



NOTICE OF MEETING

AUDIT COMMITTEE

**Wednesday, 22 May 2019
Trustees' Committee Room
7:00 p.m. Public
In Camera to Follow**

COMMITTEE MEMBERS:

Mark Fisher
Trustee, Zone 11

Sandra Schwartz
Trustee, Zone 12

Keith Penny
Trustee, Zone 8

EXTERNAL MEMBERS:

Erik Husband

Annik Blanchard

DISTRIBUTION:

All Board Members
Senior Administration
Auditor

If you would like further information on this agenda please contact:
Nicole Guthrie, Committee Coordinator, Board Services, at 596-8211, ext. 8643, or
nicole.guthrie@ocdsb.ca

ABOUT AUDIT COMMITTEE:

- The Audit Committee recommends annual internal and external audit plans to the Board; receives and reviews the resulting internal audit reports; receives the reports of the audits of individual schools/operations and use of Board-allocated and school-generated funds; receives the report from the External Auditor on any finding commented on during the annual audit, and the management responses thereto; and oversees the selection of the external auditor and recommends the appointment of the external auditor to the Board.
- The Audit Committee shall meet before the end of January each year and at the call of the Chair of the Committee. You may confirm dates and start times on the Board's web site.
- The Audit Committee shall meet in private when internal control issues are discussed to ensure the Board's assets are not inadvertently put at risk.

ABOUT THE AUDIT COMMITTEE AGENDA:

- The Ottawa-Carleton District School Board posts complete standing committee and Special Education Advisory Committee agendas and reports on the website on the Friday, at least ten days prior to the scheduling of the meeting.
- In most instances, staff names have been included on the agenda for contact purposes should you have any questions prior to the meeting.
- If you would like further information on this Agenda or how the Committee meeting works, please contact Nicole Guthrie, Committee Coordinator, at 613-596-8211, extension 8643 or (613) 596-8211 ext. 8643

PURPOSE OF IN CAMERA MEETINGS:

- Under provincial law, *"A meeting of a committee of a board, including a committee of the whole board, may be closed to the public when the subject-matter under consideration involves*
 - (a) *the security of the property of the board;*
 - (b) *the disclosure of intimate, personal or financial information in respect of a member of the board or committee, an employee or prospective employee of the board or a pupil or his or her parent or guardian;*
 - (c) *the acquisition or disposal of a school site;*
 - (d) *decisions in respect of negotiations with employees of the board; or*
 - (e) *litigation affecting the board."*



AUDIT COMMITTEE PUBLIC AGENDA

Wednesday, May 22, 2019, 7:00 pm

Trustees' Committee Room

133 Greenbank Road

Ottawa, Ontario

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1. Call to Order	
2. Approval of Agenda	
3. Delegations	
4. Superintendent's Report	
5. Matters for Action	
5.1 Review of Audit Committee Report	
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b. Business Arising	
6. Matters for Discussion	
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8. New Business	
9. Adjournment	



AUDIT COMMITTEE REPORT (PUBLIC)

Wednesday, March 27, 2019

7:00 pm

Trustees' Committee Room

133 Greenbank Road

Ottawa, Ontario

Members: Sandra Schwartz (Trustee), Mark Fisher (Trustee), Keith Penny (Trustee), Annik Blanchard (External Member)

Staff and Guests: Camille Williams-Taylor (Director of Education), Michael Carson (Chief Financial Officer), Jan Mattingly (Risk Management Advisor, Consultant), Gord Champagne (Senior Regional Internal Auditor), Kevin Gardner (Manager of Financial Services), Sandra Lloyd (Manager of Risk and Supply Chain Management), Nicole Guthrie (Board/Committee Coordinator)

1. Call to Order

Chair Schwartz called the public session to order 7:03 p.m. and acknowledged that the meeting is taking place on unceded Algonquin Territories and thanked the Algonquin Nations for hosting the meeting on their land.

2. Approval of Agenda

Moved by Trustee Fisher,

THAT the agenda be approved.

Carried

3. Delegations

There were no delegations.

4. Superintendent's Report

CFO Carson advised that the Ministry has recently announced changes to class sizes and funding and staff have been working with the information as it is released. The Board approved academic staffing at its 26 March 2019 meeting.

Chair Schwartz queried whether or not it is the intent of the province to manage the staffing losses due to changes in class sizes through attrition, CFO Carson responded that the province will adjust the staffing to the new average and will fund the difference and everything except the attrition. The Ministry has indicated the attrition funding will be phased out over four years.

5. Orientation to Audit Committee Presentation

5.1 Introduction of Genevieve Segu, Regional Internal Audit Manager

CFO Carson advised that the new Regional Internal Audit Manager, Genevieve Segu, was unable to attend due to illness. CFO Carson noted that Manager Segu was the former Manager of Internal Audit for Toronto Community Housing Corporation. CFO Carson anticipated that under her direction the Audit Plan may be revised. The presentation by Manager Segu will be added to the 22 May 2019 meeting of the Audit Committee.

6. Matters for Action

6.1 Review of Audit Committee Report

a. 21 January 2019

Moved by Trustee Penny,

THAT the Audit Committee report dated 21 January 2019 be received.

Carried

b. Business Arising

There was no business arising from the report.

