



**HALIFAX REGIONAL SCHOOL BOARD
AUDIT COMMITTEE MEETING
MINUTES
JUNE 25, 2014
4:30 p.m.**

An Audit Committee meeting was held this date in
Meeting Room 202 (2nd Floor)
33 Spectacle Lake Dr., Dartmouth, NS

PRESENT: Christy Linders, Chair
Dave Wright
Nancy Jakeman
Cathie O'Toole
Bruce Densmore (Arrived 4:50 p.m.)

STAFF: Elwin LeRoux, Superintendent
Gary Adams, Senior Staff Advisor
Danielle McNeil-Hessian, Director, School Administration
Terri Thompson, Director, Financial Services
Kathryn Burlington, Manager, Accounting & Purchasing
Alison Leverman, Director, Program
Selena Henderson, Corporate Secretary
Karen Tucker, Administrative Assistant, Financial Services

GUESTS: James O'Neil, Partner, KPMG

1. CALL TO ORDER

The Chair called the meeting to order at 4:30 p.m.

2. APPROVAL OF AGENDA

It was moved and seconded (Wright/Jakeman) that the agenda be approved.

(CARRIED)

3. APPROVAL OF MINUTES / BUSINESS ARISING FROM MINUTES

March 27, 2014

It was moved and seconded (Jakeman/Wright) that the minutes of the March 27, 2014 Audit Committee be approved.

(CARRIED)

4. Report 14-06-1479 - CONSOLIDATED FINANCIAL STATEMENTS – MARCH 31, 2014

James O'Neil, Partner, KPMG

Terri Thompson, Director, Financial Services

Ms. Thompson presented and reviewed the Consolidated Financial Statements – March 31, 2014, answering any questions or concerns as they arose.

Ms. Thompson distributed and discussed the following update from the Province to the Consolidated Financial Statements after the draft statements had been distributed:

Note 8(a)

The Board's teachers are members of a pension plan established by the Province of Nova Scotia pursuant to the Teachers' Pension Act. The Teachers' Pension Plan is administered by the Teachers' Pension Plan Trustee Inc. The Province of Nova Scotia and the Nova Scotia Teachers' Union are jointly responsible for funding this plan and accordingly no provision is included in the Board's financial statements for the related pension amounts.

Mr. O'Neil presented and reviewed the Audit Findings Report for the year ended March 31, 2014 and fielded questions from the Committee.

Mr. O'Neil stated there were no significant changes to audit standards that would affect the audit and that the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the HRSB as of March 31, 2014. KPMG is prepared to sign the report, once it has been accepted and approved by the Board.

In response to a question about payroll testing, Mr. O'Neil remarked that there were no issues during testing. Auditing of payroll is done by the testing of controls. KPMG would report any misstatements; however, none were identified in the audit.

Ms. Linders inquired about school-based funds and unqualified statements. Mr. O'Neil and Ms. Thompson said the HRSB school-based funds are managed and supported with two accountants and an administrative assistant who work with the schools to manage their school-based funds, through the Accounting for School Based funds handbook.

Mr. Densmore brought forward the fact that school-based funds are growing each year (approximately \$0.5 million increase each year) and that it may be time to look at creating a process to respond to these growing funds.

Mr. O'Neil, in closing, expressed his thanks for the cooperation shown to his staff during the audit process.

The meeting was then turned back over to Ms. Thompson who briefly discussed the Schedule of School Board Salaries & Expenses Report – March 31, 2014.

The following recommended motions were then presented to the Audit Committee by Ms. Thompson:

MOTION:

It was moved and seconded (Densmore/Wright) that the following amended recommendations be presented to the Board at the Special Board meeting being held following this Audit Committee meeting on 25 June 2014:

1. **The Board approve the designation of \$5,460,874 from the General Fund Accumulated Surplus as at March 31, 2014 as General Fund – Capital Amortization to offset future amortization charges for building capital improvements.**
2. **The Board approve the designation of \$440,823 from the General Fund Accumulated Surplus as at March 31, 2014 as General Fund - Program Resources (Schools) to facilitate the on-going management of school instructional supplies and materials budget carry-forwards.**
3. **The Board approve the designation of \$2,125,376 from the General Fund Accumulated Surplus as at March 31, 2014 as General Fund – Citadel Theatre Amortization to offset future amortization charges for this asset.**
4. **The Board accept and approve the consolidated financial statements of the Halifax Regional School Board for the fiscal year ended March 31, 2014 as presented, with the amendment to Note 8(a) on the administration and responsibility for the NSTU pension plan.**
5. **The Board accept and approve the audited Annual Report of Salaries and Expenses for the fiscal year ended March 31, 2014.**

CARRIED

The Chair thanked Mr. O'Neil, Ms. Thompson, and staff for their assistance in clarifying information regarding the various documents presented regarding the year ended March 31, 2014.

5. OTHER BUSINESS

6. DATE OF NEXT MEETING

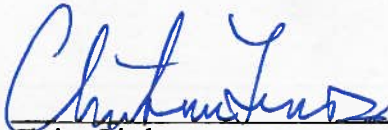
Wednesday, September 17, 2014 at 5:30 p.m.

7. ADJOURNMENT

It was moved and seconded (Wright/Jakeman) that the meeting be adjourned.

(CARRIED)

The meeting adjourned at 5:25 p.m.



Christy Linders
Chair, Audit Committee



Karen Tucker
Administrative Assistant, Financial Services

APPROVED