



## MINUTES OF A MEETING OF THE AUDIT COMMITTEE

Monday, September 9, 2019

School Board Office – 9:00 a.m.

Present: S. Donahue (in the Chair); L. Block, Trustee; C. Kennedy, Superintendent of Schools; J. Leiterman, Secretary Treasurer; K. Johnson, Assistant Secretary Treasurer; J. Brown, Manager of Finance; Cathy Imrie, Retired Senior Vice President, Business and CFO (OceanWise/Vancouver Aquarium); Carol Chiang, Lead Engagement Partner (KPMG); Aanu Adeleye, Audit Senior Manager (KPMG); R. Willock (WVTA); S. Capier (WVTA) S. Rauh (WVAA)

Absent: B. Scott (WVMEA); K. Richter (WV DPAC)

### **1. KPMG review of audit and 2018/19 Financial Statements**

The meeting was called to order and Committee Chair Donahue welcomed everyone back after the summer. She then passed the floor to Carol Chiang, lead audit engagement partner with accounting firm KPMG.

Ms Chiang gave a brief review of the KPMG School District #45 (West Vancouver) Audit Findings Report for the period ended June 30, 2019. In the executive summary, it was noted that there were no changes to the audit plan as it was laid out at the May meeting, and there were no significant changes regarding approach or risks. The audit is complete, subject to final approval by the board.

Aanu Adeleye, audit senior manager, then summarized the audit testing areas of focus. With regard to school-generated funds, it was acknowledged that the school district has done work to improve this practice and is continuing to formalize follow-up processes regarding implementation of audit findings. The committee was reminded that school districts do not follow Canadian public sector accounting standards regarding deferment and amortization of capital revenue and assets. The district received \$2.69 million in Classroom Enhancement Funds (CEF) and monies were spent appropriately and raised no concerns. At June 30, 2019, \$9600 remained unspent and was included in deferred revenue. Ms Adeleye concluded by saying that there were no issues or concerns in any area and no misstatements requiring correction, and that it was a good audit year.

Ms Chiang reviewed the various appendices of the report and noted that the management representation letter in Appendix 2 will be signed after board approval. The observations/deficiencies coming from these internal audit reviews are consistent with those seen in schools in other districts and are reflective of an educational process and continuous awareness at the school level. The Secretary Treasurer pointed out that the inherent risk with school funds is related to the collection of cash, but that the risk has been reduced as a result of continued uptake of our online payment system. Renee Willock, president of the WVTA, reported that teachers are also happy with the system, as it removes a level of responsibility for the collection of cash for them as well.

Using data from the Ministry of Education, ratios and trends in West Vancouver and four other surrounding or similarly-sized districts were examined. Our student enrolment is

Committee members: Sheelah Donahue, Lynne Block

stable, but as a percentage, we continue to have a higher fee-paying international student population than other districts at 7.25% FTE. Figures show that for 2019, we have the lowest expenses per student FTE of the five districts, and also the lowest revenue per student FTE at \$11,365. This is similar to recent years and it attributed to student population demographics. While the basic operating grant per student is dependent upon FTE, transportation, special education, ELL and other factors affect additional operating grant monies. When looking at expenses by object analysis, they have increased slightly, but that is consistent with other districts for the most part. The Secretary Treasurer noted that the main factor regarding the increase in services is the way homestay monies are reported. Though they flow through, homestay fees collected and homestay fees paid out do have to be reported separately rather than netted against one another.

Ms Chiang concluded by thanking the Secretary Treasurer, the Assistant Secretary Treasurer and the Manager of Finance for their hard work and preparation, which resulted in a clean, smooth audit, with no required adjustments.

**RECOMMENDATION: That the audited 2018-2019 Financial Statements be forwarded to the Board for approval and filing with the Ministry of Education.**

2. **Adjourn**

**9:30 a.m.**

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Julia Leiterman, Secretary Treasurer