



REPORT TO

AUDIT COMMITTEE

INDEPENDENCE OF EXTERNAL AUDITOR

"Give and it will be given unto you"
Luke 6:38

Created, Draft	First Tabling	Review
December 8, 2020	January 27, 2021	
C. Giambattista, Senior Manager Accounting D. Bilenduke, Senior Coordinator of Finance P. De Cock, Comptroller of Business Services & Finance		
INFORMATION REPORT		

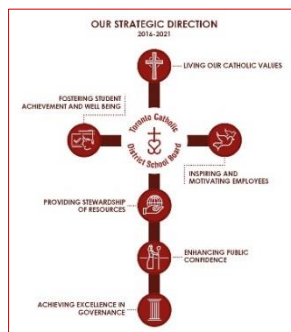
Vision:

At Toronto Catholic we transform the world through witness, faith, innovation and action.

Mission:

The Toronto Catholic District School Board is an inclusive learning community uniting home, parish and school and rooted in the love of Christ.

We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.



Brendan Browne, PhD
Director of Education

D. Koenig
Associate Director
of Academic Affairs

L. Noronha
Associate Director of Facilities,
Business and Community
Development, and
Chief Financial Officer

A. EXECUTIVE SUMMARY

Deloitte LLP was appointed as the external auditors for the TCDSB commencing with the 2015-2016 fiscal year. The Toronto Catholic District School Board (TCDSB) staff can confirm that during 2019-20 fiscal year, Deloitte LLP has not been engaged for any additional activities in contradiction of the Audit Committee motion on this topic from their meeting on November 13, 2019.

The cumulative staff time required to prepare this report was 4 hours.

B. PURPOSE

This report responds to the Audit Committee's annual request to provide details on the type of non-audit services that External Auditors may perform while not compromising their independence nor exceeding the ratio of audit to non-audit work our external auditors may perform.

C. BACKGROUND

1. ***Rule 204 in the CPA Guide to Canadian Independence Standard provides some guidance.*** The CPA Guide does not include any specific prohibitions against the provision of such consulting services by an auditor, but rather suggests that it should be addressed within the threats and safeguards framework.
2. ***Routine audit services are appropriate.*** Routine Audit services pertain directly to the audit and generally involve providing assistance to the organization on an informal basis as part of the normal, ongoing professional relationship. Routine audit services are typically insignificant in terms of time incurred and generally do not result in a specific project, engagement or formal reporting. Examples of routine activities may include:
 - Providing advice to the organization on technical accounting issues.
 - Providing information or advice on general or routine business matters.
 - Providing information that is readily available to the auditor, such as best business practices or bench marking studies.

3. ***Some non-audit services may remain appropriate with the appropriate safeguards.*** Non-audit services may be performed if safeguards are put in place. Examples of non-audit services may include:
 - Providing internal audit services.
 - Performing enterprise risk management or business risk consulting.
 - Consulting on information technology systems, installation and integration.
 - Providing executive and employee search services.
 - Providing tax compliance services.
 - Providing corporate finance services such as developing strategies or assisting in analysing effects of proposed transactions.
4. ***Some services would directly impair auditor independence and should be prohibited:***
 - Assuming management responsibilities.
 - Making policy or strategy decisions on behalf of management.
 - Taking responsibility for designing, implementing, or monitoring internal controls.
 - Having a financial interest in the audited entity.
 - Bookkeeping and preparing accounting records and financial statements.
 - Payroll Services.
 - Human Resource services.

D. EVIDENCE/RESEARCH/ANALYSIS

1. The TCDSB has paid a fee to Deloitte LLP regarding fiscal 2019-20 for the following audit related services as identified in their contractual agreement:
 - Annual Year-end Audit
 - 7-month Interim Audit
 - Ontario Youth Apprenticeship Program (OYAP)
 - Literacy & Basic Skills (LBS)
2. The TCDSB engaged Deloitte LLP during fiscal 2019-20 for the following audit related services in addition to their contractual agreement:
 - Parenting & Family Literacy (EarlyON) \$6,129.60
 - Adult ESL/FSL \$6,129.60
 - TELLON (cost to be determined)

3. The TCDSB has not engaged Deloitte LLP during the period for any permitted non-audit services as defined by the services listed as point #3 in the Background section above.

E. METRICS AND ACCOUNTABILITY

1. Policy F.M.08 Effective Financial Management and Control of Operations and policy F.P.01 Purchasing Policy will be updated with the following process:
 - i. The Board will tender for Ministry prescribed audit services to be effective for a period of five years with an option for two additional years.
 - ii. The auditor of record will be severely restricted from performing non-audit services for the Board.
 - iii. A sample of permitted non-audit services available to the auditor of record is as follows:
 - Providing internal audit services.
 - Performing enterprise risk management or business risk consulting.
 - Consulting on information technology systems, installation and integration.
 - Providing executive and employee search services.
 - Providing tax compliance services.
 - Providing corporate finance services such as developing strategies or assisting in analysing effects of proposed transactions.
 - Any audit service approved in advance by the Audit Committee
 - iv. The Audit Committee will approve in advance all permitted non-audit services awarded to the Board's auditor of record that exceed \$5,000.
2. On an annual basis, the Board will report all audit and permitted non-audit services rendered by the auditor of record to the Audit Committee. The report will include amounts paid over and above the tendered agreement.

F. CONCLUDING STATEMENT

That the Audit Committee receive the information report.