7. Matters for Discussion

7.1 Report 19-016, Strategic Enterprise Risk Management Framework

Your Committee had before it Report 19-016, Strategic Enterprise Risk Management, providing information on the District's plans to implement a Strategic Risk Management (SERM) framework with the assistance of the Ontario School Board Insurance Exchange (OSBIE).

During discussion and in response to questions the following points were noted:

- A SERM framework will enhance the District's strategic planning and operational processes by minimizing its risk exposure;
- The framework is aligned with the International Standards Organization (ISO) 31000 model, customized for Ontario School Districts and supported by a toolkit and guide developed by Ontario School Boards' Insurance Exchange (OSBIE) and Council of School Business Officials of Ontario (COSBO);
- The SERM project plan will be conducted in two phases. It is anticipated that Phase 1 will be complete by the end of June 2019:

- Phase 1 deliverables include the completion of the SERM readiness assessment and the project plan for Phase 2 with expected implementation in the fall of 2019;
- The SERM framework will be tailored and scaled to the District's specific needs;
- The framework will assist in identifying key risks under a District-wide approach, consistent with a District-approved risk appetite policy and risk register;
- The District currently manages risk but does not have a formal framework or risk tolerance. Risk is viewed in varying ways across the District and it is the responsibility of all staff but direct responsibilities are unclear;
- In assessing readiness the District's current strengths and gaps will be analysed in comparison to an ISO 31000 standard;
- The ISO 31000 standard will help the organization advance a tailored approach to risk management;
- The introduction of the SERM framework will enable risks to be reviewed against objectives and key business processes;
- A goal of SERM is to ensure decision makers are comfortable with scaling the risk management process;
- SERM will assist the District in its ability to articulate the impact of Ministry and industry changes;
- Trustee Fisher expressed the view that risk and the staff evaluation of risk should be a part of reports provided to trustees. He commented that the work of the Board relates directly to the impact of decisions on student well-being and student learning and trustees must be aware of the risks. He highlighted the \$700 million backlog and the risk to sustainability targets and the building envelope;
- Trustee Fisher noted that risk extends to program delivery as well. Delays in assessment and referrals and access to technology create a risk to student achievement;
- Trustee Fisher commented on the importance of succession planning, noting the risks associated with managing people;
- The District does not control a large part of the budget and therefore it is a risk, unless other funding opportunities are investigated;
- In response to a query from Trustee Penny regarding the scalability of the process and its impact on staff, CFO Carson responded that staff understand the benefits to the organization and have discussed ways

to ensure SERM is part of their current processes. Ms. Mattingly added that SERM will be scaled and incremental;

- In response to a query from Trustee Penny regarding the impact of SERM on trustees, Ms. Mattingly advised that communication of risk does not happen outside regular communication channels. Trustees can expect interaction on the matter of risk through the Audit Committee. As readiness is assessed, the team can determine the extent to which the Board or Audit Committee would like to have input into decisions;
- Trustee Penny expressed the view that the Board should understand the risk involved in the decision especially in instances of significant expenditures or matters which impact the reputation of the Board;
- Trustee Fisher noted that the recent example involving the operational review of Learning Support Services, highlight the risks associated with the delivery of services;
- Chair Schwartz noted the Audit Committee members support of the audit committee serving as champions to assist in the success of the SERM project and implementation;
- Chair Schwartz commented on the importance of aligning the SERM with the 2019-2023 Strategic Plan;
- Chair Schwartz noted that reports often outline the financial implication of a recommendation but the other risks associated with the recommendation are missing. She added that the benchmarks have not been created internally to allow the Board to determine success in achieving goals;
- A complete understanding of risk and the improved monitoring of success factors would help the Board be more precise in its advocacy efforts;
- The RIAT will support the SERM framework and will be advising the committee as the process proceeds;
- Mr. Champagne noted that areas of high risk will be identified by the District and the RIAT can focus its resources on high risk initiatives;
- Chair Schwartz noted the importance of including key performance indicators to certain objectives within the Strategic Plan in order to report on progress; and
- An update on phase one of the SERM project will be provided to members at the 22 May 2019 Audit Committee meeting.

8. Information Items

8.1 Long Range Agenda

A draft long range agenda and work plan was provided for information. CFO Carson noted that the revised long range agenda was reworked to include all of the elements of the regulation to ensure the committee is meeting its requirements.

9. New Business

CFO Carson advised that the Ministry has announced their intention to review a centralized procurement initiative and the introduction of interim measures. The District has been advised that where possible, it not enter into contracts that extend beyond two years and to use either provincial vendors of record or Ontario Education Collaborative Marketplace (OECM) for any contracts over \$25,000, with the exception of construction projects. While a central purchasing group previously existed, the system became cumbersome and school boards now use their own discretion, sharing on large contracts where applicable and appropriate.

CFO Carson noted that while OECM has improved, a centralized process will be difficult for some school boards to adopt. There may be some savings but it will require a significant investment in infrastructure.

Trustee Penny expressed the view that the Ontario Public School Boards' Association (OPSBA) may wish to provide comment to the Ministry on the initiative. CFO Carson advised that the Ministry will be engaging all stakeholders, including OPSBA.

Chair Schwartz commented that while there may be a financial incentive to participate, it could cost more for some products. She expressed concern over possible time delays owing to the submission of procurement rationale reports and a planned procurement report.

Construction projects above the \$25,000 threshold are exempt.

