



## **Dufferin-Peel Catholic District School Board** 2025 Audit service plan

For the year ending August 31, 2025  
To be presented to the Audit Committee  
September 9, 2025

August 27, 2025

**Private and confidential**

To the Members of the  
Audit Committee of Dufferin-Peel Catholic District School Board  
40 Matheson boulevard West  
Mississauga ON L5R 1C5

**2025 Audit service plan**

Dear Audit Committee members:

We are pleased to provide you with our audit service plan for Dufferin-Peel Catholic District School Board ("the School Board"), for the year ending August 31, 2025. This document describes the key features of our plan including our audit scope and approach, our planned communications with you, and our team.

Our audit of Dufferin-Peel Catholic District School Board's consolidated financial statements (the "Financial Statements") for the year ending August 31, 2025 prepared in accordance with the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("Financial Reporting Framework"), will be conducted in accordance with Canadian generally accepted auditing standards.

Our commitment to you is straightforward: we will provide you with outstanding professional services delivered by an experienced and dedicated team of professionals. Our professionals will continue providing you with best practices and insights to face the increasingly complex array of issues and challenges encountered by the School Board.

We look forward to discussing our audit service plan with you and answering any questions you may have.

Yours truly,



Chartered Professional Accountants  
Licensed Public Accountants

# Table of contents

Executive summary	1
Audit risks	3
Appendix 1 – Audit approach	5
Appendix 2 – Communication requirements	9
Appendix 3 – Audit timelines	11
Appendix 4 – New and Revised Public Sector Accounting Standards	12
Appendix 5 – Deloitte resources a click away	13

# Executive summary



## Audit scope and terms of engagement

We have been engaged to perform an audit of the School Board's consolidated Financial Statements, as at, and for the year ending, August 31, 2025 (the "Financial Statements") prepared in accordance with the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("Financial Reporting Framework"). Our audit will be conducted in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). In addition to the audit of the Financial Statements, we also be performed agreed-upon procedures on the March 31, 2025 EFIS reporting to the Ministry of Education.

Our audit team will be led by Steve Stewart – Audit Partner, and Edson Montero – Senior Manager

The terms and conditions of our engagement are described in the Engagement Letter dated April 17, 2025.



## Audit risks

- 1 Revenue recognition
- 2 Management override of controls
- 3 Government transfers relating to capital contributions
- 4 Employee future benefits



## Materiality

3% of total expenses



Preliminary materiality

5% of materiality



Clearly trivial threshold

We are responsible for providing reasonable assurance that your Financial Statements as a whole are free from material misstatement. We will report to the Committee uncorrected misstatements greater than our current year clearly trivial amount. We will report our final materiality figures to the Committee at our audit results presentation. In accordance with Canadian GAAS, we will ask that any misstatements be corrected.



## Fraud risk

We will develop our audit strategy to address the assessed risks of material misstatement due to fraud. Determining this strategy will involve:

1. Enquiry of those involved in the financial reporting process about inappropriate or unusual activity.
2. Testing a sample of journal entries throughout the period as well as adjustments made at the end of the reporting period.
3. Identifying and obtaining an understanding of the business rationale for significant or unusual transactions that are outside the normal course of business.
4. Evaluating whether your accounting policies may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
5. Evaluating whether the judgements and decisions related to management estimates indicate a possible bias.
6. Incorporating an element of unpredictability in selecting our audit procedures.

We will ask Management and the Audit Committee for their views about the risk of fraud, whether they know of any actual or suspected fraud affecting the School Board and their role in the oversight of management's antifraud programs.

If we suspect fraud involving management, we will immediately inform the Audit Committee of our suspicions and discuss the nature, timing, and extent of audit procedures necessary to complete the audit.

## Use of the work of specialists

We intend to use our own IT specialists to assess the design and implementation of information technology computer controls.

We also intend to use the work of the School Board's actuary, in their valuation of the School Board's post-employment benefits. We will review and test any data and assumptions used, ensure the disclosure in the financial statements is adequate and that the actuary is in good standing with the Canadian Institute of Actuaries.

If our assessment does not provide us with sufficient, appropriate audit evidence, we will need to perform additional audit procedures to address the risks of material misstatements in the Financial Statements.

# Audit risks

The following tables set out the audit risks that we identified during our preliminary planning activities, including our proposed response to each risk. Our planned audit response is based on our assessment of the likelihood of a risk's occurrence, the significance should a misstatement occur, our determination of materiality and our prior knowledge of the School Board.

