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Table of contents

Executive summary	2
Audit and financial reporting impacts of COVID-19	3
Audit risks	4
Areas of focus for financial reporting	5
Materiality	8
New auditing standard	9
Audit quality and transparency	10
Key deliverables and milestones	11
Appendices	12



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At KPMG, we are passionate about earning your trust . We take deep personal accountability , individually and as a team, to deliver exceptional service and value in all our dealings with you.

At the end of the day, we measure our success from the only perspective that matters – yours.





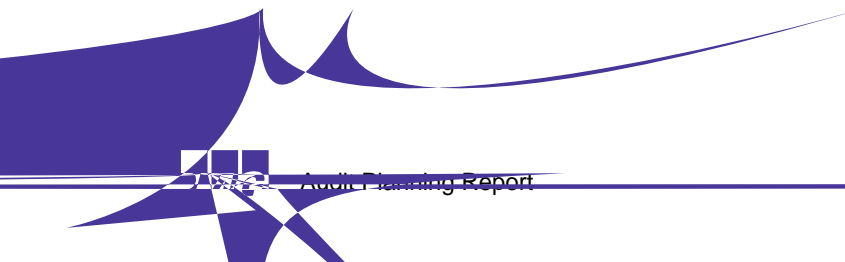
Audit and financial reporting impacts o

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. As the COVID-19 pandemic evolves, the District will continue to assess the impact on its operations and finances and consider the implications on financial reporting. As part of our audit planning procedures, we will continue to analyze the impact of the COVID-19 pandemic situation on the audit of the financial statements for the year ended June 30, 2021 and will discuss the audit and financial reporting implications with management.

We provide the following information for the review of the Board of Education and describe the additional procedures that we will be performing. As the COVID-19 pandemic is a dynamic situation, we will continue to update our Audit Plan as the situation warrants. We will communicate any additional changes to our Audit Plan to the Board of Education in our Audit Findings Report.

Audit implications

Considerations	Audit implications
Conducting the audit work	We plan to undertake a primarily remote audit this year, if recommended by Provincial health guidelines. We have established a secure ShareFile platform to facilitate the sharing of information with management. We have discussed the details of the audit with management, and we are ready to undertake the audit as planned and on schedule. The prior year audit was performed primarily remotely.
General considerations	We will obtain an understanding of what changes to process activities and controls have been implemented to determine if the planned audit procedures are appropriate. We have conducted preliminary discussions with management and will confirm our understanding of any significant changes by performing walkthroughs of transactions.
Financial reporting	<p>Currently, we expect that COVID-19 will continue to impact the District's operations and finances beyond June 30, 2021.</p> <p>An assessment should be made by management of any COVID-19 financial implications, for example delivery of education remotely, reduction in international student enrolment, work from home arrangements for employees, temporary or permanent staffing adjustments and receipt of additional Safe return to school grants.</p> <p>Significant actions undertaken by the District should be disclosed in a note to the financial statements, including a statement as to whether or not these factors present uncertainty over future cash flows, cause significant changes to assets and liabilities, and/or significantly impact future operations. Measurement of the estimated financial effect should be disclosed, or it should be stated if the effect is not determinable.</p> <p>We will work with management to customize the wording of the COVID-19 related disclosures for the District's specific situation.</p> <p>Refer to our COVID-19 Financial Reporting site.</p>



Areas of focus for financial reporting

Areas of focus	Why are we focusing here?	Our audit approach
Auditors' Opinion - Compliance Framework	Financial statements are prepared in accordance with the appropriate financial statement framework.	<ul style="list-style-type: none">- The financial statements are prepared under Canadian Public Sector Accounting standards ("PSAS"), supplemented by the requirements of Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.- These regulations direct the District to apply PSAS, except in regard to accounting for restricted contributions. Under the regulations, capital contributions are deferred and amortized on the same basis as the amortization of the related tangible capital assets, not in accordance with the underlying stipulations on the funding, as required under PSAS.- As a result, the District's revenue recognized in the statement of operations and certain related deferred capital revenue would have been recorded differently under Canadian Public Sector Accounting Standards.- The Office of the Auditor General ("OAG") has requested additional reporting, under the Group Auditor requirements, in order to perform the consolidation of the Provincial Accounts under the PSA standards.

