

Minutes of the Special Meeting of the Board of Education of the Chinook School Division No. 211 held on Monday, November 28, 2016 at 3:30 p.m. at the Chinook Education Centre.

PRESENT: Larry Caswell
Shane Andrus
Shannon Armstrong
Allan Bridal
Dianne Hahn
Susan Mouland
Kimberly Pridmore
Tim Ramage
Tim Weinbender

Liam Choo-Foo – Director of Education
Kyle McIntyre – Deputy Director of Education
Rod Quintin – Chief Financial Officer
Joanne Booth – Communications Coordinator
Jackie Wiebe – Executive Assistant

REGRETS: H.B. (Bernie) Ford

The meeting was called to order at 3:30 p.m. by Chair Larry Caswell.

AGENDA 167/16 Hahn THAT the Special Meeting Agenda be approved as circulated and revised.

CARRIED

Terry Olfert, Stark and Marsh, and Larissa Sych, Provincial Auditors Office, presented the Auditors Report

AUDITORS 168/16 Ramage The Auditors Report is received

CARRIED

SPECIAL MEETING ----- November 28, 2016

AUDITORS 169/16 Pridmore
REPORT THAT the Auditor’s Report and Financial Statement, Supporting Schedules and notes for the period ending August 31, 2016, be approved as attached pending minor changes made after Ministry of Education and Finance format, review and approve.

CARRIED

ANNUAL 170/16 Bridal
REPORT THAT the Annual Report, including Financial Statements and Public Accounts, for the Chinook School Division No. 211 for the period of September 1, 2015 to August 31, 2016 be approved.

CARRIED

OFFER TO 171/16 Moulard
PURCHASE DONNELLY THAT the Offer to Purchase Agreement, dated November 5, 2016, between the Board of Education of the Chinook School Division and Gerald and Lois Donnelly be approved.

CARRIED

FRONTIER 172/16 Armstrong
PORTABLE THAT the Chinook Board of Education authorizes the submission of the 2017 – 18 Relocatable Classroom Program Application for Frontier School.

CARRIED

EXCUSED 173/16 Andrus
ATTENDANCE THAT Mr. H.B. (Bernie) Ford be excused from attendance at Board Meetings during the period of November 28, 2016 to April 1, 2017.

CARRIED

ADJOURN 174/16 Weinbender THAT we do now adjourn.

CARRIED

Board Chair

CFO



STARK & MARSH
— CPA LLP —

CHINOOK SCHOOL DIVISION No. 211

AUDIT MEMORANDUM

August 31, 2016

November 28, 2016

starkmarsh.com

CHINOOK SCHOOL DIVISION No. 211

AUDIT MEMORANDUM

Required Communications to the Audit Committee - Or Equivalent

As Chinook School Division No. 211's auditors, we are required by Canadian auditing standards ("CAS") to provide the Audit Committee, or its equivalent, with certain information about the scope and results of our audit, and assist the Audit Committee, or its equivalent, in overseeing the financial reporting and disclosure process. In response to these professional requirements, we provide the following information:

- **Audit status**

We have completed the audit of the financial statements and have obtained approval from the Office of the Provincial Auditor, with the exception of the following items:

1. Receipt of signed representation letter by management
2. Obtaining the Board's approval of the financial statements

Once these items have been completed, we will sign and date our auditor's report.

- **Stark & Marsh's Responsibility under Canadian Auditing Standards**

Stark & Marsh will issue an auditors' report on the financial statements of Chinook School Division No. 211. The preparation of these financial statements and the accompanying notes are the responsibility of management. Stark & Marsh's responsibility is to express an opinion on these financial statements based on our audit.

An audit conducted in accordance with CAS is designed to provide reasonable, rather than absolute assurance that the financial statements are free of material misstatement. Our audit includes: assessing the risk that the financial statements may contain material misstatements; examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and their application; and assessing the significant estimates made by management.

We are also required to obtain a sufficient understanding of the internal control structure to plan the audit and to determine the nature, timing and extent of tests to be performed. We will express an objective opinion as to whether the financial statements are presented fairly in accordance with Canadian public sector accounting standards.

- **Weaknesses in Internal Control**

In conducting the audit, we consider only those internal controls relevant to the audit of the financial statements. An audit is not designed to consider whether internal control is adequate for management's purposes. Consequently, we would only identify weaknesses in internal control that come to our attention during the financial statement audit. Furthermore, the identification of weaknesses in internal control is influenced by matters such as our assessment of materiality, our preliminary assessment of components of audit risk and the audit approach used.