Significant risks are denoted by an asterisk (\*)

## Revenue recognition\*

Significant audit risk	Our proposed audit response
<p>Assurance standards include the presumption of a fraud risk involving improper revenue recognition. (Grants, deferred capital contributions, other fees and revenue, and school fundraising and other revenue).</p> <p>As part of our audit planning, we will pinpoint the presumed fraud risk in revenue recognition to specific revenue streams and associated assertions.</p>	<ul style="list-style-type: none"> <li>• We will test the design and implementation of controls in these revenue streams and perform substantive analytic procedures and detailed testing in these areas</li> <li>• With respect to grants revenue, obtain funding letters, as well as associated B and SB memos issued by the Ministry of Education, to understand the grant stipulations and assess management's recording of the associated revenue and deferred revenue.</li> <li>• We will pay particular attention to any revenue sources that are new in the current year, or may have been deferred or have performance obligations that must be fulfilled prior to their recognition.</li> </ul>

## Management override of controls\*

Significant audit risk	Our proposed audit response
<p>Assurance standards include the presumption of a significant risk of management override of controls.</p> <p>Management is in a unique position to perpetrate fraud because of management's ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<p>In testing for management override of controls we will:</p> <ul style="list-style-type: none"> <li>• Engage in periodic fraud discussions with certain members of senior management, and others</li> <li>• Consider the potential for bias in judgments and estimates, including performing retrospective analysis of significant accounting estimates</li> <li>• Evaluate the business rationale for any significant unusual transactions</li> <li>• Evaluate the School Board's fraud risk assessment and consider entity-level internal controls and internal controls over the closing and reporting process</li> <li>• Test journal entries that exhibit characteristics of possible management override of controls, identified using manual techniques</li> </ul>

## Government transfers relating to capital contributions

### Audit risk

The accounting for government transfers relating to capital contributions is a distinct area which has been prescribed by the Ministry of Education, and can be complex given the significance of capital transactions and balances at the School Board. Ministry directives in this area differs from Canadian Public Sector Accounting Standards and thus requires additional scrutiny.

### Our proposed audit response

- We will detail test transactions and balances impacted, including tangible capital assets and capital contributions received and recognized through annual amortization, and determine whether the School Board has accounted for these transactions in accordance with regulations and relevant policies.
- We will ensure adequate disclosure of the basis of accounting in the notes to the financial statements.

## Employee future benefits

### Audit risk

Employee future benefits liabilities and expenses are valued by the School Board's actuary based on certain significant judgments and assumptions.

### Our proposed audit response

- We will communicate with the School Board's actuary, School Boards' Co-operative Inc., to ensure we understand the assumptions used by them in their preparation of the valuation.
- We will review the actuarial report, and verify inputs used through detail testing against personnel files, and review assumptions used against independent, industry sources.
- We will ensure proper disclosure in the financial statements.

