District School Board
Ontario North East

Audit Committee

Monday, September 21, 2026, at 12:00 p.m.
Microsoft Teams Meeting

AGENDA

Item	Topic	Presenter	Page
1.0	**Call to Order**		
1.1	Territorial Acknowledgement		
1.2	Attendance		
	Motion: THAT the Audit Committee approve the absence of from the September 21, 2026, Audit Committee meeting.		
1.3	Approval of the Agenda		
	Motion: THAT the agenda for the Audit Committee meeting dated September 21, 2026, be approved.		
1.4	Declaration of Conflict of Interest		
Trustees Declaring a conflict must do so in writing with a log kept in the Board Chair's office. Trustees declaring a conflict are to disconnect from Microsoft Teams at the time of the discussion and will receive a text from the CEO / Secretary of the Board when they are welcome to join.			
2.0	**Election of the Committee Chair**		
3.0	**Approval of the Minutes**		
2.1	Minutes of the Audit Committee Meeting dated May 11, 2026		3
4.0	**Delegations**		
5.0	**Staff Reports**		
5.1	2026-2027 Audit Planning Report	Derek D'Angelo	5
5.2	Reports:	Christopher Gerosavas	
5.2.1	Compliance Report		31
5.2.2	Annual Report to the Board of Trustees		32
5.2.3	Annual Report to the Ministry of Education		35
	Motion: THAT this Audit Committee recommend the Board approve the 2025-2026 Compliance Report, Annual Report to the Board of Trustees and the Annual Report to the Ministry of Education.		
5.3	Day School Enrolment and ESL Audit	Christopher Gerosavas	
5.3	Self-Assessment of the Audit Committee	Christopher Gerosavas	
5.4	Evaluation of the Regional Internal Audit Team Performance	Christopher Gerosavas	
6.0	**New Business**		
6.1	Process to replace audit committee member	Christopher Gerosavas	
6.2	Closed Session	Christopher Gerosavas	
7.0	**Trustee Motions for Consideration (Previous Meeting)**		
8.0	**Trustee Notices of Motion (Discussion for Next Meeting)**		
9.0	**Adjournment**		

Motion: THAT we do now adjourn

Audit Committee

Monday, May 11, 2026
Schumacher Board Office and Microsoft Teams

MINUTES

COMMITTEE MEMBERS PRESENT

Bob Brush	Trustee
Jonathan Byer	Trustee- Chair
Jamie Johnston	External Member
Greg Paquette	External Member
Brian Peever	Trustee

GUESTS

Derek D'Angelo	KPMG-External Auditor
Melissa Dodge	Internal Auditor

OBSERVERS

NIL

ADMINISTRATION PRESENT

Lesleigh Dye	Director of Education
Lisa Edwards	Superintendent of Business/Finance

RECORDING SECRETARY

Jessica Hardy	Executive Assistant to the Superintendent of Business/Finance

CALL TO ORDER

Trustee Byer, Chair of the Audit Committee, called the meeting to order at 12:02 p.m.

ATTENDANCE

All committee members were present.

APPROVAL OF THE AGENDA

PEEVER **THAT** the agenda for the Audit Committee Meeting dated May 11, 2026, be approved.

CARRIED

CONFLICT OF INTEREST

Trustees declaring a conflict of interest were asked to do so in writing, with a log kept on file by the Board Chair's. Trustees declaring a conflict are to disconnect from Microsoft Teams at the time of the discussion and will receive a text from the Director of Education / Secretary of the Board when they are welcome to join.

APPROVAL OF THE MINUTES

BRUSH

THAT the minutes of the Audit Committee meeting dated December 8th, 2025, be approved.

CARRIED

DELEGATIONS

NIL

STAFF REPORTS

2026-2027 AUDIT PLAN

The Internal Auditor presented the proposed 2026-2027 audit plan to the committee, outlining the completion of previous audits, upcoming focus areas, and the need to redo the risk assessment.

PAQUETTE

THAT the Audit Committee recommend the Board approve the 2026-2027 Audit Plan.

CARRIED

SUCCESSION PLANNING REPORT

The Internal Auditor presented the finalized succession planning report, highlighting the addition of a management action plan with due dates and detailing steps for critical task documentation, competency profiles and retention strategies with on-going follow-up scheduled.

RECOMMENDATION FOLLOW-UP SUMMARY

The Internal Auditor provided a summary of follow-up actions on previous audit recommendations, focusing on the attendance support audit, where new software integration is underway and a revised completion date has been set, with annual updates to the committee planned.

APPOINTMENT OF AUDITORS FOR 2025-2026 FISCAL YEAR

At the time of discussion, Derek D'Angelo, KPMG External Auditor excused himself from the meeting. Chair Byer raised concerns about the risks of retaining the same firm for many years, referencing best practices and guidelines. It was noted that KPMG has been the Board external auditors for approximately 9 years.

PEEVER

THAT the Audit Committee recommend the Board reappoint KPMG, LLP, Licensed Professional Accountants as auditors for the year ending August 2026.

CARRIED

ADJOURNMENT

PAQUETTE

THAT this Audit Committee now adjourn.

CARRIED

The committee adjourned at 12:17 p.m.

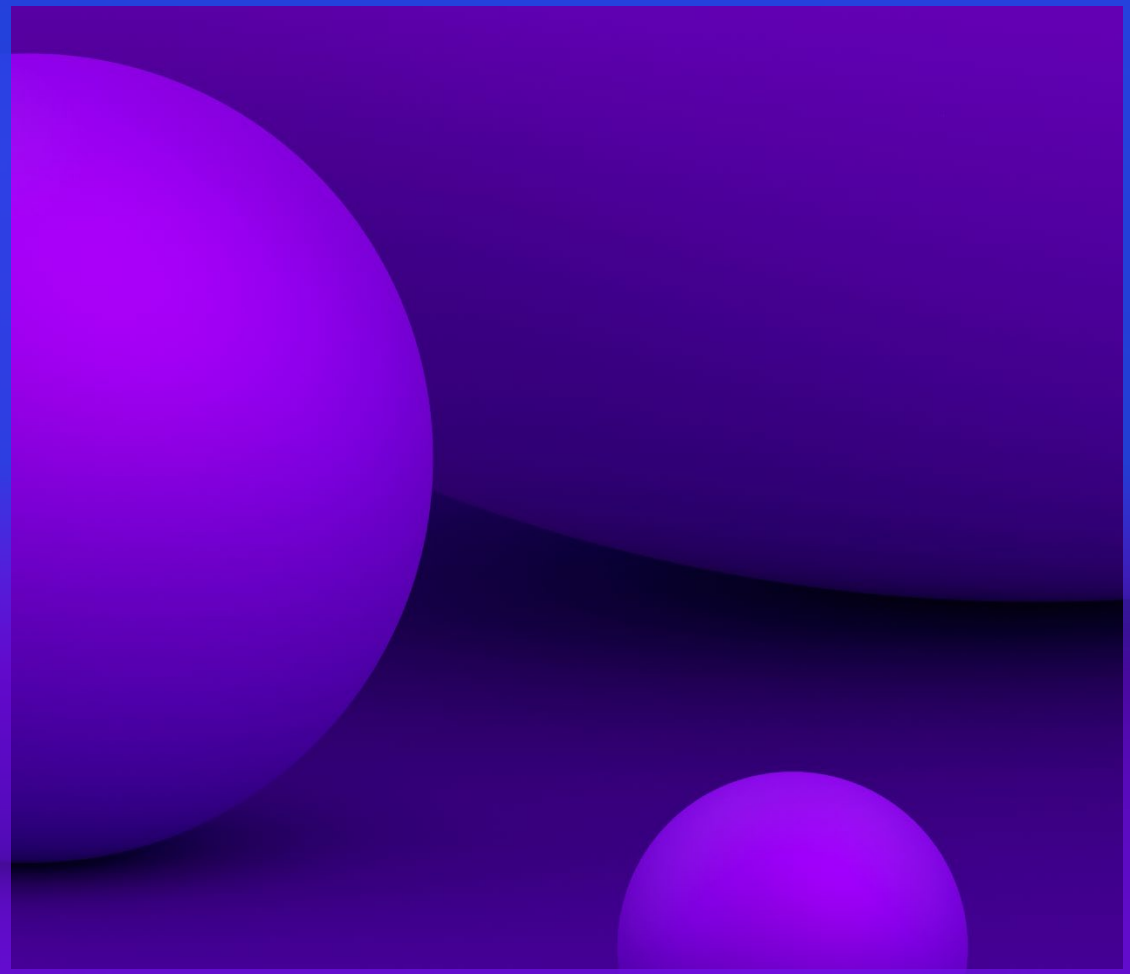
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District School Board Ontario North East

