the last meeting on June 13, 2024.

**2. Content**

**2.1 PVNCCDSB Regional Internal Audit Plan Status 2023-2024**

Audit Entities	Objective and scope	Timelines	Status
Program Delivery/ Facility Management and Maintenance	<b><u>PVNCC 23-1 Tech Shop Review</u></b> Description: This review aims to provide management with a fair, independent, and objective assessment of the processes employed at tech shops to ensure compliance with relevant guidelines and legislative requirements.	Winter/Spring 2024	Presented on June 13, 2024.
Program Delivery/ Student Equity, Inclusiveness and Well-Being	<b><u>PVNCC 23-2 EA Allocation</u></b> Description: The objective of the review is to provide management with a fair, independent, and objective assessment of the processes and criteria used for the allocation of Educational Assistants.	Summer/ fall 2024	In progress
Various services	<b><u>Consulting support</u></b> Depending on ad hoc needs (Support related to audit universe risk assessment and risk framework, process review, etc.).	Ad Hoc	N/A
Various services	<b><u>Follow-ups (previous audits)</u></b> Follow-up on the implementation of planned action plans in response to recommendations from previous audits conducted by RIAT according to established timelines.	Ad Hoc	N/A

**2.2 Proposed Regional Internal Audit Plan for 2024-2026**



The Risk-Based Audit Plan (RBAP) for the multi-year period 2024-2026 is attached as Appendix A.

The RBAP process further emphasizes internal audits that provide the most value and address major risks and audit coverage across the organization.

### 3. Recommendations

1. That the Regional Internal Audit Update, dated October 03, 2024, be received for information.
2. That the Audit Committee approves the Proposed PVNCCDSB Risk-Based Audit Plan 2024-26 as presented in Appendix A.

**Respectfully Submitted by: *Jeff Henderson, Regional Internal Audit Manager***



# INTERNAL AUDIT TEAM

## Barrie Region

# Risk Based Audit Plan (RBAP)

ANNUAL AND MULTI-YEAR INTERNAL AUDIT PLAN  
2024-2026

PETERBOROUGH VICTORIA NORTHUMBERLAND AND  
CLARINGTON CATHOLIC DISTRICT SCHOOL BOARD

Submitted by:

Jeff Henderson

Regional Internal Audit Manager



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## 1. Purpose

This Risk-Based Audit Plan (RBAP, also referred to as the Plan) was developed by the Barrie Regional Internal Audit Team (RIAT), in collaboration with PVNCCDSB for the 2024-2025 to 2025-2026 fiscal years to provide a roadmap of audit work planned during this period. The two-year plan is updated annually to reflect emerging risks and changing school board priorities. Considering the level of priority given to the various risks in the current fiscal year, items from the previous year's plan could be removed, postponed or substituted to accommodate audit work that provides more value to the school board.

This plan includes details on the development approach and the DSBs management strategies, themes and processes that have been selected for conducting internal audit engagements over the next two years. The Plan is developed in accordance with Ontario Regulation 361/10 Division 9 (3) and the Internal Audit Mandate as well as the Institute of Internal Auditors' International Professional Practice Framework (IPPF). The Plan and any major adjustments should be reviewed by the Audit Committee and recommended for approval by resolution of the Board.

## 2. RBAP Development Process

Each year, the RIAT, with the support of management, prepares an annual update of the two-year risk-based plan, which sets out priorities for internal audit. The list of engagements in [Appendix B](#) will stem from the identification of key risks that could potentially prevent the Board from achieving its strategic and operational objectives. This planning process ensures that internal audit activities are timely and provide the highest possible value to committee members and school board management. To do this, the Plan must be aligned with the board's assessment of risks, its needs, challenges and operating environment.

The risk-based planning process leverages a risk assessment in relation to the school board's key business processes illustrated in [Appendix A](#). The set of processes or areas identified in this document constitutes the universe of auditable entities (or school board audit universe), which contribute to the achievement of the strategic or operational objectives of the school board. During our annual update, these processes are subject to a risk evaluation exercise to determine if risks within these entities are deemed priorities (based on the value added from performing an engagement), which in turn helps to identify audit projects for the coming years.