We are currently in discussions with management regarding the IT strategy implementation. In the prior year we had issued a qualified opinion on Internal Controls as the School Division had developed an IT Strategy but had not fully implemented it including the Disaster Recovery Plan. We are still in discussions and gathering audit evidence to determine as to whether the IT Strategy has been fully implemented as of August 31, 2016.

We did not encounter any other significant weaknesses in internal controls during our audit in the current year.

- **Fraud**

An audit conducted in accordance with Canadian auditing standards does not provide assurance about an entity's compliance with the laws and regulations that may affect it. These standards include; however, a requirement that the nature, extent and timing of the auditor's procedures should be designed so that, in the auditor's professional judgment, the risk of not detecting a material misstatement in the financial statements is reduced to an appropriately low level. However, due to the nature of illegal acts, an auditor conducting an audit in accordance with Canadian generally accepted auditing standards may not detect such an act, or recognize an act as being illegal, even if the effect of its consequences on the financial statements is material.

Based on the results of our testing, we did not identify any illegal, improper or questionable payments or acts nor any acts committed with the intent to deceive, involving either misappropriation of assets or misrepresentation of financial information.

- **Related Party Transactions**

Other than those disclosed in the financial statements, there were no significant related party transactions that were not in the normal course of business that were identified during the audit.

- **Significant Accounting Policies**

The significant accounting policies used by the School Division are outlined in Note 2 to the financial statements.

There were no significant changes in accounting policies in the current year.

The accounting policies adopted by the School Division are considered to be appropriate.

- **Significant Accounting Estimates**

The preparation of the School Division's financial statements in accordance with Canadian public sector accounting standards requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expensed during the period reported. Actual results could differ from those estimates.

The following significant estimates are contained in the financial statements:

- *Liability for employee future benefits*
- *Property taxation revenue*
- *Uncollectable property taxes*
- *Accrued liabilities for contaminated sites*
- *Useful lives of Capital assets*

Based on the audit work performed, we are satisfied with the estimates made by management.

- **Significant Difficulties Encountered**

During the course of the audit, there were no significant difficulties encountered.

- **Difficulties Encountered in Dealing with Management**

No difficulties were encountered dealing with management during the performance of our audit.

- **Reportable Conditions**

- **Internal Control**

- See Draft audit report addressed to Provincial Auditor
- Depending on the results of our findings this opinion may change
- No reportable items

- **Legislative Compliance**

- See Draft audit report addressed to Provincial Auditor
- No reportable items

- **Other Matters**

- See Draft audit report addressed to Provincial Auditor
- No reportable items

No other conditions were identified during the course of our audit that would warrant your immediate attention.

- **Significant Errors, Irregularities and Illegal Acts**

During the course of our audit, there were no misstatements identified in the School Division's financial statements that remained uncorrected by management.

- **Audit Adjustments**

During the course of an audit there may be instances where adjustments are discovered but are not recorded in the financial statements of the entity. At the conclusion of our audit there were no such amounts identified.

To: The Provincial Auditor

We have audited Chinook School Division No. 211's control as of August 31, 2016 to express an opinion as to the effectiveness of its control related to the following objectives.

- To safeguard public resources. That is, to ensure its assets are not lost or used inappropriately; to ensure it does not inappropriately incur obligations; to establish a financial plan for the purposes of achieving its financial goals; and to monitor and react to its progress towards the objectives established in its financial plan.
- To prepare reliable financial statements.
- To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing and investing.

We used the control framework included in the *Guidance on Control* published by CPA Canada (control framework) to make judgments about the effectiveness of Chinook School Division No. 211's control. We did not audit certain aspects of control concerning the effectiveness, economy and efficiency of certain management decision-making processes.

The control framework defines control as comprising those elements of an organization that, taken together, support people in the achievement of the organization's objectives. Control is effective to the extent that it provides reasonable assurance that the organization will achieve its objectives.

Chinook School Division No. 211's management is responsible for effective control related to the objectives described above. Our responsibility is to express an opinion on the effectiveness of control based on our audit.

We conducted our audit in accordance with standards for assurance engagements published in the *CPA Canada Handbook - Assurance*. Those standards require that we plan and perform an audit to obtain reasonable assurance as to the effectiveness of Chinook School Division No. 211's control related to the objectives stated above. An audit includes obtaining an understanding of the significant risks related to these objectives, the key control elements and control activities to manage these risks and examining, on a test basis, evidence relating to control.