Audit Planning Report
for year ending August 31, 2026

KPMG LLP

Prepared as of September 15, 2026 for presentation to the Audit Committee on September 21, 2026



kpmg.ca/audit

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Digital use information

This Audit Planning Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.

Click on any item in the table of contents to navigate to that section.

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Audit highlights

No matters to report

Matters to report – see link for details

Scope

Our audit of the consolidated financial statements ("financial statements") of District School Board Ontario North East ("the Board") as of and for the year ending August 31, 2026, will be performed in accordance with Canadian generally accepted auditing standards.

Engagement letter

Audit strategy

Materiality $4.6 million

Involvement of others

Audit strategy - Group audit

Total	Total assets	Total revenue
Total tested	99%	98%

Involvement of non-KPMG firms

Risk assessment

Risk of management override of controls

Other significant risks

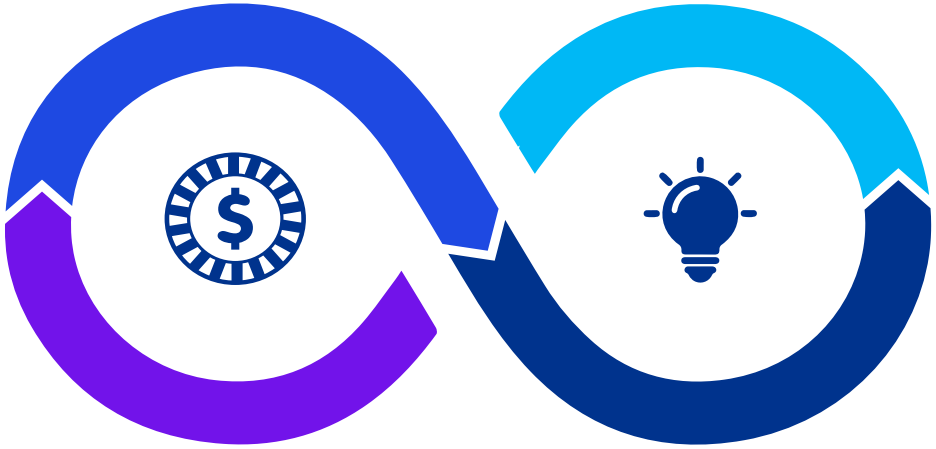
Presumed risk of fraudulent revenue recognition

The purpose of this report is to assist you, as a member of the Audit Committee, in your review of the plan for our audit of the financial statements. This report is intended solely for the information and use of Management, the Audit Committee, and the Board of Directors and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report to the Audit Committee has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

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Materiality



We ***initially determine materiality*** at a level at which we consider that misstatements could reasonably be expected to influence the economic decisions of users. Determining materiality is a matter of ***professional judgment***, considering both quantitative and qualitative factors, and is affected by our perception of the common financial information needs of users of the financial statements as a group. We do not consider the possible effect of misstatements on specific individual users, whose needs may vary widely.

We ***reassess materiality*** throughout the audit and revise materiality if we become aware of information that would have caused us to determine a different materiality level initially.

Plan and perform the audit

We ***initially determine materiality*** to provide a basis for:

- Determining the nature, timing and extent of risk assessment procedures;
- Identifying and assessing the risks of material misstatement; and
- Determining the nature, timing, and extent of further audit procedures.

We design our procedures to detect misstatements at a level less than materiality in individual accounts and disclosures, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Evaluate the effect of misstatements

We also ***use materiality*** to evaluate the effect of:

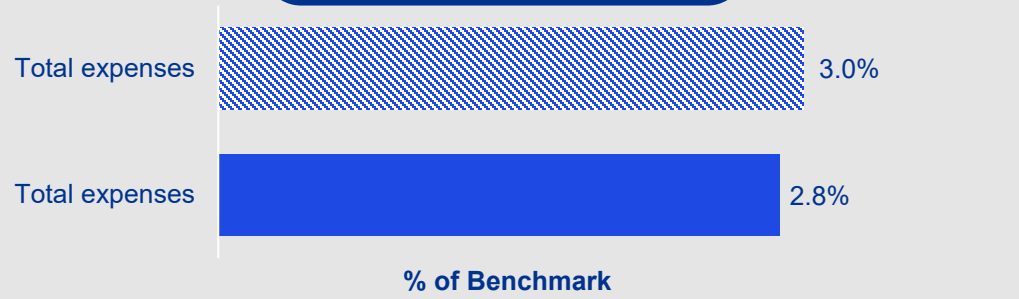
- Identified misstatements on our audit; and
- Uncorrected misstatements, if any, on the financial statements and in forming our opinion.

