

Audit Committee – Evaluation of External Auditors Performance

Purpose of the Evaluation

Per Ontario Regulation 361/10, the audit committee has the duty to review at least once in each fiscal year the performance of the external auditor. In addition, the evaluation can serve to enhance the development of criteria for future tendering processes of external audit services.

In discharging this responsibility, the audit committee should answer the following series of questions assessing the external auditors and should ask key senior school board management for their comments as well. As with all processes asking for input, the audit committee should consider the different perspectives and motivations of those having input into this evaluation process.

If you are unable to respond to a particular question, please select “N/A”.

Name of Audit Committee Member Completing Evaluation					
Fiscal year					
	Strongly Agree	Agree	Disagree	Strongly Disagree	N/A
Financial Reporting Process / External Audit					
1. The external auditor discussed the audit engagement terms with the audit committee through an annual engagement letter.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The audit committee is satisfied with the planning and conduct of the audit, including the co-ordinated efforts with the internal auditor.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The external auditor informed the audit committee of :					
a) accounting principles & emerging issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) complex / unusual financial transactions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) material judgments and accounting estimates of the school board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) any departures from the accounting principles, where applicable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The external auditor engaged the audit committee on all significant issues arising from the audit such as:					
a) results of the annual external audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) any difficulties encountered in the course of the external auditor's work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) any significant changes the external auditor made to the audit plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) any significant disagreements between the external auditor and management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The external auditor reflected the scope of their audit, as set out in their audit plan, in the final audit report.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The external auditor's report was complete, as it:					
a) identified the title of each statement that comprises the financial statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Strongly Agree	Agree	Disagree	Strongly Disagree	N/A
6. (Continued) The external auditor's report was complete, as:					
b) it referenced the summary of accounting policies and notes to the financial statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) it distinguished between responsibilities of management and those of the external auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) it described the scope of the external auditor's examination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) it contained an expression of opinion or an assertion than an opinion could not be expressed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) the opinion indicated that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows in accordance with the appropriate financial framework (could be qualified based on school generated funds)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. The resources were appropriately allocated at different stages of the audit to ensure that the audit was completed within the agreed timelines.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal Controls					
8. The external auditor communicated to the audit committee the extent of their reliance on internal controls in the proposed audit plan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. The external auditor provided constructive observations, implications, and recommendations in areas needing improvement, particularly with respect to the school board's internal control system over financial reporting (through management letter).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Risk Management					
10. The external auditor informed the audit committee of any significant risks of which the audit committee was not previously aware of.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General					
11. The external auditor met with the audit committee when requested.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. The audit committee is satisfied that the external auditor met with the audit committee to discuss any matters that should have been discussed throughout the year.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. The external auditor did not leave significant issues of concern to the audit committee unaddressed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. The audit committee is satisfied that the external auditor remained independent of the school board in spite of any audit-related, or non-audit services the auditor provides to the school board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Strongly Agree	Agree	Disagree	Strongly Disagree	N/A
15. The audit committee is satisfied that the external auditor was not unduly influenced by management. (Assessment indicators: the external auditor communicated freely with the audit committee; the external auditor was not reluctant or hesitant to raise issues that would reflect negatively on management)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. From a discussion with management, the audit committee believes that the external audit team members had the experience and possessed the necessary qualifications required of external auditors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. The audit fee was fair and reasonable in relation to what audit committees know about fees charged to other school boards or other similar organizations of comparable size.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Overall, the external auditor met audit committee expectations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Have you received any specific feedback on the external auditor from school board management? If so, please provide details:</p>					
<p>Have you received any specific feedback on the external auditor from internal audit? If so, please provide details:</p>					
<p>Please provide any additional comments on your experience with the external auditors:</p>					