Trustee Fisher requested that an upcoming meeting of the Audit Committee provide members with an update on the work of the RIAT and how its work cycles back to the Ministry.

10. Adjournment

The public meeting adjourned at 8:03 p.m.

Sandra Schwartz, Chair, Audit Committee



COMMITTEE OF THE WHOLE (BUDGET) AUDIT COMMITTEE

**16 April 2019
22 May 2019**

Report No. 19-040

2018-2019 Updated Financial Forecast (February)

Key Contact: Mike Carson, Chief Financial Officer, 613-596-8211 ext. 8881

PURPOSE:

1. To present for information the District's 2018-2019 Updated Financial Forecast as of 28 February 2019.

CONTEXT:

2. Financial forecasts are prepared periodically during the year to show the District's anticipated year-end position.

The 2018-2019 Revised Estimates that were submitted to the Ministry of Education in December 2018 served as the first forecast of the year. They reflected the impact of increased enrolment on compensation costs and related revenue streams, adjustments resulting from grants announced after the passing of the District's budget and changes identified as part of ongoing monitoring of operations.

The updated forecast is based on year-to-date experience up to 28 February 2019 and information gathered during the preparation of this report. Explanations provided in the revised estimates are repeated and additional commentary explaining further changes has been provided.

KEY CONSIDERATIONS:

3. In June 2018, the Board approved the 2018-2019 Budget authorizing expenses totaling \$974.3 million. Funding of the expenses was provided through grants and other revenues totaling \$974.3 million. This resulted in a balanced budget.

The District's 2018-2019 Updated Financial Forecast provides for expenses of \$972.3 million, revenues of \$980.1 million and a planned surplus of \$7.8 million.

Table 1 compares the anticipated surplus reflected in the updated forecast with the amount originally budgeted.

Table 1 – Comparison of Updated Forecast and Budget

	Updated Forecast	Budget	Change	Change
	\$	\$	\$	%
Revenues	980,139,200	974,300,600	5,838,600	0.6
Expenses	972,354,400	974,300,600	(1,946,200)	(0.2)
Surplus	7,784,800	-	7,784,800	

Changes to revenues and expenses since the passing of the 2018-2019 Budget are expanded upon in Appendix A - Analysis of Changes in Revenues and Expenses. Costs by program area for the current and prior year are presented in Appendix B - Comparative Summary of Expenses. Additional detail regarding grants is provided in Appendix C - Grants for Student Needs and a list of special purpose grants is provided in Appendix D - Other Program Grants.

4. **Enrolment Estimates and Grants (Unchanged)**

The 2018-2019 Budget was developed using enrolment estimates established in early 2018. Average daily enrolment (ADE) levels have a direct impact on funding and also affect related instructional expenses. The approved budget reflected ADE of 49,296 for elementary and 22,954 for secondary.

Actual elementary ADE for 2018-2019 Revised Estimates purposes was 49,685 students which is an increase of 389 students (0.8%) over the approved budget. Secondary day-school enrolment was revised to reflect ADE of 23,054 students which is an increase of 100 students (0.4%) over the approved budget. This enrolment continues to be reflected in the updated forecast.

As previously mentioned, enrolment has a direct impact on various grants and in particular the Pupil Foundation Grant (PFG). This grant applies to students of the District under 21 years of age and excludes 'high credit' ADE. Table 2 shows that the District's PFG is expected to be \$2.7 million more than budgeted.

Table 2 – Effect of Increased Average Daily Enrolment on Pupil Foundation Grant

	Enrolment (Pupils of the Board)			Pupil Foundation Grant		
	Updated Forecast	Budget	Change	Updated Forecast	Budget	Change
				\$	\$	\$
Elementary	49,685	49,296	389	270,612,100	268,558,500	2,053,600
Secondary	23,054	22,954	100	137,276,800	136,678,200	598,600
Total	72,739	72,250	489	407,888,900	405,236,700	2,652,200

Other allocations that comprise part of the Grants for Student Needs (GSNs) are affected by changes in enrolment and student demographics. Of these, the funding change relating to the Special Education grant was most affected and increased by over \$1.8 million while the School Operations grant increased by \$726,900.

Special mention must be made regarding the Indigenous Education grant. The District's grant is comprised of a base amount to support the Board's action plan on indigenous education, a per pupil amount reflective of the enrolment of indigenous students and an indigenous studies amount which provides funding based on student enrolment in qualifying secondary panel courses. Almost all of the \$1.5 million increase relates to indigenous studies where 1,631 pupil credits are anticipated as compared to the 375 pupil credits assumed during budget development. The increase is generally attributable to enrolment in compulsory English credit courses which qualify for increased funding.

Appendix C - Grants for Student Needs compares the revised GSNs with the approved budget.

5. **Compensation-Related Instruction Costs (Changed)**

Compensation-related instruction costs are those incurred in meeting the needs of students in the classroom. Examples of staff whose costs are reported in the Instruction category include classroom teachers, school-based administrators, learning consultants and professional and support staff such as psychologists, educational assistants (EAs) and early childhood educators (ECEs).

The forecast of compensation-related instruction costs, exclusive of specific amounts totaling \$1.0 million and discussed in sections 6 and 7, show that savings of \$11.2 million are likely in comparison to the 2018-2019 Budget. Almost all of this reduction relates to classroom teachers.