# Appendix 1 – Audit approach

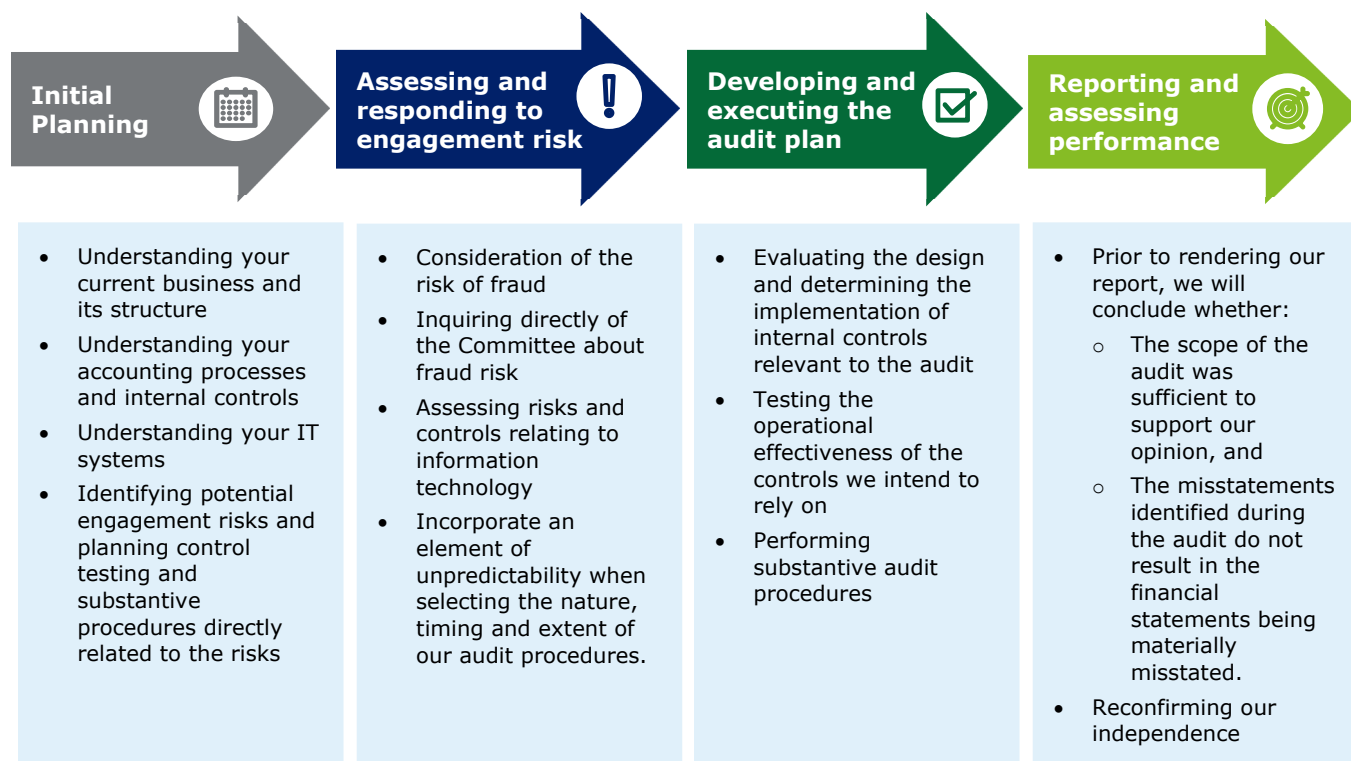
Deloitte’s audit approach is a systematic methodology that enables us to tailor our audit scope and plan to address the unique issues facing the School Board.



## Delivering professional excellence

### Focus area

<b>Risk based audit</b>	<ul style="list-style-type: none"> <li>Deliver a customized risk assessment, focusing our attention and resources on the audit areas that are most relevant to the School Board.</li> </ul>
<b>Confidential Information</b>	<ul style="list-style-type: none"> <li>Protecting the privacy and confidentiality of our clients and the firm is a cornerstone of the professional standards every Deloitte partner and practitioner commits to upholding every day.</li> <li>Deloitte employs technical, physical, and procedural safeguards, including our Confidential Information Program, to appropriately safeguard your data before, during, and after the course of the engagement.</li> </ul>
<b>Professional skepticism</b>	<ul style="list-style-type: none"> <li>Obtain a thorough understanding of the relevant facts and information, analyze reasonable alternatives, apply a questioning mindset and challenge management’s assumptions.</li> <li>Perform a more rigorous review of potential contradictory evidence.</li> </ul>
<b>Consultations</b>	<ul style="list-style-type: none"> <li>Involve additional resource or consult with technical resources concerning the significant or unusual events.</li> </ul>





## When general IT controls (GITCs) may be relevant?

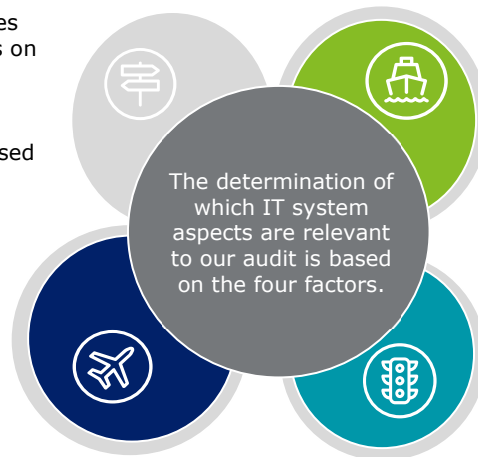
### Factor #1 Data

For example:

A billing system that performs many functions (such as processing orders, generating invoices, and tracking financial balances) and it processes and houses data. The entity relies on the functionality and the data processed by the system. Additionally, the volume and complexity of transactions processed by system is considered high. Therefore, the billing system is relevant to the audit.

