



**HALIFAX REGIONAL SCHOOL BOARD
AUDIT COMMITTEE MEETING
MINUTES
JUNE 15, 2016
6:00 p.m.**

An Audit Committee meeting was held this date in
Meeting Room 105
33 Spectacle Lake Dr., Dartmouth, NS

PRESENT: Nancy Jakeman, Chair
Bridget Ann Boutillier, Vice Chair
Melinda Daye (Left at 7:15 p.m.)
Christy Linders
Cathie O'Toole (Left at 7:15 p.m.)
Dave Wright
Bruce Densmore

BOARD MEMBERS: Cindy Littlefair
Steve Warburton
Gin Yee

Denise Bell, Regional Education Officer

STAFF: Elwin LeRoux, Superintendent
Lance Bullock, Senior Staff Advisor
Susan Tomie, Director, School Administration
Tracy O'Kroneg, Director, Human Resource Services
Alison King, Director, Program
Natascha Joncas, Corporate Secretary
Wendy Mackey, Senior Diversity Advisor
Terri Thompson, Director, Financial Services
Kate Wall, Coordinator, Financial Services
Kathryn Burlton, Manager, Accounting & Purchasing
Karen Tucker, Administrative Assistant, Financial Services

GUESTS: James O'Neil, CPA, CA - Partner, KPMG
Laura Noye, CPA, CA - Audit Manager, KPMG

1. CALL TO ORDER

The Chair called the meeting to order at 6:00 p.m.

2. APPROVAL OF AGENDA

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

(CARRIED)

3. APPROVAL OF MINUTES / BUSINESS ARISING FROM MINUTES

April 13, 2016

It was moved and seconded (Wright/Linders) that the minutes of the April 13, 2016 Audit Committee be approved.

(CARRIED)

4. Report 2016-06-25 - CONSOLIDATED FINANCIAL STATEMENTS – MARCH 31, 2016

James O'Neil, CPA, CA - Partner, Audit - KPMG

Terri Thompson, Director, Financial Services

Ms. Thompson presented and reviewed the Consolidated Financial Statements – March 31, 2016, answering any questions or concerns as they arose.

In reference to Ms. Linders question asking if the purchase of Shannon Park School was included in the March 31, 2016 financial statements, Ms. Thompson advised that the Shannon Park School property has not yet been purchased.

While reviewing the Supplementary Fund portion of the financial statements, Ms. O'Toole asked staff if they adhere to the conditions required of the HRSB in the Supplementary Fund agreement. Ms. Thompson explained that we are presently engaged in a 2-year extension of the agreement and that staff ensures all of our obligations for the supplementary funding are, and continue to be, met.

At this point in time, Ms. Thompson turned the meeting over to Mr. O'Neil.

Mr. O'Neil presented and reviewed the Audit Findings Report for the year ended March 31, 2016 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 at March 31, 2016. KPMG is prepared to sign the report, once it has been accepted and approved by the Board.

Mr. O'Neil remarked that there were no issues during payroll testing. KPMG would report any identified payroll misstatements; however, none were identified in the audit.

Staff confirmed that there are no issues or concerns regarding the Board's trust funds, in response to Mr. Densmore's question.

Staff, particularly our Regional Accounting staff, continues to work with schools on reducing the accumulated surplus for school-based funds. This reduction requires a careful, planned process but improvement is being achieved. Mr. O'Neil advised that he is comfortable with the reviews and audits in place in the schools and that KPMG will continue to monitor the Board's reviews and audits of school-based funds.

Ms. O'Toole asked Mr. LeRoux if he was comfortable signing the management representation letter because of the wording concerning the "Environmental Matters" portion of the notes. Ms. O'Toole asked what steps are being taken to avoid future environmental problems. Mr. LeRoux spoke of steps taken as school buildings are prepared to be handed over to HRM, as well as asbestos audits at our school sites. Mr. Heiman, Director of Operations was not at the meeting to speak to this matter but Mr. LeRoux said a more detailed response would be provided at a later date.

Ms. Thompson distributed copies of the Schedule of School Board Salaries and Expense Report – March 31, 2016. Mr. O'Neil and Ms. Thompson briefly discussed the report. Mr. O'Neil confirmed that the report is tested for accuracy. In answer to Mr. Densmore's question, Mr. O'Neil acknowledged that he was comfortable with the audit opinion for this report.

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

MOTIONS:

- 1. The Board approve the designation of \$4,682,122 from the General Fund Accumulated Surplus as at March 31, 2016 as General Fund – Capital Amortization to offset future amortization charges for building capital improvements.**

It was moved and seconded (Densmore/Linders) that the above motion be presented to the Board at their June 22, 2016 meeting.

(CARRIED)

- 2. The Board approve the designation of \$27,240 from the General Fund Accumulated Surplus as at March 31, 2016 as General Fund - Program Resources (schools) to facilitate the on-going management of school instructional supplies and materials budget carry-forwards.**

It was moved and seconded (O'Toole/Boutilier) that the above motion be presented to the Board at their June 22, 2016 meeting.

(CARRIED)

- 3. The Board approve the designation of \$1,861,109 from the General Fund Accumulated Surplus as at March 31, 2016 as General Fund – Citadel Theatre Amortization to offset future amortization charges for this asset.**

It was moved and seconded (Linders/Boutilier) that the above motion be presented to the Board at their June 22, 2016 meeting.

(CARRIED)

- 4. The Board accept and approve the consolidated financial statements of the Halifax Regional School Board for the fiscal year ended March 31, 2016.**

It was moved and seconded (Linders/Wright) that the above motion be presented to the Board at their June 22, 2016 meeting.

(CARRIED)

5. The Board accept and approve the audited Annual Report of Salaries and Expenses for the fiscal year ended March 31, 2016.

It was moved and seconded (Wright/Boutilier) that the above motion be presented to the Board at their June 22, 2016 meeting.

(CARRIED)

5. OTHER BUSINESS

6. DATE OF NEXT MEETING

September 21, 2016 – 6:00 p.m.

7. IN-CAMERA ITEM

It was moved and seconded (Linders/Boutilier) that the Audit Committee move in-camera at 7:15 p.m.

(CARRIED)

It was moved and seconded (Linders/Wright) that the Audit Committee move out of in-camera at 7:19 p.m.

(CARRIED)

It was moved and seconded (Wright/Densmore) that the in-camera minutes of September 18, 2013 be approved.

(CARRIED)

It was moved and seconded (Linders/Boutilier) that the Audit Committee provide authorization to the Director, Financial Services to exercise the option provided in the motion passed on September 18, 2013 to negotiate a one-year extension to the Audit agreement, and to bring the extension back to the Audit Committee, for referral to the Board for approval in September.

(CARRIED)

8. ADJOURNMENT

It was moved and seconded (Linders/Boutilier) that the meeting be adjourned.

(CARRIED)

The meeting adjourned at 7:22 p.m.



Nancy Jakeman
Chair, Audit Committee



Karen Tucker
Administrative Assistant, Financial Services