A review was initiated to identify the factors giving rise to the significant savings. The review confirmed an anomaly related to the compensation of new teaching staff. Teachers that leave the District normally have significant qualifications and experience and, accordingly, are compensated at the high end of the salary scale. Teachers filling the vacated positions are generally compensated at lower rates of pay which reflect their more recent entry into the teaching profession.

Actual trends show that the qualification and experience levels and, consequently, the rates of pay are less than originally provisioned in the budget. Revenue provided by the Qualification and Experience grant has also decreased by \$1.6 million given that teachers are starting at lower rates of pay as compared to the salary benchmark.

The assumptions underlying compensation are being reviewed as part of the District's 2019-2020 budget development cycle.

6. **Enrolment-Related Compensation Adjustments (Unchanged)**

As previously mentioned, the revised estimates reflect increased enrolment in both the elementary and secondary panels. There has also been increased enrolment of international students. The additional enrolment, as influenced by site-specific enrolment needs, has resulted in changes in the number of teaching staff required by the District.

The revised estimates reflected the addition of 9.5 FTE elementary teachers beyond the approved complement to meet enrolment-driven needs. The increase is offset by savings of 9.0 FTE secondary teaching assignments. Although enrolment at the secondary level increased, teaching assignments were accommodated within approved staffing levels. The cost adjustments associated with the positions result in a modest increase of \$29,900. Additional information on the academic staffing changes is available in Memo 19-006, Staffing Update.

Recognizing that the increased enrolment would include recent immigrants, a provision of \$500,000 has been established to meet incremental needs to support English language learners.

7. **Special Education Costs (Unchanged)**

The District continues to experience increased demand for supports provided by EAs. This group of employees has also experienced increased pressure as it relates to absenteeism. Accordingly, the revised estimates have been updated to reflect additional costs totaling \$377,600 to meet increased casual EA staffing needs. Also, an additional \$100,000 has been provided for behavioural analyst supports.

Spending on supplies and services relative to the budget is expected to be \$362,200 more than planned. This amount is part of the net instruction-related costs discussed in Section 10. The increased costs will be funded using the Special Equipment Amount (SEA). The SEA grant is a specific funding envelope within the special education envelope.

8. **Teacher Absences (Changed)**

Occasional teachers (OTs) provide coverage when teachers are absent due to illness or to attend medical appointments. In addition, OTs provide coverage when teachers are attending certain professional development and student support activities on a school day.

For the updated forecast, the District has identified supply teaching costs of \$19.8 million, which is \$2.9 million more than budgeted. The increased cost reflects current experience and reporting. It is important to note that OTs are also used to staff vacant contract teaching positions, but that such costs are reported in the Instruction category.

Although the use of OTs has a financial impact, the effect on student learning is also a primary consideration. Accordingly, OT use will continue to be monitored as will the continued promotion of a healthy workplace that fosters employee well-being.

9. **International Students (Changed)**

The Ottawa-Carleton Education Network (OCENET) is a not-for-profit organization that offers international students the opportunity to learn alongside the District's students. OCENET helps prospective students to submit their applications and fees and also supports their transition into the school and community. Fees collected cover OCENET's administrative costs and approximately 60% of the fee is remitted to the District. The percentage is an

estimate of the amount of tuition fees necessary to support instruction-related costs.

The District's 2018-2019 Budget reflected revenue of over \$10.6 million based on 817 students. The revised estimates reflected anticipated revenue of just over \$10.9 million based on 846 students. Increased enrolment of 29 students accounts for the \$379,000 revenue increase. This increased enrolment continues to be used in the updated forecast.

Administrative fees paid to OCENET by the District are reported as a fee in the Instruction category. These costs have increased by \$147,600 to \$4.3 million.

10. Other Instruction-Related Costs (Changed)

Other instruction-related costs are those that are not specifically identified elsewhere in the report, but form part of the overall spending classified as Instruction. These costs represent an overall decrease relative to the budget of \$1.9 million. The decrease is primarily the result of planned spending that will ultimately be considered to be capital as well as reduced spending on professional development activities.

11. Student Transportation (Unchanged)

Transportation of the District's students is provided by the Ottawa Student Transportation Authority (OSTA). Amounts reflected in the 2018-2019 Budget were based on information received from OSTA. The estimates have been updated and costs are expected to be \$677,300 more than budgeted. The additional costs relate primarily to the driver retention mitigation strategy intended to reduce bus driver turnover which was approved by the OSTA board in June 2018. These costs are partially offset by additional funding totaling \$276,500.

Transportation expenses of \$42.1 million are shown in the forecast. These costs are supported by the \$41.7 million Transportation grant.

12. Facility Operations (Changed)

Spending on school facilities represents the largest operating cost category outside of the instruction envelope. Projected compensation costs have increased by \$544,500 which reflects the increased use of casual staff. Non-compensation costs have increased by close to \$1.8 million. This cost increase is comprised of three amounts:

- a provision of \$1.0 million to address property lease costs retroactive to the 2014-2015 school year and inclusive of a potential retroactive rate increase;
- \$1.2 million for anticipated additional costs to relocate portables during the year; and
- net cost reductions of \$390,600 which relate primarily to spending that will be reported as a capital expense.