Materiality

Materiality determination	Comments	Group amount
Materiality	Determined to plan and perform the audit and to evaluate the effects of identified misstatements on the audit and of any uncorrected misstatements on the financial statements. The corresponding amount for the prior year's audit was \$1.8 million	\$2.0 million
Benchmark	Based on prior year's total operating revenues for the year. This benchmark is consistent with the prior year. The corresponding amount used for prior year's benchmark for the audit was \$81,963,061.	\$82,480,763
% of Benchmark	The corresponding percentage for the prior year's audit was 2.2%. The industry standard percentage for the audit is 0.5% - 3.0%.	2.5%
Audit misstatement posting threshold	Threshold used to accumulate misstatements identified during the audit. The corresponding amount for the previous year's audit was \$90,000.	\$100,000

We will report to the Board of Education:

Materiality is used to scope the audit, identify risks of material misstatements and evaluate the level at which we think misstatements will reasonably influence users of the financial statements. It considers both quantitative and qualitative factors.

To respond to aggregation risk, we design our procedures to detect misstatements at a lower level of materiality.

Professional standards require us to re-assess materiality at the completion of our audit based on period-end results or new information in order to confirm whether the amount determined for planning purposes remains appropriate.



Corrected audit misstatements



Uncorrected audit misstatements

New auditing standard

Standard	Overview	Link
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CAS 540 Auditing Accounting Estimates and Related Disclosures

The new standard is effective for the District's 2021 fiscal year-end.

Expected impact on the audit:

- More emphasis on the need for exercising professional skepticism.
- More granular risk assessment to address each of the components in an estimate (method, data, assumptions).
- More granular audit response designed to specifically address each of the components in an estimate (method, data, assumptions).
- More focus on how we respond to levels of estimation uncertainty.
- More emphasis on auditing disclosures related to accounting estimates.
- More detailed written representations required from management.

We expect this new standard to impact our audit of the District's estimate of the po33.0 Tw 0 12.5yit thisp



Audit quality and transparency

KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards. Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarizes the key elements of our quality control system.

What do we mean by audit quality?

Audit Quality (AQ) is at the core of everything we do at KPMG.

We believe that it is not just about reaching the right opinion, but how we reach that opinion.

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 controls, and

All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics, and integrity .

Our AQ Framework summarises how we deliver AQ. Visit our [Audit Quality Resources page](#) for more information including access to our [Audit Quality and Transparency report](#).

Key deliverables and milestones



Appendices

Appendix 1: Required communications

Appendix 2: KPMG's audit approach and methodology

Appendix 3: Current developments



Appendix 3: Current developments and

Current Developments , created by the KPMG Public Sector and Not-for-Profit Practice, summarizes regulatory and governance matters impacting public sector entities today, or expected to impact them over the next few years. We provide this information to help public sector entities understand upcoming changes and challenges they may face in their industry. Some of these developments may not impact the District directly, but we believe it is important for the Board of Education to understand what is happening in the sector.

Public Sector Accounting Standards

Standard	Summary and implications
Impact of COVID-19	In response to the impact of COVID-19 on public sector entities, PSAB has approved deferral of all upcoming accounting standards by one year and will issue non-authoritative guidance on the effects of COVID-19.
Asset Retirement Obligations	<ul style="list-style-type: none"><li data-bbox="485 683 1858 737">— The new standard is effective for fiscal years beginning on or after April 1, 2022. The effective date was deferred by one year due to COVID-19.<li data-bbox="485 753 1858 834">— The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs will be recognized as an integral cost of owning and operating tangible capital assets. PSAB currently contains no specific guidance in this area.<li data-bbox="485 850 1858 873">— The ARO standard will require the public sector entity to record a liability related to future costs of any legal obligations t

Appendix 3: Current developments and

Standard	Summary and implications
Revenue	<ul style="list-style-type: none"> – The new standard is effective for fiscal years beginning on or after April 1, 2023. The effective date was deferred by one year due to COVID-19. – The new standard establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. – The standard notes that in the case of revenues arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. – The standard notes that unilateral revenues arise when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.
Employee Future Benefit Obligations	<ul style="list-style-type: none"> – PSAB has initiated a review of sections PS3250 Retirement Benefits and PS3255 Post-Employment Benefits, Compensated Absences and Termination Benefits. In July 2020, PSAB approved a revised project plan. – PSAB intends to use principles from International Public Sector Accounting Standard 39 Employee Benefits as a starting point to develop the Canadian standard. – Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, PSAB will implement a multi-release strategy for the new standards. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues.
Public Private Partnerships (“P3”)	<ul style="list-style-type: none"> – PSAB has proposed new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. PSAB is in the process of reviewing feedback provided by stakeholders on the exposure draft. – The exposure draft proposes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the P3 ends. n, measur