The risk prioritization exercise is to be conducted with managers and executives representing key business areas of the school board. The objective is to obtain opinions and assessments on risks, proposed audit projects, current and future challenges as well as any upcoming major projects or system implementations. The RIAT recommends that school board RBAPs be aligned with the results of school boards' future application of a strategic risk management framework (methodology). This process is still evolving. As a result, the Audit Universe will be continually updated to align with the board's risk management framework, including the wording of its business processes, the completed inventory of risks and the assessments of priorities and rankings.

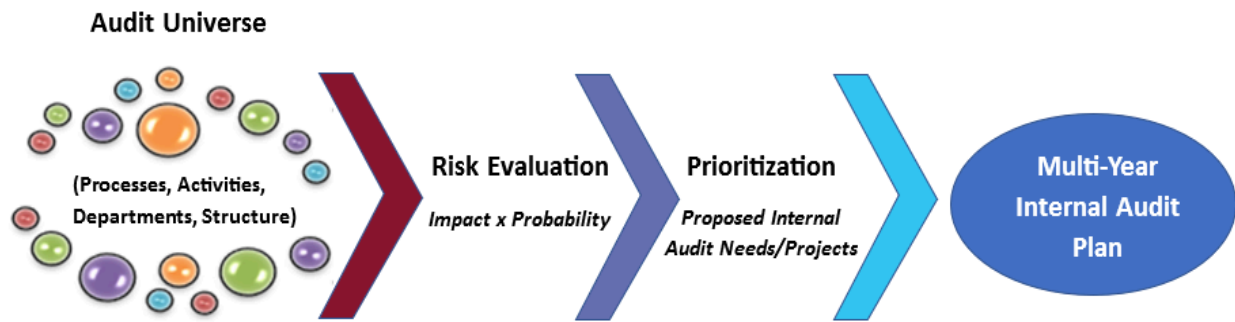
The audit universe and priorities for auditable areas are illustrated by the colour codes listed in [Appendix A](#). These reflect emerging needs identified as priorities by the school board during consultations.



Additional criteria are factored by RIAT in selecting specific audit projects detailed in *Appendix B* and proposed in this two-year plan, including:

- The scope and results of previous audits;
- Possible incidents, frauds and/or lack of internal controls;
- Management priorities and/or requests;
- Sources of external assurance expected during the period other than internal audit (e.g. external auditors, Auditor General of Ontario, MOE reviews, Ombudsman, etc.);
- Topics of common interest that have been prioritized by multiple school boards in the region;
- Reduction in areas targeted by successive audits;
- Opportunities for improvement as well as legal/regulatory or other obligations;
- Resources available to the Regional Internal Audit team; and
- The capacity of the school board and the impacts on business areas taken in a multi-year context.

The RBAP focuses on projects planned for the next two years, as projects for future years will be reassessed annually to reflect changes in school board priorities. The following diagram summarizes the key steps in the RBAP development process.



The results, at the time of the development of the Plan, are presented on the following pages and detailed in the appendices.

The objectives of the Plan are to:

- Identify internal audit priorities, to ensure that they align with the goals of the school board and are consistent with the approved internal audit mandate;
- Determine internal audit priorities based on an assessment of risks that may impact the school board;
- Establish the audit program and schedule necessary to provide the Audit Committee with the necessary information to properly advise the Board on the control, risk management and governance processes;

- Share and coordinate activities with other relevant internal and external insurance service providers to ensure adequate coverage and minimize duplication of effort; and
- Present the Plan and internal audit resource requirements to the Audit Committee and the Board for review and approval, respectively.

### 3. Planning Outcome

#### a. Internal Audit

The Mandate of the internal audit function is to provide independent and objective assurance and consulting services designed to add value and improve the operations of the school board. It helps the board achieve its goals by providing a disciplined and systematic approach to evaluating and improving effectiveness of:

- Control processes, systems and practices;
- Risk management processes and practices; and
- Governance processes.