13. **Other Program Grants and Deferred Revenues (Changed)**

In addition to GSN funding, the District receives special funding which targets Ministry priorities. The grants are termed Educational Program Grants-Other (EPO) and the funding received must be used for the specified purpose. Amounts not spent are recovered by the Ministry or, if the funding agreements permit, are carried forward for use in the subsequent year. In recent years, the Ministry has announced the majority of EPO grants in March at the same time as the GSNs; however, it is common practice to receive additional funding during the school year.

The District reports EPO grants as deferred revenue. Revenue from these grants is recognized in an amount equal to the associated expense. Certain grants from other ministries and non-government organizations are treated in a similar manner and, for this analysis, are also referred to as EPO grants.

It is important to highlight that EPO grants are temporary, and often project-based, meaning that the funding may not be received in subsequent years. Although some grants may require the creation of a position, most often the funds are used to purchase goods and services or to pay for casual staff to backfill established positions while employees participate in identified priorities.

The forecasted amounts reflect adjustments to EPOs including those announced by the Ministry in December 2018. In addition, remedy payment funding has been updated to correspond with associated costs. The net adjustment relative to the budget is \$589,200. Most of the expenses relating to EPO funding are shown in the Instruction category in Appendix B - Comparative Summary of Expenses, but remedy payment costs totaling \$622,400 are reported in the Other category based on Ministry directive.

The District's 2018-2019 Budget reflected EPO grants totaling \$10.5 million. Appendix D – Other Program Grants shows that anticipated funding for the year is expected to be \$11.1 million. Most of the expenses relating to EPO funding are shown in the Instruction category in Appendix B - Comparative Summary of Expenses.

14. **Remedy Payments and Legal Provisions (Changed)**

New costs totaling \$2.7 million relating to remedy payments and legal provisions have been reported in the updated forecast.

Costs totaling \$622,400 relating to a settlement that was reached between the Ontario Secondary School Teachers' Federation (OSSTF) and the Province as a remedy for the Ontario Superior Court ruling in April 2016 on the *Putting Students First Act, 2012* (PSFA) are expected. The ruling determined that the PSFA was a violation of the Canadian Charter of Rights and Freedoms. The costs are fully supported by Ministry EPO grants.

A provision of \$2.0 million has been established to address potential costs relating to legal claims filed by former students in regards to sexual assault allegations. The provision is in addition to the \$2.5 million established in 2017-2018. The provision will be monitored on a continuing basis and adjusted as needed.

Additional legal costs of \$56,200 have been incurred on other matters so far this year.

15. Other Non-Instruction Costs (Changed)

Other non-instruction costs relate to the activities of the Continuing Education department, central administrative departments and staff secondments.

On a combined basis, the compensation costs are expected to exceed the budget by a modest \$22,900. For supplies and services, significant savings of just over \$1.0 million are expected. The supplies and services budgets of central departments will be reviewed during the development of the 2019-2020 Budget.

16. Deferred Capital Contributions and Amortization Expenses (Changed)

Funding received for the purpose of acquiring or developing a depreciable tangible capital asset is termed a deferred capital contribution (DCC). Such contributions are recognized as revenue at the same rate as the related tangible capital asset is amortized into expense. Amortization is based on the expected useful life of the asset.

In addition to the contributions discussed above, certain capital projects are supported internally through the use of the District's accumulated surplus. Internally supported tangible capital assets are amortized in the same manner as those supported by contributions from others, but there is no related revenue.

During the year, various capital projects are expected to be completed and a variety of capital assets acquired. In addition, adjustments to incorporate prior year actual results are reflected. These items increase the net value of the tangible capital assets managed by the District. In accordance with accounting requirements, the amortization of an asset's value commences immediately upon completion of the capital project. This has a direct impact on both revenues and expenses. The approved budget projected amortization expenses and related revenue of \$53.4 million. The updated forecast amount is just over \$56.1 million for both. Expenses and revenues increased by \$2.7 million, respectively.

17. Minor Tangible Capital Assets (Changed)

A portion of the annual GSN is budgeted for the acquisition of minor tangible capital assets (MTCA) such as furniture, equipment and computers. If the funds are not required for capital purposes, they are reported as operating revenue and support overall operating costs.

The updated forecast reflects anticipated capital spending to advance specific initiatives relating to information technology and student furniture renewal. In total, \$6.4 million previously identified as operating revenue will instead be used to support MTCA acquisitions. Requests to proceed with significant acquisitions were approved by the Board in January 2019 in accordance with policy.

18. Extended Day Program (Changed)

The Extended Day Program (EDP) commenced operations in 2010. Significant growth in the program ensued and it now operates District-run programs in 63 schools and serves close to 5,500 children. The program, which is an integral part of the Early Learning strategy, is closely tied to the operations of the District's kindergarten programs. In fact, ECEs who staff the EDP, before and after school, also partner with teachers during the core day to provide the kindergarten program.

Increased program participation has been observed this year which has resulted in additional revenue of \$804,300 being reported in the forecast.

Costs of the program have also changed. A decrease of \$112,300 in compensation costs is projected for the year. The savings are attributable to temporarily vacant positions that occur during the year.

Spending on supplies and services is expected to be \$132,000 less than budgeted. A review of spending on snacks and program supplies resulted in the identification of a \$168,000 cost pressure for the year. This is offset by the anticipated savings of \$300,000 relating to the purchase of computer software to manage participant registration and billing. The savings reflect that software project costs will not be incurred until next year.