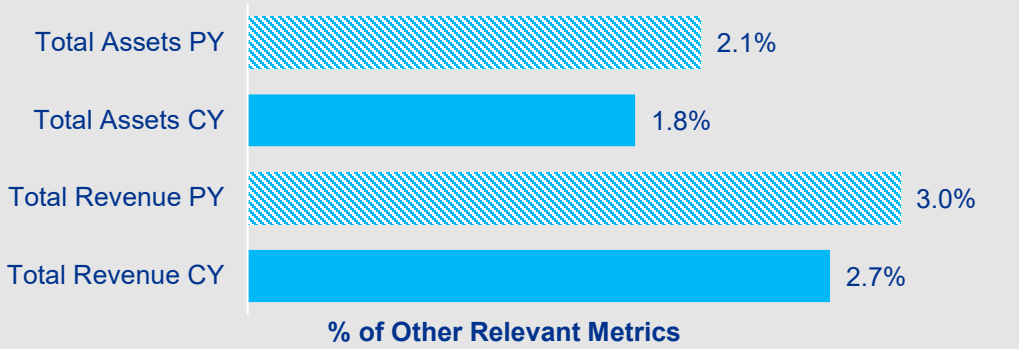
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Initial materiality

Materiality
$4.6 M
(2025: $4.6 M)





Total Expenses
$162.3 million
(2025 : $155.8 million)

Total Revenue
$173.1 million
(2025 : $155.8 million)

Total Assets
$260.1 million
(2025 : $251.7 million)

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Involvement of others

The following parties are involved in the audit of the financial statements:

Involved party	Nature and extent of planned involvement
Management's specialists	KPMG relies upon the work completed by School Boards' Co-operative Inc. on an annual basis for the purposes of determining the employee future benefits. School Boards' Co-operative Inc. is involved in the preparation of final post employment benefit expense and liability figures attributable to the District School Board Ontario North East. KPMG will perform the following procedures as they relate to the management expert: • Determine whether the management expert has sufficient knowledge of the subject matter • Assess knowledge, skill and ability of the management expert • Assess the KPMG specialist's objectivity and the management's specialist's relationship to the entity

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Group audit - Scoping

We take a risk-based audit approach that requires an understanding of the group, its environment and system of internal control in order to appropriately identify, assess, and plan responses to risks of material misstatement to the group.

We perform group-wide risk assessment procedures, and when sufficient information is not available at the group level, we perform risk assessment procedures at a component level in order to appropriately identify, assess, and plan responses to risks of material misstatement to the group.

We plan to perform risk assessment procedures at a component level for the following components:

Risk assessment procedures performed at a component level	Total assets	Total revenue
Components subject to further audit procedures		
District School Board Ontario North East	99%	98%
Total	**99%**	**98%**
Not subject to risk assessment procedures at a component level	1%	2%
Total consolidated	**100%**	**100%**

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Risk assessment summary

Our planning begins with an assessment of risks of material misstatement in your financial statements.

We draw upon our understanding of the Company and its environment (e.g. the industry, the wider economic environment in which the business operates, etc.), our understanding of the Company's components of its system of internal control, including our business process understanding.

We use advanced technologies in performing our risk assessment procedures.

		Risk of fraud	Risk of error	PY risk rating
●	Management Override of Controls	✓		Significant

● SIGNIFICANT RISK ● PRESUMED RISK OF MATERIAL MISSTATEMENT ● OTHER RISK OF MATERIAL MISTATEMENT



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Significant risks

Management Override of Controls (non-rebuttable significant risk of material misstatement)

RISK OF FRAUD

Presumption of the risk of fraud resulting from management override of controls

Why is it significant?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

Our planned response

As this presumed risk of material misstatement due to fraud is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- testing of journal entries and other adjustments,
- performing a retrospective review of estimates
- evaluating the business rationale of significant unusual transactions.

We will complete our audit using a substantive audit approach for the areas of audit focus.

Advanced technologies

Our **KPMG Clara Journal Entry Analysis Tool** assists in the performance of detailed journal entry testing based on engagement-specific risk identification and circumstances. Our tool provides auto-generated journal entry population statistics and focusses our audit effort on journal entries that are riskier in nature.

Click to learn more

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Required inquiries of the audit committee



Inquiries regarding risk assessment, including fraud risks

- What are the Audit Committee's views about fraud risks, including management override of controls, in the Board? And have you taken any actions to respond to any identified fraud risks?
- Is the Audit Committee aware of, or has the Audit Committee identified, any instances of actual, suspected, or alleged fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets?
  - If so, have the instances been appropriately addressed and how have they been addressed?
- How does the Audit Committee exercise oversight over management's assessment of fraud risk and the establishment of controls to address/mitigate fraud risks?
- Is the Audit Committee aware of any instances of actual or possible violations of laws and regulations, including illegal acts (irrespective of materiality threshold)?
- Is the Audit Committee aware of any correspondence with regulators or licensing authorities?
- Is the Audit Committee aware of any additional matters relevant to the audit?



Inquiries regarding company processes

- Is the Audit Committee aware of or have they received tips or complaints regarding the Board's financial reporting (including those received through the Audit Committee's internal whistleblower program, if such programs exist)? If so, what was the Audit Committee's responses to such tips and complaints?



Inquires regarding related parties and significant unusual transactions

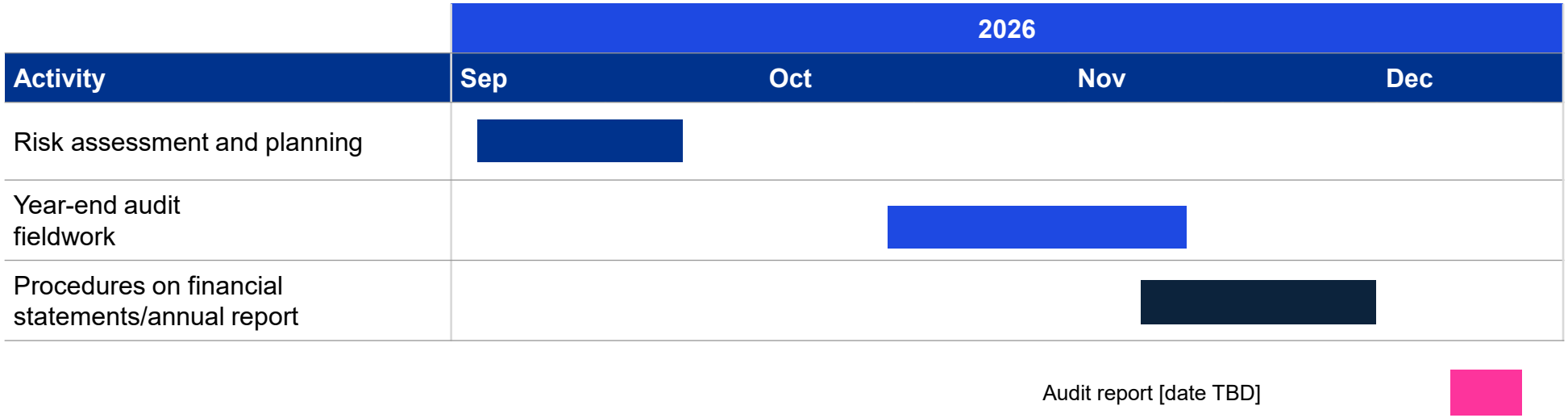
- Is the Audit Committee aware of any instances where the Board entered into any significant unusual transactions?
- What is the Audit Committee's understanding of the Board's relationships and transactions with related parties that are significant to the Board?
- Is the Audit Committee concerned regarding relationships or transactions with related parties? If so, what is the substance of those concerns?

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Key milestones and deliverables

We have developed our key milestones and deliverables based on management's financial reporting timetable. If we need to make significant changes to the audit timeline below, then we will communicate the reasons to you on a timely basis.



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Our commitment to delivering audit quality

We define '**audit quality**' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics** and **integrity**.

Audit quality is fundamental to maintaining public trust and is the key measure on which our professional reputation stands.