### Factor #3: System Generated Reports

For example, a system-generated A/R aging report from the financial reporting application is used to determine the allowance for doubtful accounts.



### Factor #2 Automated Controls

For example:

- 3-way match of the purchase order, goods receipt and invoice prior to payment
- The calculation of depreciation expense
- Access is restricted to update inventory quantity

### Factor #4: Substantive Procedures

For example, a telecommunications company uses its application system to create a log of the services provided to its customers, to initiate and process its billings for the services, and to automatically record such amounts in the general ledger. It is a highly automated environment and therefore most of the audit evidence is maintained in the application system itself. The team has concluded that substantive procedures alone would not be sufficient to address certain risks of material misstatements. Therefore, the application system is relevant for the audit.

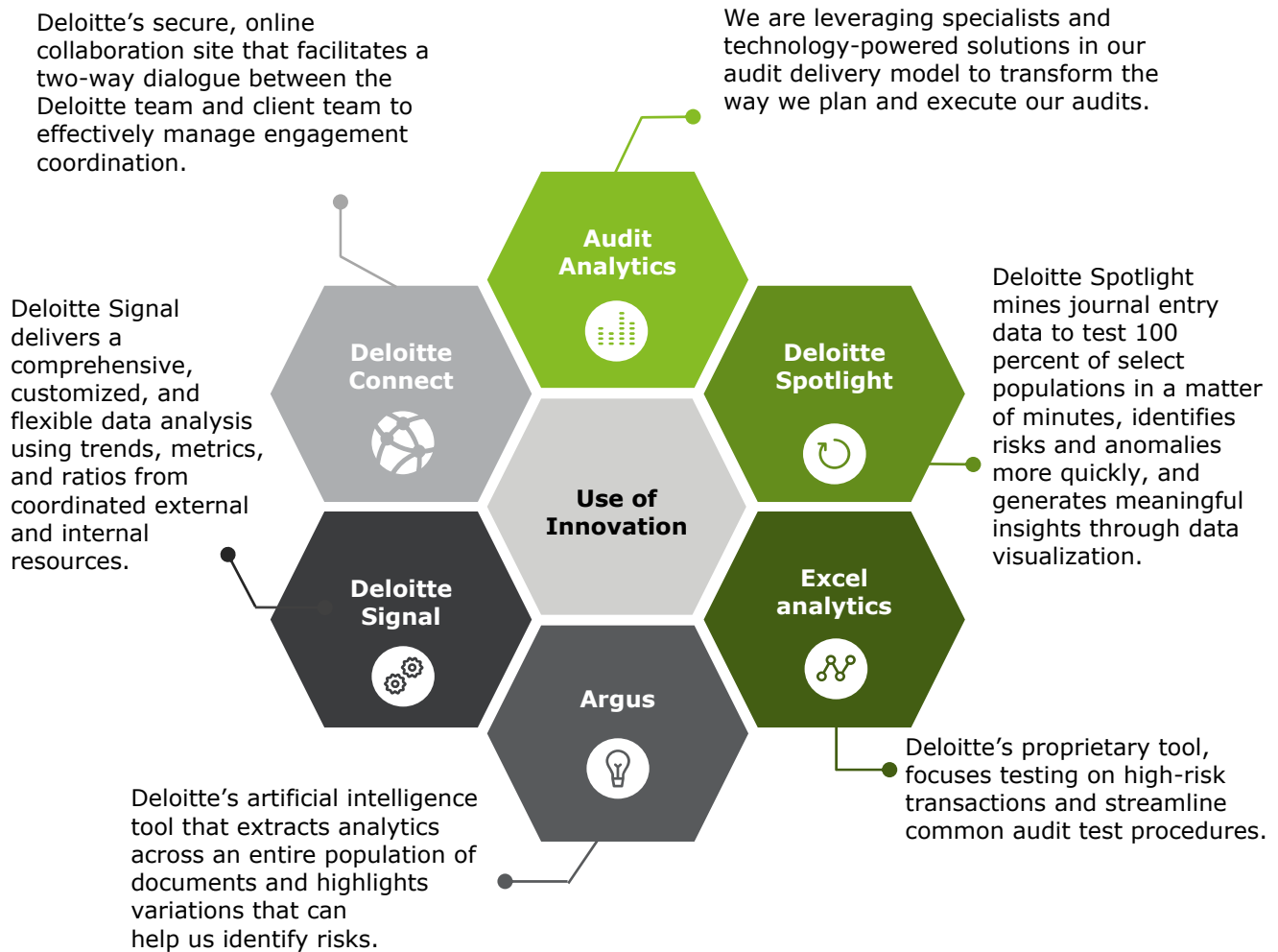


## Innovating our audit approach

### Focus area

#### Audit technology

- Deloitte Connect – Use Deloitte’s secure, online collaboration site to facilitate a two-way dialogue between the Deloitte team and the School Board to effectively manage engagement coordination and provide greater transparency allowing both management and auditor visibility over client request status.
- Deloitte Spotlight - Gather data and test journal entries, identify risks and anomalies more quickly, and generate meaningful insights through data visualization.
- Project Zero – A script-based analytic that identifies cancelling entries within accounts and removes them from the General Ledger population, leaving entries that impact the ending account balance. This will prevent the audit team from selecting entries for testing that have been reversed out of the population and allows for further analysis on the true population of movements within an account.
- Argus – Use Deloitte’s artificial intelligence tool to analyze the population of contracts or other documents to identify variations, potential risks and hone in on items of interest.
- Gen.D – Use Deloitte’s in-house generative AI tool for efficient accounting research.



## Focus area

### Processes

- **Project management** - Enhance project management oversight and effective communications between the audit team and management.

# Appendix 2 – Communication requirements

Required communication	Reference
<b>Audit service plan</b>	
1. Our responsibilities under Canadian GAAS, including forming and expressing an opinion on the financial statements	CAS <sup>1</sup> 260.14
2. An overview of the overall audit strategy, addressing: <ul style="list-style-type: none"> <li>a. Timing of the audit</li> <li>b. Significant risks, including fraud risks</li> <li>c. Nature and extent of specialized skill or knowledge needed to perform the planned audit procedures related to significant risk</li> </ul>	CAS 260.15
