



RIAT Audit Plan FBEC Input for 2019-20 to 2021-22 Audit Engagements

To: Finance, Budget and Enrolment Committee

Date: 7 November, 2019

Report No.: 11-19-3781

Strategic Directions

- Allocate Human and Financial Resources Strategically to Support Student Needs

Recommendation

It is recommended that the Regional Internal Audit Team (RIAT) Audit Plan input for 2019-20 and 2021-22 audit engagements be received.

Context

The Greater Toronto and Area Regional Internal Audit Team (GTA RIAT) provides internal audit services to the six district school boards in the GTA with a focus on enterprise level activities. Every three years, the GTA RIAT performs an audit risk assessment at the Board and prepares a three year audit plan for approval.

For the 2019-20 – 2021-22 audit plan, the Audit Committee requested that this Committee review and provide input with respect to audit engagements to be conducted. The GTA RIAT has provided eight potential audits, of which, six will be selected to execute over the coming three years. The Committee's input will assist the Audit Committee in recommending audits that would be most beneficial to the Board.

Appendix A provides a brief overview as well as the eight proposed audit engagements along with the scope of each.

Action Plan and Associated Timeline

Subsequent to obtaining Committee feedback, the Audit Committee will recommend the six audits to be conducted over the next three fiscal years by December 9th, 2019.

Resource Implications

No additional resource implications.

Communications Considerations

Included in Public Minutes.

Board Policy and Procedure Reference(s)

Not applicable, Ontario Regulation 361/10 applies

Appendices

- Appendix A: TDSB Potential RIAT Audit Engagements

From

Carlene Jackson, Associate Director, Business Operations and Service Excellence at carlene.jackson@tdsb.on.ca or at 416-397-3188.

Craig Snider, Executive Officer of Finance at craig.snider@tdsb.on.ca or at 416-395-8469.

Wasif Hussain, Internal Audit Manager at wasif.hussain@tdsb.on.ca or at 416-393-0491.



Background & Purpose

The Toronto & Area Regional Internal Audit Team (RIAT) provides, as a shared service, independent and objective assurance and advisory services to six school boards:

- (1) Toronto District School Board
- (2) Toronto Catholic District School Board
- (3) Peel District School Board
- (4) Dufferin-Peel Catholic District School Board
- (5) York Region District School Board
- (6) York Catholic District School Board

The mandate of the RIAT is to provide two audit or consulting engagements annually to each school board in the region. The RIAT is currently developing a three-year internal audit plan for Toronto District School Board (TDSB or the Board), that will identify the six engagements to include in the plan from fiscal year 2019-20 to 2021-22.

The purpose of this report is to summarize the RIAT planning methodology, as well as outline eight potential engagements selected by the RIAT for inclusion in three-year audit plan. As part of the audit planning process, the audit committee has requested that the RIAT contact committees of the Board of Trustees, as deemed appropriate, to obtain feedback and opinions on the six engagements, of the eight listed, that should be selected for inclusion in the audit plan. As a result, the RIAT is reaching out to the Finance, Budget and Enrolment Committee and the Program and School Services Committee.



Developing the Regional Internal Audit Plan

In selecting the eight potential engagements, the RIAT took into consideration:

- Board risk assessment (as detailed below);
- Key concerns of management;
- Engagements that can provide the most value to the Board;
- Engagements completed in previous years (providing additional value will be considered for areas that were audited previously, as RIAT resources are limited); and
- Regional audit coverage (i.e. the ability to identify and share leading practices where the same audit is undertaken at multiple boards in the region)

The RIAT uses a risk-based approach to planning that engages the Board's senior staff. Risk is defined as the possibility of an event occurring that will impact achievement of Board strategies and objectives.