The scope of the regional internal audit function's work is to determine whether the internal control, risk management and governance processes, as designed and implemented by management, are adequate and operate in a manner that ensures that:

- Risks are properly identified and managed;
- There is interaction with various governance groups as required;
- There is sufficient, accurate, reliable and timely financial and operational information;
- Activities are carried out and actions are taken in accordance with applicable policies, standards, procedures, laws and regulations;
- Resources are acquired economically, used efficiently and adequately protected;
- Programs, plans and objectives are achieved;
- Quality and continuous improvement be promoted in the school board's monitoring process;
- Significant legislative or regulatory issues affecting the school board be duly recognized and addressed; and
- Where opportunities to improve control, risk management and governance processes are identified during audits, they will be communicated to the appropriate level of management.

[Appendix B](#) lists the internal audit projects identified as priorities for the next two years. The objective and preliminary scope of each project and the estimated timelines are subject to change.

#### i. Horizontal Audit

The RIAT may conduct horizontal audit projects across member boards of the Barrie Region to take advantage of economies of scale resulting from centralized knowledge and expertise, minimizing the engagement cost and length per board.

## ii. Continuous Monitoring

The RIAT may have the opportunity to provide ongoing internal audit capacity associated with the increased use of computer-assisted audit techniques, and to support its current assurance delivery and support for the responsibilities of the school board administration (towards financial oversight, internal control and compliance with requirements from various sources).

In addition to providing reasonable assurance on the control of operations based on the individualized needs of Barrie Region school boards, such ongoing audit projects would help proactively identify risk areas and potential control deficiencies within the school board, help management improve controls and manage risks, and identify opportunities for value for money.

Ongoing audit work would be conducted in accordance with IPPF, using a structured approach, and targeting audit projects included in the Plan. Each ongoing audit project would provide reasonable assurance on an ongoing basis that the processes audited have adequate and sufficient key controls. The outcome of this work would be reported annually on the various processes reviewed.

## b. Other Advisory Services

In addition to conducting audit engagements, the RIAT provides independent advisory services when requested by management. For example, these services may include participating in or coordinating special projects, researching and analyzing information or options considered, advising on new processes, sharing information on topics and trends common to school boards, providing training to various audiences, or presentations on topics of interest.

## c. Sources of External Assurance

### i. Financial Results

The Ontario Ministry of Education requests that financial statements be submitted in November for the school year ending August 31. The audit of the consolidated financial statements of the school board for the fiscal year ending August 31, 2024 will take place during the year 2024-2025 and will be conducted by Baker Tilly KDN LLP.

The RIAT may occasionally be called upon to support the external auditor in their annual audit of the financial statements by providing information, conducting certain audit procedures, or coordinating reviews in certain areas where work may intersect.

### ii. Central Agencies and Expert Services

The Board may from time to time be subject to audits, examinations or inspections and investigations imposed on it by central agencies and authorities.

When these projects are planned, the nature and extent of these projects are considered by the RIAT during the annual planning exercise, but also throughout the year and where appropriate, the Plan is modified to reflect the impact of this work, with the goal of reducing duplication of audited topics and duplication of effort.

To date, no such project has been brought to the attention of the RIAT for the year 2024-2025.

#### d. Follow-up on Previous Audit Recommendations

In accordance with the International Standards for the Professional Practice of Internal Auditing, RIAT *"must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action"*. In addition, when the RIAM *"concludes that management has accepted a level of risk that may be unacceptable to the organization, he or she should discuss the matter with senior management and if the issue has not been resolved, he or she should refer the matter to the Board."*

The RIAT follow-up process is carried out in two steps:

1. Self-assessment of the implementation of recommendations by members of management responsible for implementing the action plan of previous audits; and,
2. Validation activities including interviews, review of supporting evidence, and risk-based analysis or testing to assess the sufficiency of the measures deployed in relation to the significance of the risks concerned.

Management and the RIAT may choose to report to the Audit Committee periodically on the status of its implementation of the action plans, other than at the time of RIAT follow-up reports.