3. Significant transactions outside of the normal course of business, including related party transactions	CAS 260 App. 2, CAS 550.27
<b>Enquiries of those charged with governance</b>	
4. How those charged with governance exercise oversight over management's process for identifying and responding to the risk of fraud and the internal control that management has established to mitigate these risks	CAS 240.21
5. Any known suspected or alleged fraud affecting the School Board	CAS 240.22
6. Whether the School Board is in compliance with laws and regulations	CAS 250.15
<b>Year-end communication</b>	
7. Modification to our audit plan and strategy	CAS 260.A26
8. Fraud or possible fraud identified through the audit process	CAS 240.40-.42
9. Significant accounting policies, practices, unusual transactions, and our related conclusions	CAS 260.16 a.
10. Alternative treatments for accounting policies and practices that have been discussed with management during the current audit period	CAS 260.16 a.
11. Matters related to going concern	CAS 570.25
12. Management judgments and accounting estimates	CAS 260.16 a.
13. Significant difficulties, if any, encountered during the audit	CAS 260.16 b.
14. Material written communications between management and us, including management representation letters	CAS 260.16 c.
15. Circumstances that affect the form and the content of the auditor's report	CAS 260.16d.
16. Modifications to our opinion	CAS 260.A21
17. Our views of significant accounting or auditing matters for which management consulted with other accountants and about which we have concerns	CAS 260.A22

<sup>1</sup> CAS: Canadian Auditing Standards – CAS are issued by the Auditing and Assurance Standards Board of CPA Canada

Required communication	Reference
18. Significant matters discussed with management	CAS 260.A.22
19. Matters involving non-compliance with laws and regulations that come to our attention, unless prohibited by law or regulation, including illegal or possibly illegal acts that come to our attention	CAS 250.23
20. Significant deficiencies in internal control, if any, identified by us in the conduct of the audit of the financial statements	CAS 265
21. Uncorrected misstatements and disclosure items	CAS 450.12-13,
22. Any significant matters arising during the audit in connection with the School Board's related parties	CAS 550.27

# Appendix 3 – Audit timelines

This calendar indicates our various procedures and meetings as planned throughout the year:

Procedures	Timing
Seven-month stub period report	Week of April 28, 2025
Interim audit	Week of June 23, 2025
Year-end audit	October 20 – October 31, 2025

## Meetings with the Audit Committee

Presentation of audit plan to the Audit Committee	September 9, 2025
Issuance of draft consolidated financial statements to the Audit Committee	November 4, 2025
Review the result of our audit and provide audit report	November 11, 2025

# Appendix 4 – New and Revised Public Sector Accounting Standards

The following is a summary of certain new or revised Canadian Public Sector Accounting Standards that will become effective in 2025 and beyond.