Businesses are integrating technology in ways once unimaginable. Geopolitical changes and inflationary pressures continue to drive uncertainty, and businesses need to take action to respond to societal threats like climate change.

The pace and scale of change only strengthens our resolve to ensure the quality, consistency and adaptability of our services are fit for this new future. Audit and assurance quality remains the highest priority at KPMG.

Through sustained innovation, we aim to consistently deliver superior audit quality. Across the global organisation:

- KPMG firms have strengthened the consistency and robustness of their system of quality management to drive audit and assurance quality, and to meet the requirements of the International Standard on Quality Management 1 (ISQM 1).
- We are proud to be leading the transformation through our global smart audit and assurance platform, KPMG Clara, now enhanced with AI agents and generative AI capabilities. These enhancements mark a significant step in our transformation journey – deepening insights, building trust and reinforcing our commitment to audit quality.
- We believe the same level of rigour, quality, consistency and trust that is applied to financial statement information by companies should also apply to sustainability reporting. Therefore, across the global organisation we have continued to enhance our sustainability assurance capabilities to meet evolving market developments and provide assurance on sustainability reporting that helps our clients build a more sustainable future.

We encourage you to read our Transparency Report to learn more about how we are working to ensure you can trust KPMG to deliver professional excellence and quality.

KPMG Canada Transparency Report

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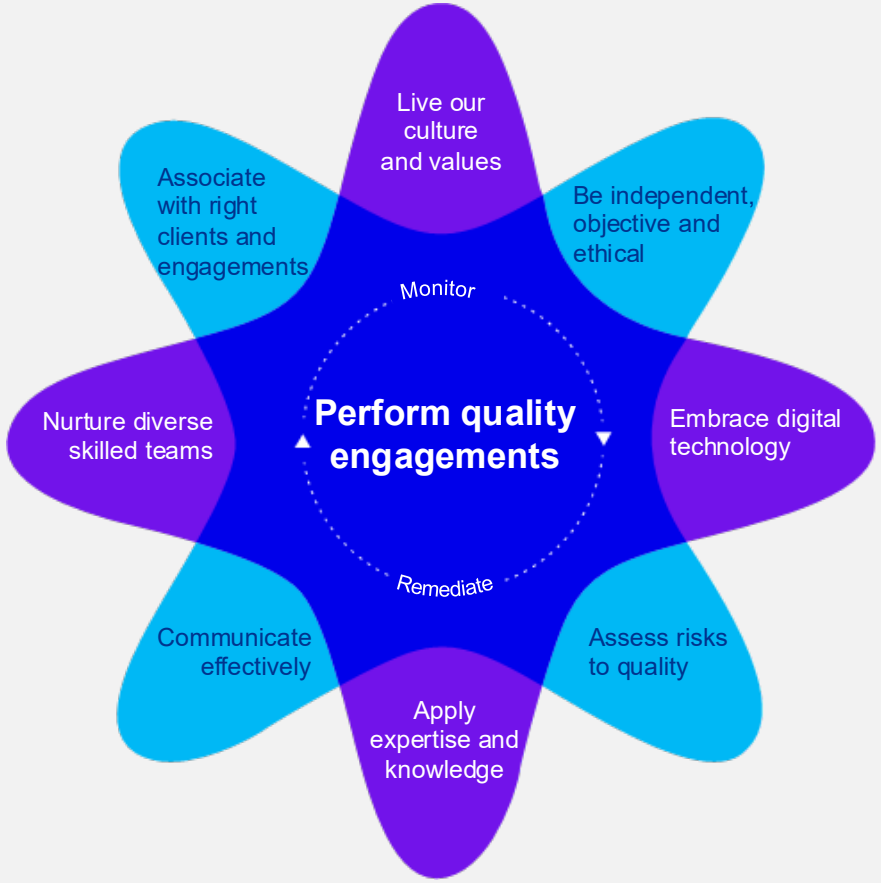
How do we deliver audit quality?

Quality essentially means doing the right thing and remains our highest priority.

We have strengthened the consistency and robustness of our system of quality management to meet the requirements of ISQM 1 (CSQM 1), issued by the International Audit and Assurance Standards Board. Foundational for quality management, KPMG's globally consistent approach to ISQM 1 drives compliance with the standard and our efforts to strengthen trust and transparency with clients, the capital markets and the public we serve.

Aligned with ISQM 1 (CSQM 1), our SoQM meets the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements.

Our **Global Quality Framework** outlines how we deliver quality and how every KPMG professional contributes to its delivery.



Doing the right thing. Always.

- **'Perform quality engagements'** sits at the core, along with our commitment to continually monitor and remediate to fulfil our quality drivers.
- Our **quality value drivers** are the cornerstones to our approach underpinned by the **supporting drivers** and give clear direction to encourage the right behaviours in delivering audit quality.

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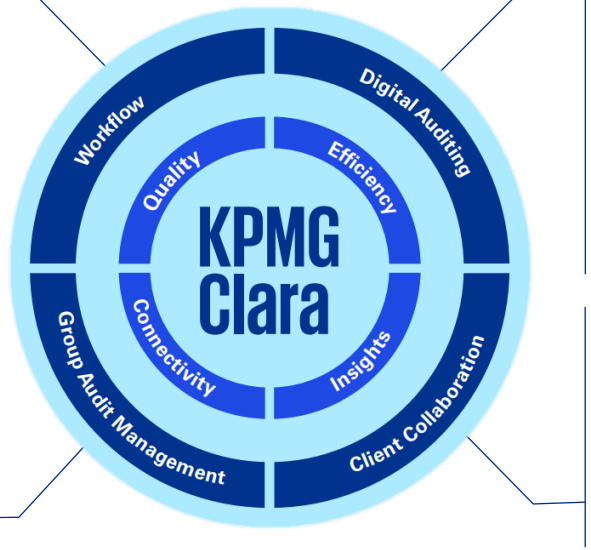
The KPMG Audit

Globally consistent audit and assurance methodology and tools

As a scalable, intuitive cloud-based platform, KPMG Clara is driving globally consistent execution across all KPMG member firms. It enables delivery of KPMG audit and assurance methodologies through data-enabled workflows, which align with the applicable audit and assurance standards and provide an improved experience to audit and assurance professionals.

- Data-driven and AI-enabled audit workflows
- Audit and assurance, including ESG
- Global, risk-based methodology

- Globally consistent planning and execution
- Enhanced two-way communication
- Tailored scoping



- Human-guided agentic AI as part of risk assessment
- Exception-based audit via automated scoring of complete transaction populations
- AI-enabled knowledge search

- Secure, transparent and centralised interaction with the audit team
- Real-time alerts and tracking
- Access to insights

- Methodology aligned with professional standards, laws and regulations
- Standardised methodology and guidance
- Deep technical expertise and knowledge
- Quality and risk management policies

- Meeting the applicable standards, including International Standards on Auditing (ISA), standards issued by the Public Company Accounting Oversight Board (PCAOB) and the American Institute of CPAs (AICPA) – supplemented by KPMG firms to comply with additional local auditing standards and regulatory or statutory requirements.
- Identifying risks of material misstatements and the necessary audit response.