Table 3 shows the original budget and forecast by category. The program is expected to have a significant surplus of over \$655,100 for the year of which \$300,000 relates to the deferral of software costs. The surplus will be used to offset the \$214,000 deficit that is anticipated in the Child Care Program.

Table 3 – Extended Day Program Comparative Amounts

	Forecast	Budget	Change
	\$	\$	\$
Revenues	17,450,300	16,646,000	804,300
Expenses			
Compensation	15,280,500	15,392,800	(112,300)
Administrative Transfers (Comp)	576,400	576,400	-
Supplies and Services	608,000	740,000	(132,000)
Facility Transfers (Supplies)	330,300	330,300	-
	16,795,200	17,039,500	(244,300)
Surplus (Deficit)	655,100	(393,500)	1,048,600

19. Child Care Program (Changed)

In September 2013 the District assumed the operations of four child care centres that had previously been run by the Ottawa School Day Nursery. The Infant, Toddler and Preschool (ITP) program operated at four sites and was intended to operate on a cost recovery basis. Changes to cost structures in relation to revenues resulted in the program operating at a deficit. As part of the 2017-2018 Budget, the Board approved the closure of two underutilized sites and increased user fees in an effort to stabilize the program's financial performance.

The ITP program is eligible for general operating (GO) funding. GO funding is the grant provided to licensed not-for-profit child care programs by the City of Ottawa and covers direct operating, pay equity, and wage enhancement grants. Projected GO funding of \$200,000 was reflected in the budget, but the City of Ottawa has since confirmed that it will provide \$390,000 for the year, which is an increase of \$190,000. This amount accounts for all of the program's increased revenue shown in the revised estimates.

Costs have also been updated. Compensation costs are expected to be \$73,000 less than budgeted which is generally attributable to net savings that result from temporarily vacant positions and the use of casual staff who are compensated at a lower rate of pay relative to permanent staff. The costs of supplies are also expected to be \$25,000 less than budgeted due to savings on snacks and meals.

Table 4 shows the original budget and forecast by category.

Table 4 – Child Care Program Comparative Amounts

	Forecast	Budget	Change increase (decrease)
Revenues	\$ 1,785,000	\$ 1,597,000	\$ 188,000
Expenses			
Compensation	1,914,000	1,987,000	(73,000)
Supplies and Services	85,000	110,000	(25,000)
	1,999,000	2,097,000	(98,000)
Deficit	(214,000)	(500,000)	(286,000)

The anticipated deficit is expected to be fully supported using the EDP surplus.

20. **Accumulated Surplus (Changed)**

An accumulated surplus is the excess of revenues over expenses that has resulted over time.

The *Education Act* allows the Board to use its accumulated surplus to balance its operating budget, but it also restricts the use in any school year to 1% of the operating grants provided by the Ministry. For the 2018-2019 Revised Estimates, this amount is \$8.6 million. Approval to use accumulated surplus in excess of this amount must be obtained from the Ministry. That said, the District's 2018-2019 Budget was balanced meaning that no reliance was placed on the use of the accumulated surplus.

Table 5 presents the components of accumulated surplus and shows the anticipated increase and alignment of the projected 2018-2019 net operating surplus of \$7.8 million.

Table 5 – Accumulated Surplus Available for Compliance

	Projected as at 31 Aug 2019	Actual as at 31 Aug 2018	Change increase (decrease)
	\$	\$	\$
Available for compliance			
Restricted-committed capital	430,000	471,600	(41,600)
Internally appropriated			
Extended Day Program	1,327,400	886,300	441,100
Budgets carried forward	2,149,000	2,149,000	-
Business Systems	2,000,000	2,000,000	-
Contingencies	17,200,000	15,000,000	2,200,000
Unappropriated	19,547,600	14,362,300	5,185,300
	42,654,000	34,869,200	7,784,800

It is important to highlight that with the approval of the 2017-2018 Consolidated Financial Statements, the Board appropriated \$17.0 million to be used to respond to revenue shortfalls or increased expenses relative to the budget. This appropriation was categorized as “Contingencies” and included \$2.0 million for use in modernizing business systems used to manage student, financial and human resources needs. As at 31 August 2018 the \$2.0 million is now shown separately under the Business Systems category. A portion of the anticipated surplus is proposed to be used to increase the contingency provision.

21. Summary

The District’s 2018-2019 Updated Financial Forecast includes the impact of increased enrolment, enhanced spending authority provided through the use of targeted Ministry grants, the effects of in-year changes to programs and increased costs relating to remedy payments to eligible staff.

The enrolment increase this year has added revenue, but this is also offset by costs mainly relating to teaching staff and additional student supports.

Staff continues to evaluate where additional resources may be required to respond to student needs. In addition, consideration is being given as to how the projected surplus could be used during the current year to mitigate future financial pressures. Approval will be sought in compliance with Board policies, as necessary.

The District’s 2018-2019 Updated Financial Forecast provides for expenses of \$972.3 million, revenues of \$980.1 million and a planned surplus of \$7.8 million.

RESOURCE IMPLICATIONS:

22. The District’s 2018-2019 Budget was balanced. The District’s updated forecast for 2018-2019 presents a surplus of \$7.8 million, which is compliant with the Ministry’s budget compliance framework.