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Appendix 3: Current developments and

Standard	Summary and implications
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> – PSAB is in the process of reviewing the conceptual framework that provides the core concepts and objectives underlying Canadian public sector accounting standards. – PSAB is in the process of developing exposure drafts for the proposed conceptual framework and proposed revised reporting model, and their related consequential amendments. – PSAB is proposing a revised, ten chapter conceptual framework intended to replace PS 1000 Financial Statement Concepts and PS 1100 Financial Statement Objectives. The revised conceptual framework would be defined and elaborate on the characteristics of public sector entities and their financial reporting objectives. Additional information would be provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts would be introduced. – In addition, PSAB is proposing: <ul style="list-style-type: none"> X Removal of the net debt indicator, except for on the statement of net debt where it would be calculated exclusive of financial assets and liabilities that are externally restricted and/or not available to settle the liabilities or financial assets. X Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities). X Restructuring the statement of financial position to present non-financial assets before liabilities. X Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities). X A new provision whereby an entity can use an amended budget in certain circumstances. X Inclusion of disclosures related to risks and uncertainties that could affect the entity's financial position.
International Strategy	<ul style="list-style-type: none"> – PSAB has reviewed all proposed options for its international strategy, and in accordance with its due process, approved the option to adapt International Public Sector Accounting Standards when developing future standards. PSAB noted that the decision will apply to all projects beginning on or after April 1, 2021. – An exposure draft to modify the GAAP hierarchy was issued with comments due by February 15, 2021.
Purchased Intangibles	<ul style="list-style-type: none"> – In October 2019, PSAB approved a proposal to allow public sector entities to recognize intangibles purchased through an exchange transaction. Practitioners are expected to use the definition of an asset, the general recognition criteria and the GAAP hierarchy to account for purchased intangibles. – PSAB has approved Public Sector Guideline 8 which allows recognition of intangibles purchased through an exchange transaction. Narrow-scope amendments were made to Section PS 1000 Financial statement concepts to remove prohibition on

Appendix 3: Current developments and

Our discussions with you, our audit opinion and what KPMG is seeing in the marketplace - both from an audit and industry perspective - indicate the following is specific information that will be of particular interest to you. We would, of course, be happy to further discuss this information with you at your convenience.

Thought leadership

Thought leadership	Overview	Link
2019 Audit Quality and Transparency Report	Learn about KPMG's ongoing commitment to continuous audit quality improvement. We are investing in new innovative technologies and building strategic alliances with leading technology companies that will have a transformative impact on the auditing process and profession. How do we seek to make an impact on society through the work that we do?	Link to report
Put your data to work to gain competitive advantage	There is no "digital economy". The economy is digital and "digits" refer to data. Data is the lifeblood of every organization on this planet and organizations that embrace this notion are well positioned to grow as industries continue to evolve and disrupt at an ever increasing pace.	Link to report
Predictive analytics, it works	CEOs recognize the value that predictive analytics delivers to their decision-making process.	Link to report
Creating the workforce of the future	You can't transform the organization without also transforming the workforce. It may be time to rethink the people strategy.	Link to report
Accelerate	Introducing KPMG's 2021 edition of Accelerate, a series of articles and videos offering insight into the key issues driving Board agendas, including: <ul style="list-style-type: none"> Cyber risk Internal control over financial reporting, disclosures and regulation Digital disruption Enterprise risk management The evolution of environmental, social and governance (ESG) and disclosures 	Link to report
Board Leadership Centre	KPMG provides leading insights to help Board members maximize boardroom opportunities.	Link to site