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Indicators of audit quality (AQIs)

The objective of these measures is to provide more in-depth information about factors that influence audit quality within an audit process. Below are the AQIs that we have agreed with management are relevant for the audit. We would like to obtain agreement of the Audit Committee that these are the relevant AQIs.

We will communicate the status of the below AQIs on an annual basis.

Team composition

Experience of the team

- Role – number of years experience in the industry, number of years on this engagement

Technology in the audit

Implementation of Technology in the Audit

- Increase in use of Software Audit Tools in the audit year over year

Engagement focus

Time as a percentage of total time spent by level and phase of the audit

- Proportion of EQCR, Partner, Executive Director time as a percentage by significant risk, or key audit matter.
- Proportion of Director, Senior Manager and Manager time as a percentage by significant risk or key audit matter.
- Proportion of Staff and Seniors time as a percentage of total time by significant risk or key audit matter.
- Proportion of Professionals time as a percentage of total time with specialized skills and knowledge hours by significant risk or key audit matter.

Timing of prepared by client (PBC) items

Timeliness of PBC items

- Number of timely and overdue items received by the audit team.

Quality reviews

Results of internal and external reviews

- Number and nature of findings specific to the audit engagement

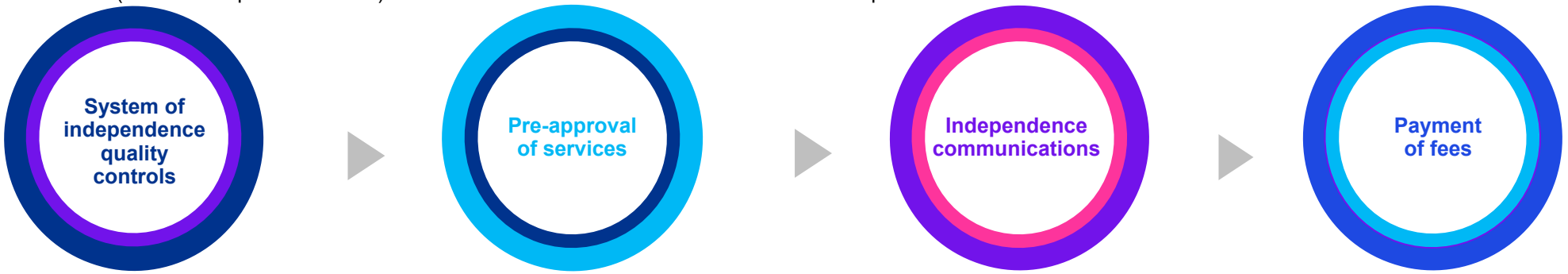
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Independence: Shared responsibilities

Auditor independence is a shared responsibility and most effective when management, audit committees, and audit firms work together in considering compliance with relevant independence rules. In order for KPMG to fulfill its professional responsibility to maintain and monitor independence, management, the audit committee, and KPMG each play an important role. We apply the following ethical requirements, including independence requirements, in:

- the rules of professional conduct / code of ethics applicable to the practice of public accounting issued by various professional accounting bodies in Canada("CPA code") that are relevant to audits of financial statements of reporting issuers; and
- the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA independence rule") that are relevant to audits of financial statements of public interest entities.



The firm maintains a system of quality control over compliance with independence rules and firm policies. Timely information before the effective date of transactions or other business changes is necessary to effectively maintain the firm's independence in relation to:

- New related entities
- Any former KPMG professional who are directors, officers, or employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements.

- The CPA Code and IESBA independence rules require the audit committee to pre-approve all audit and permitted non-audit services to be provided by the auditor.
- IESBA also has requirements to obtain the audit committee's concurrence with the provision of non-assurance services and the auditor's conclusion on the impact to independence.

- We are required report to the audit committee all relationships that may reasonably be thought to bear on our independence, including fees charged, and discuss the potential effects of such relationships on our independence. We are also required report to the related safeguards that have been applied, as applicable, to eliminate identified threats to independence or reduce them to an acceptable level.
- This communication will be provided during our year-end communications.

For the firm to be deemed independent with respect to the current-year audit engagement, CPA code, IESBA rules and professional standards generally require that prior year fees for any professional services due from the entity and its related entities been paid before the audit report for the following year is issued.

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Request for pre-approval of services

We are presenting the following services for pre-approval by the Audit Committee.

The services are not prohibited, and threats to our independence, if any, resulting from the provision of the services will be eliminated or reduced to an acceptable level. Further details on the services and the assessment of the potential effects on our independence are included on the slides that follow.

Audit services	Legal entity	Fee: CDN (estimated)	Fee structure
Audit of the annual consolidated financial statements of the District School Board Ontario North East	District School Board Ontario North East	$39,360	Based on hours incurred
Audit of the Specified Procedures Report (7 month March Report)	District School Board Ontario North East	$9, 850	Based on hours incurred
Additional procedures as required by the Ministry of Education report	District School Board Ontario North East	TBD	Based on hours incurred

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Appendices

A Engagement letter

B Regulatory communications

C New auditing standards

D Insights

E Technology



Appendix A: Engagement letter

KPMG LLP
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1760 Regent Street, Unit 4
Sudbury, Ontario P3E 3Z8
Canada
Telephone (705) 675 8500
Fax (705) 675 7586

PRIVATE & CONFIDENTIAL

Mr. Christopher Gerosavas
CFO/Acting Superintendent of Business
District School Board Ontario North East
P.O. Box 1020
153 Croatia Ave
Schumacher, Ontario P4N 7H7

Mr.Jonathan Byer
Audit Committee Chair
District School Board Ontario North East
P.O. Box 1020
153 Croatia Ave
Schumacher, Ontario P4N 7H7

September 15, 2026

The purpose of this letter is to outline the terms of our engagement to audit the consolidated annual financial statements ("financial statements") of District School Board Ontario North East (the "Entity"), commencing for the period ending August 31, 2026.

This letter supersedes our previous letter to the Entity dated August 31, 2023.

The terms of the engagement outlined in this letter will continue in effect from period to period, unless amended or terminated in writing. The attached Assurance Terms and Conditions and any exhibits, attachments and appendices hereto and subsequent amendments form an integral part of the terms of this engagement and are incorporated herein by reference (collectively the "Engagement Letter").

FINANCIAL REPORTING FRAMEWORK FOR THE FINANCIAL STATEMENTS

The financial statements will be prepared and presented in accordance with Canadian public sector accounting standards (hereinafter referred to as the "financial reporting framework").

The financial statements will include an adequate description of the financial reporting framework.

MANAGEMENT'S RESPONSIBILITIES

Management responsibilities are described in Appendix – Management's Responsibilities.

An audit does not relieve management or those charged with governance of their responsibilities.

The full version of the signed engagement letter dated September 15, 2026 can be made available upon request. The letter outlines the objectives of the audit, our responsibilities in carrying out the audit, as well as management's responsibilities.