Control can provide only reasonable and not absolute assurance of achieving objectives reliably for the following reasons. There are inherent limitations in control including judgment in decision-making, human error, collusion to circumvent control activities and management overriding control. Cost/benefit decisions are made when designing control in organizations. Because control can be expected to provide only reasonable assurance and not absolute assurance, the objectives referred to above may not be achieved reliably. Also, projections of any evaluation of control to future periods are subject to the risk that control may become ineffective because of changes in internal and external conditions, or that the degree of compliance with control activities may deteriorate.

In our opinion, based on the limitations noted above, Chinook School Division No. 211's control was effective, in all material respects, to meet the objectives stated above as of August 31, 2016 based on the control framework.

This report is provided solely for the purpose of assisting the Provincial Auditor in discharging her responsibilities and for preparing her annual report to the Legislative Assembly of Saskatchewan and is not to be referred to or distributed to any person who is not a member of management or the Board of Chinook School Division No. 211's, its supervising agencies or the Office of the Provincial Auditor and should not be used for any other purpose. Any use that a third party makes of information contained in this report, or any reliance or decisions based on such information, is the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on information contained in this report.

————— CPA LLP —————
Chartered Professional Accountants
Licensed Professional Accountants

Swift Current, Saskatchewan
November 28, 2016

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To: The Provincial Auditor

We have made an examination to determine whether Chinook School Division No. 211 complied with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding public resources, spending, revenue raising, borrowing and investing activities during the year ended August 31, 2016:

- The Education Act 1995
- The Education Regulations, 2015
- The Financial Administration Act, 1993
- The Pension Benefits Regulations, 1993
- The Pension Benefits Act, 1992
- The Pension Benefits Standards Regulation 1985 (Canada)

Our examination was made in accordance with standards for assurance engagements published in the *CPA Canada Handbook – Assurance*, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, Chinook School Division No. 211 has complied, in all significant respects, with the provisions of the aforementioned legislative and related authorities during the year ended August 31, 2016.

— CPA LLP —
Chartered Professional Accountants
Licensed Professional Accountants

Swift Current, Saskatchewan
November 28, 2016

To: The Provincial Auditor

We have examined the financial statements of Chinook School Division No. 211 for the year ended August 31, 2016 and have issued our report thereon dated November 28, 2016. We have examined the system of internal control as at August 31, 2016 and have issued our report to you dated November 28, 2016. We have also made an examination to determine whether Chinook School Division No. 211 complied with specified legislative and related authorities pertaining to its financial reporting, safeguarding public resources, spending, revenue-raising, and borrowing and investing activities during the year ended August 31, 2016 and have issued our report to you dated November 28, 2016.

Our examinations were made in accordance with standards published in the *CPA Canada Handbook – Assurance*, and accordingly included such tests and other procedures as we considered necessary in the circumstances. In those instances, if any, that our study and evaluation of internal control disclosed conditions indicating that internal controls were inadequate or not complied with, substantive tests were performed to detect any cases in which:

- (1) any officer or employee of Chinook School Division No. 211 has willfully or negligently omitted to collect or receive public money belonging to the Crown;
- (2) there has been a deficiency or loss to the Crown through the fraud, default or mistake of any person; and
- (3) an expenditure was made which was not properly vouchered or certified.

During the course of these examinations, nothing came to our attention that would indicate to us that:

- (1) any officer or employee of Chinook School Division No. 211 has willfully or negligently omitted to collect or receive public money belonging to the Crown;
- (2) there has been a deficiency or loss to the Crown through the fraud, default or mistake of any person; and
- (3) an expenditure was made which was not properly vouchered or certified.

This report is provided solely for the purpose of assisting the Provincial Auditor in discharging her responsibilities and for preparing her annual report to the Legislative Assembly of Saskatchewan and is not to be referred to or distributed to any person who is not a member of management or the Board of Chinook School Division No. 211, its supervising agencies or the Office of the Provincial Auditor and should not be used for any other purpose. Any use that a third party makes of information contained in this report, or any reliance or decisions based on such information, is the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on information contained in this report.

CPA LLP
Chartered Professional Accountants
Licensed Professional Accountants

Swift Current, Saskatchewan
November 28, 2016



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Chinook School Division No. 211:

We have audited the accompanying financial statements of Chinook School Division No. 211, which comprise the statement of financial position as at August 31, 2016, and the statement of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Chinook School Division No. 211 as at August 31, 2016, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

CPA LLP
Chartered Professional Accountants
Licensed Professional Accountants

Swift Current, Saskatchewan
November 28, 2016