The objective of the risk-based regional internal audit plan is to focus limited RIAT resources on internal audit projects that will provide the most value to the Board, while considering the areas of greatest risk. The risk assessment is a key input which consisted of:

- Confirming the auditable areas of the Board including departments, divisions, programs, processes, and services (the "School Board Audit Universe");
- Distribution of surveys to the head of each area. Surveys obtained information such as major changes since the previous risk assessment, management's assessment of the controls put in place to address risk, as well as management's top three issues or concerns for the area.
- Discussions with each functional area (e.g. Human Resources, Information Technology) to obtain further information and clarification on the surveys, as appropriate, and to understand high-level concerns.



- Assessing each area of the School Board Audit Universe based on overall risk and the measures taken by the board to reduce this risk.

The results of this assessment were considered together with the other factors listed above, to arrive at the eight engagements outlined below.

Once feedback has been taken into account and the six engagements selected, the Audit Committee will review the completed plan and recommend it to the Board of Trustees for approval.

Potential Engagements

Based on the planning process outlined, the RIAT has identified the following engagements for consideration in the three-year audit plan (2019-20 to 2021-22):

1. Accounts Payable and Expense Audit
2. Programming and Staff Utilization Review (benchmarking)
3. Strategic Workforce Planning - Phase 1
4. Strategic Workforce Planning - Phase 2
5. Construction Management Audit
6. IT Cloud Strategy (consulting engagement)
7. Privacy Audit
8. Transportation Audit

A preliminary objective and scope has been outlined for each engagement. These will be finalized during engagement planning, in collaboration with Board management, to reflect the key risks, controls and concerns in place at that time. Scheduling of engagements by year will take place once the top six engagements have been identified.



#	Engagement	Preliminary Objective/Scope	Last RIAT Audit
1	Accounts Payable and Expense Audit	<p>Using a data analysis tool, analyze accounts payable and expense data to identify transactions and other areas for further examination (e.g. duplicate vendors, unusual payments, unusual patterns, non-compliance with board policies, etc.).</p> <p>Test areas identified to assess controls in place and identify areas for improvement.</p>	n/a
2	Programming and Staff Utilization Review	<p>Benchmarking exercise that includes a review of key metrics with a focus on programming and operational areas (e.g. special education, French immersion, transportation). Results will be provided to all boards in the region that participate in this review.</p> <p>Metrics to be determined in consultation with the participating boards. Examples may include but are not limited to allocation of staffing resources per student; data collection and analysis of spending in significant areas such as French immersion and special education; other staffing metrics, etc.</p>	n/a
3	Strategic Workforce Planning - Phase 1	<p>School boards often have to do more with less funding and fewer employees. This two-phase engagement will assist the Board in ensuring the right skill sets and staffing resources are in place, i.e. ensuring people strategy is in line with the strategic plan. The first phase will include assessing the Board's process for identifying and managing critical positions. Staffing areas will be identified based on discussions with management and may include academic and non-academic staff.</p>	n/a



#	Engagement	Preliminary Objective/Scope	Last RIAT Audit
4	Strategic Workforce Planning - Phase 2	Phase 2 scope to be determined based on Phase 1 results and recommendations.	n/a
5	Construction Management Audit	Assess the processes and key internal controls related to construction management for capital projects, including: <ul style="list-style-type: none"> • Project planning and scheduling • Architect/vendor procurement and selection • Communication and management reporting • Managing project risks, scope and change controls • Quality control and service delivery • Cost and financial management • Construction phase closing 	Construction Management – New Schools and Major Renovations (May 2016)
6	IT Cloud Strategy	Consulting engagement to assess the Board's current usage of cloud-based applications and to provide recommendations and best practices to inform a Cloud Strategy. Due to the specialized knowledge required, this engagement would be outsourced to a professional services firm.	n/a
7	Privacy Audit	Assess the effectiveness of procedures in place to comply with privacy legislation (Municipal Freedom of Information and Privacy Act and the Personal Health Information Protection Act) and protect private and sensitive information collected on students and employees. Identify areas for process improvement and minimization of risks.	Privacy and Records Management (August 2015)
		Note that this engagement will undertake a deeper dive on privacy than the engagement in 2015, which focused on the Policy, Research & Information Services Department. Areas in scope for that engagement included Research - Student and Parent Census	