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Appendix B: Regulatory communications

CPAB communication protocol

CPAB Communications Protocol

The reports available through the following links were published by the Canadian Public Accountability Board (CPAB) to inform Audit Committees and other stakeholders about the results of quality inspections conducted over the past year:

- CPAB Audit Quality Insights Report: 2024 Interim Inspections Results
- CPAB Regulatory Oversight Report: 2024 Annual Inspections Results
- CPAB Audit Quality Insights Report: 2025 Interim Inspections Results
- CPAB Regulatory Oversight Report: 2025 Annual Inspections Results

CPAB Public Inspection Report

The report available through the following link was published by CPAB and includes firm specific inspection results:

- 2025 Public Inspection Report - KPMG LLP

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Appendix C: Newly effective auditing requirements

Effective for periods beginning on or *after* December 15, 2024

ISA 260/CAS 260

Communications with those charged with governance

Summary of Changes:

New requirements for the auditor to communicate:

- about the relevant ethical requirements, including those related to independence, that the auditor applied to the audit of the financial statements; and
- any enhanced independence requirement that the auditor applied specific to the audit of financial statements of certain entities.

ISA 700/CAS 700

Forming an opinion and reporting on the financial statements

Summary of Changes:

New requirements for the auditor to publicly disclose when the auditor applied independence requirements specific to audits of financial statements of certain entities WHEN the ethical requirements require public disclosure.

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Appendix D: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

Sustainability Reporting

Resource centre on implementing the new Canadian reporting standards.

Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities.

IFRS Breaking News

A monthly Canadian newsletter that provides the latest insights on accounting, financial reporting and sustainability reporting.

Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Assurance & Related Services, Canadian Securities Matters, and US Outlook reports.

Accelerate - The key issues driving the audit committee agenda in 2026

Discover the most pressing risks and opportunities that face audit committees, boards and management teams.

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Appendix E: Our technology story

Technology underpins our risk-based, data-driven audit approach and is supported by robust governance and professional standards.

Responsible use of technology, including artificial intelligence, is core to how we deliver high-quality audits. We apply strict governance, transparency, and human oversight to ensure that AI-enabled tools enhance, rather than replace, professional judgment.

Streamlined client experience

And deeper insights into your business, translating to a better audit experience.

Secure

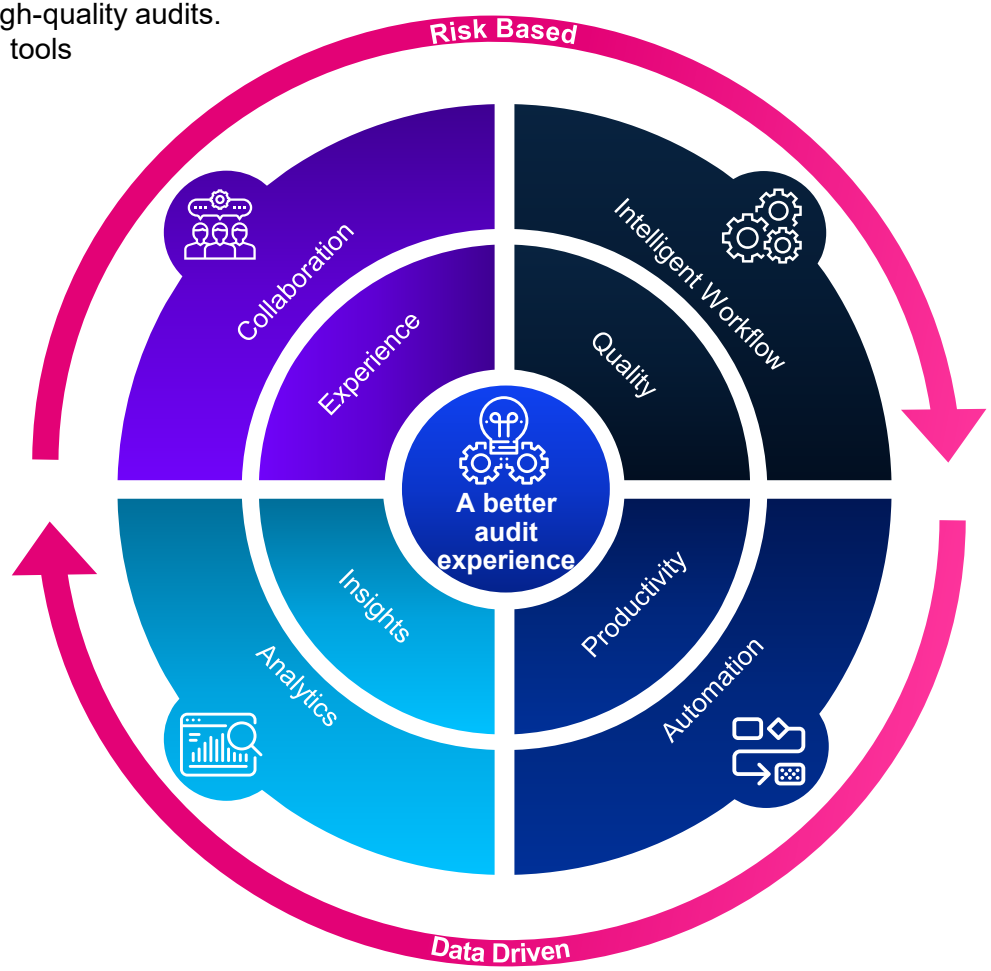
A secure client portal provides centralized, efficient coordination with your audit team.

Intelligent workflow

An intelligent workflow guides audit teams through the audit.

Increased precision

Advanced data analytics and automation facilitate a risk-based audit approach, increasing precision and reducing your burden.



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Appendix E: Continuous evolution

Our continued investment

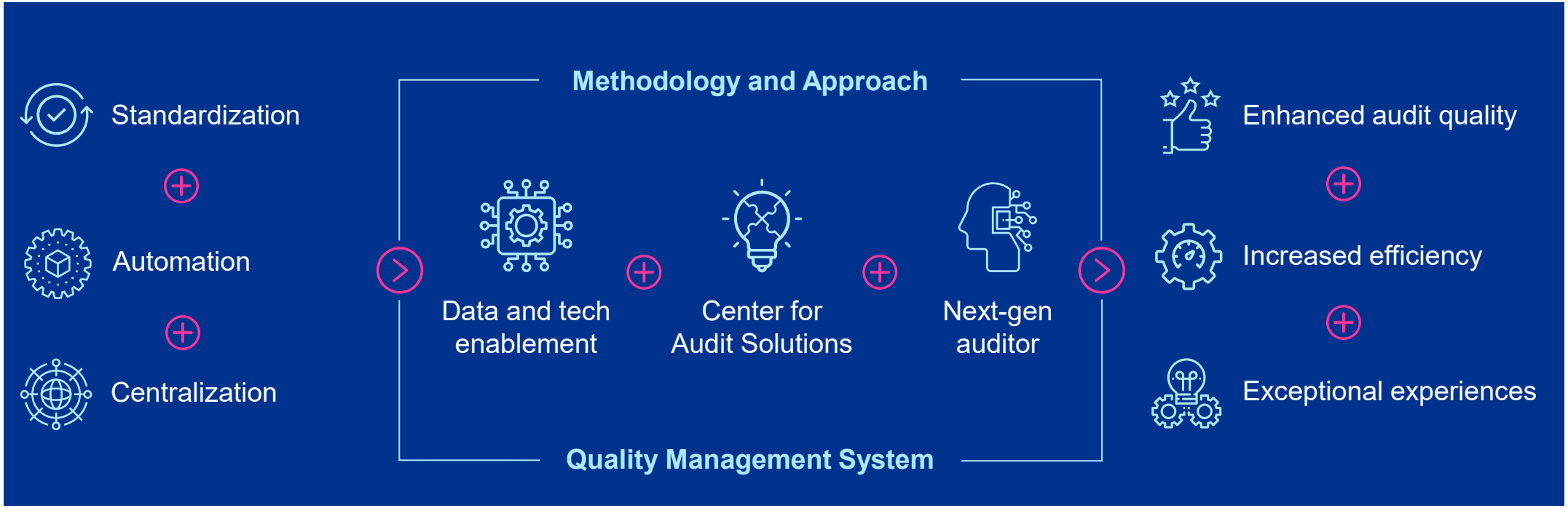
We continue to expand our strategic alliance partnerships with Microsoft and MindBridge to bring AI to the future of audit.

