

TUESDAY, NOVEMBER 11, 2025

Public Session: 5:30 p.m.

AGENDA

A. ACKNOWLEDGEMENT OF TRADITIONAL TERRITORY

S. Barnett

B. CALL TO ORDER/NOTING OF MEMBERS ABSENT

S. Barnett

C. APPROVAL OF AGENDA

S. Barnett

D. DECLARATION OF CONFLICT OF INTEREST

S. Barnett

E. ANNUAL REPORT TO THE MINISTRY OF EDUCATION

S. Veld

F. REGIONAL INTERNAL AUDIT STATUS REPORT

A. Eltherington

G. NEXT MEETING: TUESDAY, JUNE 9, 2026 at 6:30 p.m.

H. ADJOURNMENT

**Annual Report to the Board of Trustees
and forwarded to the Ministry of Education
for the year ended August 31, 2025**

District School Board Name: DISTRICT SCHOOL BOARD OF NIAGARA

Fiscal Year: 2024-25

**Re: ANNUAL AUDIT COMMITTEE REPORT TO THE
MINISTRY OF EDUCATION AS PER
ONTARIO REGULATION 361/10**

The following audit engagements were in progress in 2024-25 and completed as at August 31, 2025

1. Continuing Education
2. Back Up Disaster and Recovery
3. IT Security 2

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

_____ Date	_____ Signature, Sue Barnett	<u>Audit Committee Chair</u> Title
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INTERNAL AUDIT TEAM

West of Central Region

MEMO

TO: District School Board of Niagara Audit Committee
FROM: Andrea Eltherington, Regional Internal Audit Manager
DATE: November 11, 2025
SUBJECT: Regional Internal Audit Status Report – Open Committee Session

This memorandum will serve to update the Audit Committee of the Regional Internal Audit Team's (RIAT) work since September 9, 2025.

A. RIAT Charter

The Charter needs to be re-signed with the election of a new chair in September.

Regional Internal Audit Charter

Purpose

The purpose of the regional internal audit team is to strengthen the ability of the district school boards in the West of Central Region to create, protect, and sustain value by providing the Audit Committee of the Board of Trustees (Audit Committee) and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The regional internal audit function enhances the district school board's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The regional internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with The IIA's Global Internal Audit Standards™, which are set in the public interest.
- The regional internal audit team is independently positioned with direct accountability to the Audit Committee.
- Regional internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards

The regional internal audit team will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The Regional Internal Audit Manager will report annually to the Audit Committee and senior management regarding the regional internal audit team's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

Mandate

Authority

The regional internal audit function is established by the Ministry of Education through the annual Core Education Funding. The role of the Audit Committee towards the regional internal audit function is established by Ontario Regulation 361/10, "Audit Committees", subsection 9(3).

The regional internal audit team's authority is created by its direct reporting relationship to the Audit Committee. Such authority allows for unrestricted access to the Audit Committee.

The Audit Committee authorizes the regional internal audit team to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Regional internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the regional internal audit function's objectives.
- Obtain assistance from the necessary personnel of the district school board and other specialized services from within or outside the district school board to complete internal audit services.

Independence, Organizational Position, and Reporting Relationships

The internal audit function follows a regional model. The function consists of a Regional Internal Audit Manager responsible to district school boards in one of the eight regions in the province of Ontario as identified by the Ministry of Education.

The Regional Internal Audit Manager will be positioned at a level in the school board that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the regional internal audit team. (See "Mandate" section.) The Regional Internal Audit Manager will report functionally to each audit committee in the region and be administratively (for example, day-to-day operations) supported by a host school board Senior Business Official. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the Audit Committee, when necessary, without interference and supports the regional internal auditors' ability to maintain objectivity.

The functional reporting relationship between the Regional Internal Audit Manager and each Audit Committee will be further demonstrated by each Audit Committee performing the following functions for their Board:

- Approve the regional internal audit charter;
- Recommend for approval the risk based internal audit plan;
- Receive information from the Regional Internal Audit Manager about the internal audit activity performance to plan and other relevant matters;
- Inquire of the Regional Internal Audit Manager whether there are resource or scoping limitations; and
- Review annually the performance of the regional internal audit activity and provide the Board of Trustees with their comments regarding the performance of the Regional Internal Audit Manager.

The Regional Internal Audit Manager will interact directly with the Audit Committee, including in-camera sessions and between audit committee meetings as appropriate.