#	Engagement	Preliminary Objective/Scope	Last RIAT Audit
		2011-2012; Central Transcript Office – Ontario Student Record; and School Information System and Business Analytics.	
8	Transportation Audit	Internal audit engagement to assess internal controls and processes related to Transportation at the Board and School levels. Scope may include: <ul style="list-style-type: none"> • Consistency and/or leading practice in school operating processes related to transportation (e.g. boarding/off-boarding of students, training, etc.) and issues or challenges faced by schools (obtained through surveying a sample of schools); • Monitoring by Toronto Student Transportation Group of bus provider performance and satisfaction of end users; • Analysis of student transportation data and spend for special programming such as Special Education transportation and French immersion; • Special Education transportation requests and approvals (as this is a significant component of transportation costs); • Consideration of transportation in programming decisions; • Seat allocation between coterminous Boards; and • Financial controls at the consortium. 	n/a



Our Mission

To enable all students to reach high levels of achievement and well-being and to acquire the knowledge, skills and values they need to become responsible, contributing members of a democratic and sustainable society.

We Value

- Each and every student's interests, strengths, passions, identities and needs
- A strong public education system
- A partnership of students, staff, family and community
- Shared leadership that builds trust, supports effective practices and enhances high expectations
- The diversity of our students, staff and our community
- The commitment and skills of our staff
- Equity, innovation, accountability and accessibility
- Learning and working spaces that are inclusive, caring, safe, respectful and environmentally sustainable

Our Goals

Transform Student Learning

We will have high expectations for all students and provide positive, supportive learning environments. On a foundation of literacy and math, students will deal with issues such as environmental sustainability, poverty and social justice to develop compassion, empathy and problem solving skills. Students will develop an understanding of technology and the ability to build healthy relationships.

Create a Culture for Student and Staff Well-Being

We will build positive school cultures and workplaces where mental health and well-being is a priority for all staff and students. Teachers will be provided with professional learning opportunities and the tools necessary to effectively support students, schools and communities.

Provide Equity of Access to Learning Opportunities for All Students

We will ensure that all schools offer a wide range of programming that reflects the voices, choices, abilities, identities and experiences of students. We will continually review policies, procedures and practices to ensure that they promote equity, inclusion and human rights practices and enhance learning opportunities for all students.

Allocate Human and Financial Resources Strategically to Support Student Needs

We will allocate resources, renew schools, improve services and remove barriers and biases to support student achievement and accommodate the different needs of students, staff and the community.

Build Strong Relationships and Partnerships Within School Communities to Support Student Learning and Well-Being

We will strengthen relationships and continue to build partnerships among students, staff, families and communities that support student needs and improve learning and well-being. We will continue to create an environment where every voice is welcomed and has influence.

Acknowledgement of Traditional Lands

We acknowledge we are hosted on the lands of the Mississaugas of the Anishinaabe (A NISH NA BEE), the Haudenosaunee (HOE DENA SHOW NEE) Confederacy and the Wendat. We also recognize the enduring presence of all First Nations, Métis and Inuit peoples.

Reconnaissance des terres traditionnelles

Nous reconnaissons que nous sommes accueillis sur les terres des Mississaugas des Anichinabés (A NISH NA BAY), de la Confédération Haudenosaunee (HOE DENA SHOW NEE) et du Wendat. Nous voulons également reconnaître la pérennité de la présence des Premières Nations, des Métis et des Inuit."

Committee Mandate

- (i) To consider and make recommendations to the Board on finance matters, including procurement and contract awards, referred to it for consideration.
- (ii) To review the impact of enrolment and policy change on the Board's budget, including reviewing the impact of enrolment trends, and marketing strategies to bolster enrolment in declining areas of the city; and
- (iii) To consider strategies to balance the capital and operating budget over a multi-year period, and to make recommendations to the Board to balance the annual capital and operating budget.