Responsive delivery model

Tailored to you to drive impactful outcomes around the quality and effectiveness of our audits.

Result: A better experience

Enhanced quality, reduced disruption, increased focus on areas of higher risk, and deeper insights into your business.



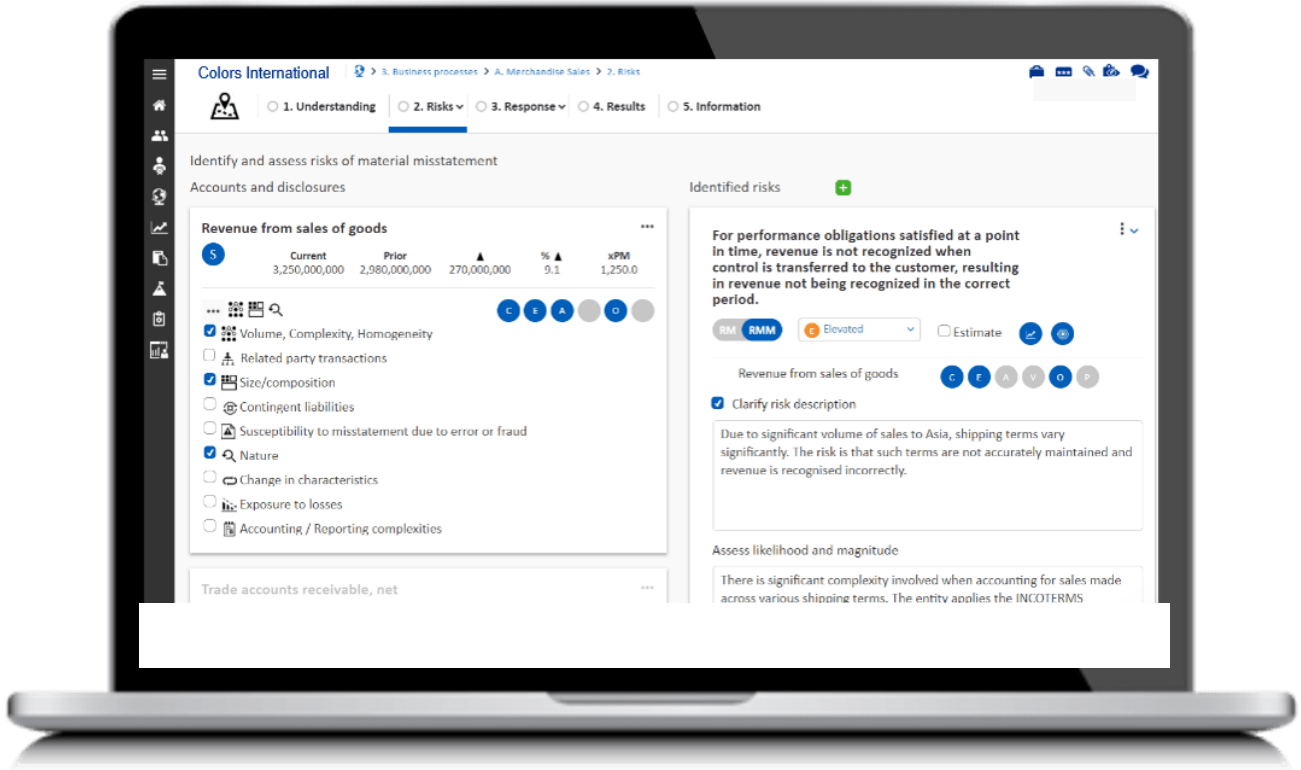
AI is integrated into our audit process in a controlled and responsible way. Clear governance and human oversight ensure these tools strengthen audit quality while keeping professional judgment firmly in the hands of our people.

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Appendix E: KPMG Clara Generative AI

With our global alliance partner Microsoft, we have embedded Generative AI into our smart audit platform—KPMG Clara. This makes our auditors more productive and gives them the tools to provide quicker feedback, make more insightful connections, and deliver a better audit experience.



AI done right

Although early adoption is key, we are focused on avoiding reliance on a 'black box' so we're building 'explainability' and 'traceability' at the core.

Bolstered productivity

Focused on removing time-consuming low value tasks, we'll apply our skills in other, more judgmental areas or in order to give insights to you.

Quality at our fingertips

We are teaching our model with our knowledge databases to capture our vast experience. This means quality information accessible in seconds.