The Regional Internal Audit Manager will confirm to the Audit Committee, at least annually, the organizational independence of the regional internal audit team. If the governance structure does not support organizational independence, the Regional Internal Audit Manager will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The Regional Internal Audit Manager will disclose to the Audit Committee any interference regional internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the regional internal audit team's effectiveness and ability to fulfill its mandate.

Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the Regional Internal Audit Manager, Audit Committee, and senior management on the regional internal audit mandate or other aspects of the regional internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant reorganization within the district school board.
- Significant changes in the Regional Internal Audit Manager, Audit Committee, and/or senior management.
- Significant changes to the district school board's strategies, objectives, risk profile, or the environment in which it operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

Audit Committee Oversight

To establish, maintain, and ensure that the regional internal audit function has sufficient authority to fulfill its duties, the oversight role of the Audit Committee over the regional internal audit function is outlined in Ontario Regulation 361/10, "Audit Committees", subsection 9(3).

Further, subsection 10(c) of the regulation allows private meetings between the regional internal audit team and the Audit Committee members without senior management present.

Note: Funding for the regional internal audit function is determined by the Ministry of Education annually through the Core Education Funding.

Regional Internal Audit Manager Roles and Responsibilities

Ethics and Professionalism

The Regional Internal Audit Manager will ensure that regional internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.

- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

Objectivity

The Regional Internal Audit Manager will ensure that the regional internal audit function remains free from all conditions that threaten the ability of regional internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Regional Internal Audit Manager determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Regional internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Regional internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, regional internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for the district school board or its affiliates.
- Initiating or approving transactions external to the regional internal audit function.
- Directing the activities of any district school board employee that is not employed by the regional internal audit function, except to the extent that such employees have been appropriately assigned to the regional internal audit team or to assist regional internal auditors.

Regional internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the Regional Internal Audit Manager, Audit Committee, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Regional Internal Audit Function

The Regional Internal Audit Manager has the responsibility to:

- At least annually, develop a risk-based regional internal audit plan that considers the input of the Audit Committee and senior management. Discuss the plan with the Audit Committee and senior management and submit the plan to the Audit Committee for review and approval.
- Communicate the impact of resource limitations on the regional internal audit plan to the Audit Committee and senior management.
- Review and adjust the regional internal audit plan, as necessary, in response to changes in the district school board's business, risks, operations, programs, systems, and controls.
- Communicate with the Audit Committee and senior management if there are significant interim changes to the regional internal audit plan. Submit all proposed major changes to the regional internal audit plan to the Audit Committee for approval.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Audit Committee and senior management as available.
- Ensure the regional internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfill the regional internal audit mandate.
- Identify and consider trends and emerging issues that could impact the district school board and communicate to the Audit Committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the regional internal audit function.
- Ensure adherence to the district school board's relevant policies and procedures unless such policies and procedures conflict with the regional internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Audit Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Regional Internal Audit Manager cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Audit Committee.

Communication with the Audit Committee and Senior Management

The Regional Internal Audit Manager will report annually to the Audit Committee and senior management regarding:

- The regional internal audit function's mandate.

- The regional internal audit plan and performance relative to its plan.
- Significant revisions to the regional internal audit plan.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the regional internal audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the regional internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Audit Committee that could interfere with the achievement of the district school board's strategic objectives.
- Results of assurance and advisory services.
- Resource requirements.
- Management's responses to risk that the regional internal audit function determines may be unacceptable or acceptance of a risk that is beyond the district school board's risk appetite.

Quality Assurance and Improvement Program

The Regional Internal Audit Manager will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the regional internal audit function. The program will include external and internal assessments of the regional internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the regional internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the regional internal audit function's deficiencies and opportunities for improvement.

Annually, the Regional Internal Audit Manager will communicate with the Audit Committee and senior management about the regional internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the district school boards served by the regional internal audit team; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the district school board, including all of the district school board's activities, assets, and personnel. The activities and processes within the scope are captured in the audit universe. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Audit Committee and management on the

adequacy and effectiveness of governance, risk management, and control processes for the district school board.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the regional internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of the district school board's strategic objectives are appropriately identified and managed.
- The actions of the district school board's officers, directors, management, employees, and contractors or other relevant parties comply with the district school board's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the district school board.
- The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

**Approved by the Audit Committee of the District School Board of
Niagara at its meeting on November 11, 2025.**

Acknowledgments/Signatures

Regional Internal Audit Manager

Date

Audit Committee Chair

Date

Director of Education or designate

Date