



NANAIMO LADYSMITH PUBLIC SCHOOLS

BUSINESS COMMITTEE PUBLIC MEETING

INFORMATION SHEET

DATE: April 12, 2023
TO: Business Committee
FROM: Mark Walsh, Secretary-Treasurer and Kylie Lowe, Director of Finance
SUBJECT: Internal Audit

Background:

On a yearly basis, the District's financials are audited by external auditors with results being reported directly to the Board. While the Finance Department is regularly engaged in financial compliance and risk monitoring recently it has created a more formalized process. This Information Sheet will briefly outline the internal audit process and how the Board will be made aware of results.

Discussion:

Attached to this document is an outline of the Finance team's school audit document for elementary schools. A secondary school audit program is also being developed and will essentially match the elementary with a few additional procedures to address items that are specific to secondary schools such as the finances around cafeterias for example. The purpose of the audit is to review schools on a random but reasonably regular basis. The purpose of the audit is to review compliance with District processes but also to highlight best practices, share knowledge, ensure that the central finance department is aligned with school needs and, highly unlikely, to uncover fraud or unnecessary risks to the District.

The Finance Department will provide the business committee – the *de facto* audit committee – with a general report on annual basis with respect to the internal audit program. This report will likely be in a public meeting highlighting the progress, areas of growth etc. In the event that there is a significant risk, a report may be made directly to the Board in a closed session.

This internal audit is intended to be connected to the recommendation to the deletion of the Audit Committee, which has functioned through the business committee rather than a stand alone entity for at least a decade.

Appendix A: Internal Audit Procedure Document