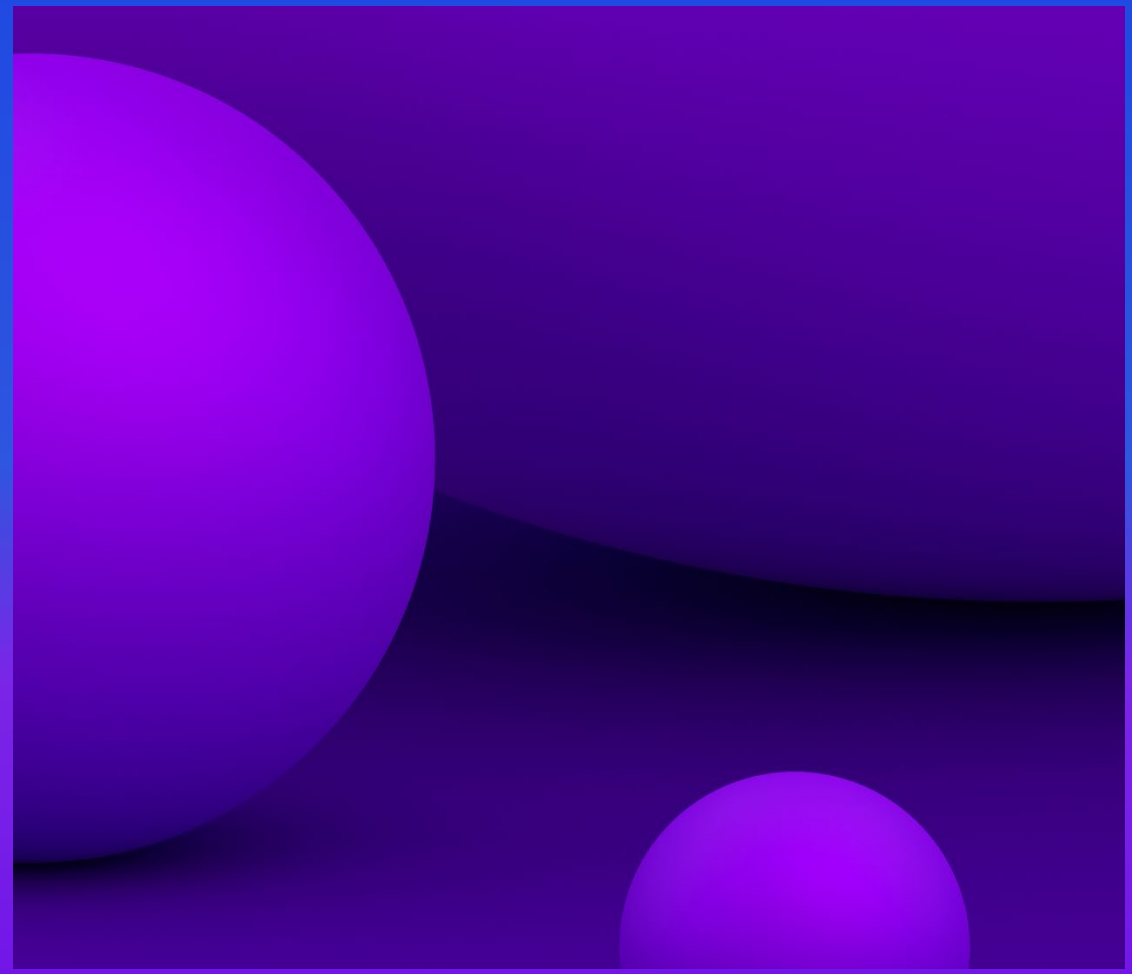
Secure integration

KPMG Clara has been built on a solid and secure Azure Cloud backbone, allowing us to easily integrate Generative AI in partnership with Microsoft.

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District School Board
Ontario North East

District School Board Ontario North East

Compliance Report

September 2026
District School Board Ontario North East
153 Croatia Avenue
Schumacher, ON
P0N 1G0

TO: Audit Committee of the District School Board Ontario North East

RE: School Board Compliance Report

During the 2025/26 fiscal year, nothing has come to our attention that would lead us to believe that District School Board Ontario North East was not compliant with the current federal and provincial Acts, Regulations and Statutes.

Date: _____ _____
Month, Day, Year CEO

District School Board
Ontario North East

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153 Croatia Avenue, Schumacher, ON P0N 1G0
Mailing Address
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705-360-1151

New Liskeard Board Office
198022 River Road
New Liskeard, ON P0J 1P0
705-647-7394

Annual Report to the Board of Trustees for the year ended August 31, 2026

This report summarizes the audit committee's actions for the year ending August 31, 2026.

Audit Committee Members

Following the recruitment and selection process indicated in Regulation 361/10, the following audit committee members were (re)appointed to serve during the next term as follows:

- Jonathan Byer-Trustee-Chair
- Bob Brush-Trustee
- Brian Peever-Trustee
- Jamie Johnston-External Member
- Greg Paquette-External Member

In addition, regular attendees at committee meetings were:

- Lesleigh Dye-CEO
- Lisa Edwards- Superintendent of Business
- Melissa Dodge- Regional Internal Audit Manager
- Derek D'Angelo- KPMG- External Auditor

Assessment

At the beginning of the year and in accordance with recommended good practice various administrative tasks were completed. These included:

- developing a work plan
- developing a meeting schedule and agenda for the year

It was agreed to hold 3 meetings throughout the year with a fourth meeting, from December to May, if necessary. All meetings have been held as planned.

District School Board
Ontario North East

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Mailing Address
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705-360-1151

New Liskeard Board Office
198022 River Road
New Liskeard, ON P0J 1P0
705-647-7394

The members in attendance at each meeting were as follows:

Member's Name	Sept 29, 2025	Dec 08, 2025	May 11, 2026
Jonathan Byer-Chair	X	X	X
Bob Brush	X	X	X
Brian Peever	X	X	X
Jamie Johnston	X	X	X
Greg Paquette	X	X	X

Governance

The audit committee operated throughout the fiscal year ending August 31, 2026. All members were independent in accordance with provision 3. (1) and 3. (2) of the regulation.

Internal / External Audit

Relationships with both internal and external auditors were satisfactory and private meetings were held with each.

External Auditors
The external auditors, ***KPMG, LLP*** presented the scope and extent of their work to the committee for review and approval on **December 08, 2025**. The external auditors have confirmed their independence in the letter dated **December 08, 2025**. The audit committee reviewed and recommended approval of the annual audited financial statements presented on **December 08, 2025**. The audit committee recommended the reappointment of the external auditors for the next fiscal year during the meeting held **May 11, 2026**.

Internal Auditors
The Committee reviewed the results of the risk assessment, as well as the risk-based internal audit plan prepared for the 2025-2026 fiscal year.

The internal auditors performed the following work during the year:

Planned Audits: Succession Planning Final, Student Mental Health Final

The audit committee received reports from internal audit that assessed the progress towards management's implementation of action plans developed in response to previous

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audits. This enabled the audit committee to engage management in a discussion regarding findings not satisfactorily actioned, as well as encouraging renewed efforts on overdue action plans.

Audit Committee Training

No training sessions were held during the fiscal year 2025-2026.

Summary of the work performed

In addition to the items noted above, the following outlines further work performed by the audit committee in the last 12 months:

- received a report from the internal auditors on their review of the effectiveness of controls across the school board
- confirmed that the external and internal auditors did not encounter any difficulties in the course of their work
- recommended the fees charged by the external auditors in respect of the 2025 audit
- reviewed the financial statements and received a report from the external auditors on the statements
- obtained confirmation from the CEO that the school board was compliant with all current federal and provincial Acts, Regulations and Statutes.
- undertook an evaluation of the effectiveness of the internal audit function, including the performance of the regional internal audit manager and their team
- queried management on their approach to risk management as well as their strategy to manage such risks

By the signature noted below, we attest that we have discharged our duties and responsibilities respecting Ontario Regulation # 361/10.

On behalf of the audit committee

_____

Jonathan Byer, Board Chair
2025-2026 Audit Committee Chair

District School Board
Ontario North East

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Annual Report to the Ministry of Education For the year ended August 31, 2026

District School Board Name: District School Board Ontario North East

Fiscal Year: 2025/2026

Re: Annual audit committee report to the Ministry of Education as per Ontario Regulation 361/10

During the 2025/2026 fiscal year, the following internal audits or other engagements were started and completed by August 31st:

Succession Planning-Final
Student Mental Health-Final

Based on the internal audit plan, we are not expecting any enrolment audits to be performed.

_____	_____	_____
Date	Signature	Jonathan Byer Audit Committee Chair