#### e. Barrie RIAT Financial Resources and use of Third Parties

The operating budget for the Barrie RIAT to provide services for all nine school boards is prescribed according to the formula of the Ontario Ministry of Education Core Education Funding and is equivalent to approximately \$600,000 for the year 2024-2025. Of this amount, \$120,000 is earmarked for third party consultants/contractors to assist with audit projects or to provide expertise that is not feasible to maintain through full-time staffing.

Based on the annual budget, an estimate of the total available resource capacity was determined and allocated to planned activities for the Barrie Region's 9 school boards using measures based on risk profiles, our assessment of priorities and regular meetings with management.

## Appendix A – Audit Universe

Auditable Entities		
Board Wide Entity		
Strategic Planning	Monitoring and Reporting	Risk Management
Governance		Stakeholder Management
Instruction and Schools		
Enrolment and Attendance	Program Delivery	Student Equity, Inclusiveness and Well-Being
Business Services		
Financial Management	Business Controls Management	Transportation
Human Resources		
Attendance Management	Recruitment and Retention	Staff Equity, Inclusiveness and Well-Being
Information Technology		
Information Management	IT Infrastructure	IT Security
Facilities		
Facility Forecasting	Facility Management and Maintenance	Construction and Capital

Level of Risk	Description
<b>Critical</b>	One, or more critical risks have been identified within this entity that could have a significant impact on the school board. These risks require immediate and high-priority attention and management effort to be mitigated, exploited or, failing that, adequately managed.
<b>High</b>	One or more, high risks have been identified within this entity that could be associated with significant impacts that require priority management attention and effort.
<b>Moderate</b>	One or more moderate risks associated with this entity which could have mild impacts that require attention and active effort to put in place effective control mechanisms.
<b>Low</b>	Only low risks associated with this entity and moderate/low impacts that are not sufficient to address and active management attention is not a priority.



## Appendix B – Proposed Internal Audit Plan 2024-2026

2024-2025		A = Assurance/Compliance C = Consulting/Advisory F= follow-up	
Type	Audit Entities	Objective and scope	Timelines
C	Risk Management	<p><u>Principal Risk Assessment</u></p> <p>Description: The objective of this workshop is to provide principals a structured framework and approach to identify potential risks at the school level and to prioritize and implement risk management efforts and strategies.</p>	Fall/ Winter 2024
A	Enrolment and Attendance	<p><u>School Enrolment Audit</u></p> <p>Description: The objective of the audit is to provide management with a fair, independent, and objective assessment of the controls for recording and reporting of student enrolment through ONSIS on the October 31<sup>st</sup> and March 31<sup>st</sup> count dates.</p>	Spring/ Summer 2025
C	Ad hoc needs	<p><u>Consulting support</u></p> <p>Depending on ad hoc needs (Support related to audit universe risk assessment and risk framework, process review, etc.).</p>	Ad Hoc
F	Various services	<p><u>Follow-ups (previous audits)</u></p> <p>Follow-up on the implementation of planned action plans in response to recommendations from previous audits conducted by RIAT according to established timelines.</p>	Ad Hoc

2025-2026		A = Assurance/Compliance C = Consulting/Advisory F= follow-up	
Type	Audit Entity	Objective and scope	Timelines
A	Facility Management and Maintenance	<p><u>Facilities Work Order Analysis</u></p> <p>Description: This engagement aims to analyze the effectiveness and efficiency of the existing policies and procedures related to creating and tracking facilities' work orders and to ensure they comply with the applicable guidelines.</p>	Fall/ Winter 2025
A	IT Security	<p><u>Network Penetration Review</u></p> <p>Description: The purpose of the engagement is to provide management with a fair, independent, and objective assessment of the school board's network security protocols using industry standard vulnerability scanning/penetration testing.</p>	Winter/ Spring 2026
C	Ad hoc needs	<p><u>Consulting support</u></p> <p>Depending on ad hoc needs (for example, refresher session).</p>	Ad Hoc
F	Various services	<p><u>Follow-ups (previous audits)</u></p> <p>Follow-up on the implementation of planned action plans in response to recommendations from previous audits conducted by RIAT, according to established timelines.</p>	Ad Hoc