## Public Sector Accounting Standards

Title	Description	Effective Date
Section PS 1000 - Financial statement concepts	This Section describes the concepts underlying the development and use of accounting principles in government financial statements. Such financial statements are designed to meet the common information needs of external users of financial information about a government.	The Conceptual Framework applies to fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted. Retroactive or prospective application is allowed.
Section PS 1202 - Financial Statement Presentation	This Section sets out general and specific requirements for the presentation of information in general purpose financial statements ("financial statements"). The financial statement presentation principles are based on the concepts in the Conceptual Framework	This Section applies for fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted only if the Conceptual Framework is also adopted at the same time. Prior period amounts would need to be restated to conform to the presentation requirements for comparative financial information in this Section.
The Conceptual Framework for Financial Reporting in the Public Sector	The PSAB's Conceptual Framework for Financial Reporting in the Public Sector replaces the conceptual aspects of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives	The Conceptual Framework applies to fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted. This Conceptual Framework is to be applied prospectively.

# Appendix 5 – Deloitte resources a click away

At Deloitte, we are devoted to excellence in the provision of professional services and advice, always focused on client service. We have developed a series of resources, which contain relevant and timely information.

Register [here](#) to receive practical insights, invitations to Deloitte events/webcasts, and newsletters via email and other electronic channels. You will be able to select business topics and industries that align with your interests.

<input type="checkbox"/> Canada's Best Managed Companies <a href="http://www.bestmanagedcompanies.ca">www.bestmanagedcompanies.ca</a>  <b>Target audience</b> <ul style="list-style-type: none"> <li>• Directors and CEO/CFO</li> </ul>	<p>The Canada's Best Managed Companies designation symbolizes Canadian corporate success: companies focused on their core vision, creating stakeholder value and excelling in the global economy.</p>
<input type="checkbox"/> Centre for financial reporting <a href="https://www.iasplus.com/en-ca/standards">https://www.iasplus.com/en-ca/standards</a>  <b>Target audience</b> <ul style="list-style-type: none"> <li>• Directors and CEO/CFO</li> <li>• Controller and Financial reporting team</li> </ul>	<p>Web site designed by Deloitte to provide the most comprehensive information on the web about financial reporting frameworks used in Canada.</p>
<input type="checkbox"/> Deloitte Viewpoints <a href="https://www.iasplus.com/en-ca/tag-types/deloitte-viewpoints">https://www.iasplus.com/en-ca/tag-types/deloitte-viewpoints</a>  <b>Target audience</b> <ul style="list-style-type: none"> <li>• CFO</li> <li>• Controller and Financial reporting team</li> </ul>	<p>Electronic communications that helps you to stay on top of standard-setting initiatives impacting financial reporting in Canada.</p>
<input type="checkbox"/> CFO's corner <a href="https://www.iasplus.com/en-ca/cfos-corner">https://www.iasplus.com/en-ca/cfos-corner</a>  <b>Target audience</b> <ul style="list-style-type: none"> <li>• CFO and VP Finance</li> <li>• Controller and Financial reporting team</li> </ul>	<p>Editorial providing insights into key trends, developments, issues and challenges executives face, with a Deloitte point of view.</p>
<input type="checkbox"/> Deloitte Dbriefs <a href="https://www.iasplus.com/en-ca/dbriefs/webcasts">https://www.iasplus.com/en-ca/dbriefs/webcasts</a>  <b>Targeted audience</b> <ul style="list-style-type: none"> <li>• CFO and VP Finance</li> <li>• Controller and Financial reporting team</li> </ul>	<p>Learning webcasts offered throughout the year featuring our professionals discussing critical issues that affect your business.</p> <p><b>Recent publications (ASPE)</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Revenue (Jan 13, 2020)</a></li> <li>• <a href="#">Accounting for shares issued in tax planning arrangements (ROMRS) (Dec, 18, 2019)</a></li> <li>• <a href="#">Agriculture (Dec 18, 2019)</a></li> </ul>