COMMUNICATION/CONSULTATION ISSUES:

23. The 2018-2019 Updated Financial Forecast was prepared by Finance staff in consultation with other departments.

STRATEGIC LINKS:

24. An effective approach to risk management is a key component of the focus on sustainably allocating resources, in particular by enhancing operational practices to effectively and responsibly manage human and financial resources in support of students. Monitoring actual performance in relation to the Board's approved budget allows staff to identify opportunities to reallocate resources to address emerging needs and to respond to changes in revenue streams and expense patterns.

GUIDING QUESTIONS:

25. The following questions are provided to support the discussion of this item by the Committee:
- Does the analysis explain the significant changes in revenues and expenses?
 - Is staff taking steps to mitigate any adverse financial impacts and to leverage opportunities that were identified during the preparation of the analysis?

Mike Carson
Chief Financial Officer

Camille Williams-Taylor
Director of Education and Secretary of
the Board

Appendices:

Appendix A – Analysis of Changes in Revenues and Expenses
 Appendix B – Comparative Summary of Expenses
 Appendix C – Grants for Student Needs
 Appendix D – Other Program Grants

	Report Reference	Revised Estimates	February Forecast	Change from Revised
		\$	\$	\$
Planned Surplus in Original Estimates		-	-	-
Revenues Increase (Decrease)				
Grants for Student Needs				
Pupil Foundation	4	2,652,200	2,652,200	-
Special Education	4	1,816,900	1,816,900	-
School Operations	4	726,900	726,900	-
Indigenous Education	4	1,474,200	1,474,200	-
Teacher Qualification and Experience	4,5	(1,647,700)	(1,647,700)	-
Transportation	4,11	276,500	276,500	-
Minor Tangible Capital	4,17	(5,390,400)	(6,390,400)	(1,000,000)
Net Other (School Foundation, Learning, etc.)	4	868,600	868,600	-
		<u>777,200</u>	<u>(222,800)</u>	<u>(1,000,000)</u>
Other Revenue				
International Student Fees (OCENET)	9	379,000	379,000	-
Education Program Grants	13,15	1,556,600	589,200	(967,400)
Amortization of Capital Assets	16	2,551,400	2,701,400	150,000
Extended Day Program	18	715,800	804,300	88,500
Child Care Program	19	194,000	188,000	(6,000)
Other Net Revenue Adjustments		1,064,100	1,399,500	335,400
		<u>6,460,900</u>	<u>6,061,400</u>	<u>(399,500)</u>
Total Increase (Decrease) in Revenues		<u>7,238,100</u>	<u>5,838,600</u>	<u>(1,399,500)</u>
Expenses (Increase) Decrease				
Compensation Costs				
Compensation-Related Instruction Costs	5	8,849,800	11,173,800	2,324,000
Teaching Complement	6	(29,900)	(29,900)	-
ESL Provision	6	(500,000)	(500,000)	-
Special Education Staff	7	(477,600)	(477,600)	-
Teacher Absences	8	(2,110,000)	(2,930,300)	(820,300)
Facilities	12	(4,500)	(544,500)	(540,000)
Other Non-Instruction	15	(125,300)	(22,900)	102,400
Extended Day Program	18	(187,700)	112,300	300,000
Child Care Program	19	52,700	73,000	20,300
		<u>5,467,500</u>	<u>6,853,900</u>	<u>1,386,400</u>
Non-Compensation Costs				
International Student Fees (OCENET)	9	(147,600)	(147,600)	-
Other Instruction	10	(991,200)	1,896,000	2,887,200
Student Transportation	11	(677,300)	(677,300)	-
Facilities	12	(2,160,000)	(1,769,400)	390,600
Remedy Settlements	13,14	(1,280,900)	(622,400)	658,500
Legal Costs and Settlements	14	(2,000,000)	(2,056,200)	(56,200)
Other Non-Instruction	15	(19,400)	1,013,600	1,033,000
Amortization of Capital Assets	16	(2,551,400)	(2,701,400)	(150,000)
Extended Day Program	18	(48,000)	132,000	180,000
Child Care Program	19	15,000	25,000	10,000
		<u>(9,860,800)</u>	<u>(4,907,700)</u>	<u>4,953,100</u>
Total (Increase) Decrease in Expenses		<u>(4,393,300)</u>	<u>1,946,200</u>	<u>6,339,500</u>
Projected Surplus	20	<u>2,844,800</u>	<u>7,784,800</u>	<u>4,940,000</u>