Appendix 3: Current developments and

COVID-19 pandemic resources

Resources	Summary	Links
Resources for management and the Board of Education	<p>Please visit our COVID-19 website for resources regarding the topics below. This site is being <u>updated daily</u> based on information being released by federal, provincial and municipal news releases.</p> <ul style="list-style-type: none">Business continuity guideImmediate actions to takeMedium to long-term actionsTax considerations and a summary of federal and provincial programsLegal considerationsFinancial reporting and audit considerationsGlobal perspectives	COVID-19 Alerts (Live Link)
Return to the workplace	<p>As all levels of government begin to take steps toward re-opening the country and restarting our economy, planning for the return to a physical workplace is quickly becoming a top priority for many organizations. With the guidelines for the pandemic continuing to evolve daily, there are many considerations, stages and factors employers need to assess in order to properly develop a robust action plan which can ensure the health and safety of their workforce.</p> <p>We have put together a Return to the Workplace guide to support an organization's planning efforts in preparing to return to physical workplace. Our guide includes a list of considerations, stages and factors that</p>	

kpmg.ca/audit

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PROJECT STATUS REPORT

Task	Completed by	Status June 2021
Phase one of new school		
Excavation, shoring, micropiling, formwork for foundation	Last week August 2020	Complete
Slab on grade	Mid-September 2020	Complete
Steel structure including decking	1 st week of March 2021	Complete
Roof	2 nd week April 2021	Complete
Exterior windows and exterior building envelope	Las1183.h021	



PROJECT STATUS REPORT

Electrical equipment has been delivered and placed in the Electrical room.
Equipment has been wrapped up and protected.

Exterior wall stud and exterior sheathing installation is in progress.

Ministry & Other Submissions: June- July 2021

Submitted to:	Description	Date
Ministry of Education	Annual Facility Grant	June 30, 2021
Ministry of Education	2021- 22 Preliminary Budget	June 30, 2021

Ministry of Education

School District No. 4 (New Westminster)

Supplement to: OPERATIONS POLICY & PLANNING COMMITTEE

Date: June 8, 2021

Submitted by: Bettina Ketcham, Secretary-Treasurer

Item: Requiring Action Yes No For Information

Subject: 2021-22 Annual Funding Grant (AFG) Expenditure Plan

Background:

The District's allocation for AFG capital projects is \$1,159,460 for the 2021-22 year. The allocation must be spent by March 30, 2022. As such, the District has already started working on some of these projects, though the majority is planned through the course of summer months. The following provides a summary by work categorization.

	Project Budget
MECHANICAL SYSTEM UPGRADES	
ESC C02 sensors and motion 4 schools left	\$ 50,000.00
Modulars converted to entel(c)-2Ne2(03.4(eb))TJ 0.015	\$ -0.00
ELECTRICAL SYSTEM UPGRADES	
QMS Ne2(03.5(g)-35.5(as)-20(d)-35.5(et)-27.7(ec)-20(t)-27.7(or)-8.4((c)-2	

School District No. 4 (New Westminster)

FACILITY UPGRADES

Tweedsmuir Elementary Building Envelope	\$ 460,000.00
NWSS NLC upgrade Office B	\$ 100,000.00
F6.6150 30 3LC up2 B u8>.000.00	

Notes:

1. The first two mechanical system upgrades noted are continuations of works started last year to finish the final few groupings of schools. They are systems which monitor use and turn on and off based on movement in the classes. They make our ventilation and HVAC system more efficient.
2. Under facilities upgrades, we are supplementing the Tweedsmuir building envelope work which is funded under SEP with AFG funding – mainly due to escalation costs from when estimates were first obtained.

School District No. 4 (New Westminster)

3. Due to the growing enrolment at Qayqayt, paving for additional parking and sidewalks for better access around the school were required. This work has been completed at the time of writing. Similarly, work is being done at Kelvin to site prep for the new portable going on site.

Included in some of these projects, where maintenance staff perform the work (rather than work being contracted out due to the lack of in-house expertise) we have included salaries, which represents the market value for performing work and is acceptable to the Ministry.

Special Fund Discription

New Westminster Schools: COVID - 19 Notifications (May 7 - June 3, 2021)

Self- Isolation Notifications	Date sent to community
Connaught Heights Elementary (1) (*2 individuals)	*May 17
Lord Kelvin Elementary (4) (*9 individuals); (**9 individuals); (***)7 individuals); (+A 6 individuals; B 8 individuals)	*May 10; **May 15; ***May 19; +May 20 (A) & (B)
Lord Tweedsmuir (1) (*4 individuals)	*May 13
Qayqayt Elementary (2) (*2 individuals; **11 individuals)	*May 14; **May 19
Fraser River Middle (1) (*10 individuals)	*May 30
Glenbrook Middle (3) (*13 individuals); (**4 individuals); (***)3 individuals); (+7 individuals)	*May 8; **May 11; ***May 17; +June 1
NWSS(1) (*1 individual)	*May 19