In \$ Millions EXPENSE CATEGORY	2018-2019						2017-2018				
	Budget	Revised Estimates	YTD Feb 2019	Feb Forecast	Variance	% Spent	Budget	Revised Estimates	Actual Year End Expenses	Variance	% Spent
					Forecast minus Budget	Forecast over Budget				Actual minus Budget	Actual over Budget
Instruction											
Salaries and Benefits	668.5	660.7	309.0	658.4	(10.2)	-1.5%	636.6	649.8	631.3	(5.3)	-0.8%
Salaries and Benefits (Occasional Teachers)	16.9	19.0	11.6	19.8	2.9	17.3%	16.4	17.2	18.4	2.0	12.5%
Staff Development, Supplies and Services	26.4	27.4	12.9	21.2	(5.2)	-19.9%	24.9	25.2	20.3	(4.6)	-18.6%
Fees, Contractual and Rentals	9.8	10.0	7.5	13.3	3.5	35.7%	9.4	10.2	12.3	2.9	30.7%
Instruction Sub-Total	721.7	717.1	341.0	712.7	(9.0)	-1.2%	687.3	702.4	682.2	(5.0)	-0.7%
Continuing Education											
Salaries and Benefits	10.0	10.0	4.3	10.0	0.0	0.3%	9.1	9.5	9.9	0.9	9.6%
Staff Development, Supplies and Services	0.5	0.5	0.3	0.5	0.0	0.7%	0.5	0.5	0.7	0.3	57.0%
Fees, Contractual and Rentals	0.5	0.5	0.2	0.5	0.0	3.4%	0.4	0.4	0.5	0.1	29.8%
Continuing Education Sub-Total	11.0	11.0	4.8	11.0	0.0	0.4%	9.9	10.4	11.2	1.3	12.6%
Transportation											
Salaries and Benefits	1.2	1.2	0.7	1.2	-	0.0%	1.3	1.3	1.2	(0.1)	-8.5%
Staff Development, Supplies and Services	0.4	0.4	0.3	0.4	-	0.0%	0.4	0.4	0.3	(0.1)	-18.9%
Fees, Contractual and Rentals	39.9	40.6	23.8	40.6	0.7	1.7%	38.4	38.9	38.3	(0.1)	-0.3%
Transportation Sub-Total	41.5	42.1	24.7	42.1	0.7	1.6%	40.1	40.6	39.8	(0.3)	-0.8%
School Facilities											
Salaries and Benefits	52.1	52.1	25.7	52.6	0.5	1.0%	50.8	51.9	51.5	0.7	1.4%
Staff Development, Supplies and Services	24.5	24.2	12.3	23.1	(1.3)	-5.5%	24.7	24.0	24.1	(0.7)	-2.7%
Fees, Contractual and Rentals	8.5	9.8	8.8	10.4	1.9	22.9%	8.1	8.5	7.8	(0.2)	-3.0%
Other/Temporary Pupil Accommodation	0.8	2.0	0.3	2.0	1.2	138.1%	0.9	0.9	3.5	2.6	286.3%
Interest Charges on Capital	6.2	6.2	3.0	6.2	-	0.0%	6.5	6.5	6.5	(0.0)	0.0%
School Facilities Renewal Expense	5.7	5.7	8.7	5.7	-	0.0%	5.7	5.7	6.7	1.0	17.9%
School Facilities Sub-Total	97.8	99.9	58.8	100.1	2.3	2.4%	96.7	97.5	100.1	3.4	3.5%
Central Administration											
Salaries and Benefits	16.2	16.2	8.6	16.1	(0.1)	-0.4%	16.3	16.2	16.8	0.6	3.5%
Staff Development, Supplies and Services	2.1	2.1	1.5	2.1	0.0	1.8%	1.9	1.9	1.9	0.1	3.8%
Fees, Contractual and Rentals	1.9	1.9	1.0	0.9	(1.1)	-54.9%	1.3	1.3	1.7	0.4	29.1%
Central Administration Sub-Total	20.2	20.2	11.1	19.1	(1.1)	-5.4%	19.5	19.4	20.5	1.0	5.3%

Ottawa-Carleton District School Board
Comparative Summary of Expenses
forecast for the year ending 31 August 2019 (February Forecast)

In \$ Millions EXPENSE CATEGORY	2018-2019						2017-2018				
	Budget	Revised Estimates	YTD Feb 2019	Feb Forecast	Variance	% Spent	Budget	Revised Estimates	Actual Year End Expenses	Variance	% Spent
					Forecast minus Budget	Forecast over Budget				Actual minus Budget	Actual over Budget
Other											
Extended Day Program Compensation	16.0	16.2	6.1	15.9	(0.1)	-0.7%	15.4	15.4	14.9	(0.6)	-3.6%
Extended Day Program Supplies/Int Svcs	1.1	1.1	0.2	0.9	(0.1)	-12.3%	1.2	1.2	0.9	(0.3)	-24.3%
Child Care Program Compensation	2.0	1.9	0.8	1.9	(0.1)	-3.7%	1.9	2.0	1.8	(0.1)	-3.6%
Child Care Program Supplies/Int Svcs	0.1	0.1	0.0	0.1	(0.0)	-22.7%	0.1	0.1	0.1	(0.0)	-33.4%
Recoverable Compensation (Secondments)	7.2	7.2	4.1	7.2	0.1	0.8%	7.6	7.6	6.8	(0.9)	-11.3%
Remedy Payments and Legal Provisions	-	3.3	0.8	2.7	2.7	0.0%	-	-	7.7	7.7	0.0%
Fifty-Five Board Trust (Capital and Interest)	2.5	2.5	-	2.5	-	0.0%	2.5	2.5	2.5	-	0.0%
Other Sub-Total	28.8	32.3	12.1	31.2	2.4	8.3%	28.8	28.8	34.6	5.9	20.5%
Amortization											
Ministry Approved Projects	53.4	55.9	28.0	56.1	2.7	5.1%	45.8	47.5	48.6	2.8	6.2%
Board Approved Projects	0.0	0.0	-	0.0	-	0.0%	0.0	0.0	0.0	0.0	6.7%
Amortization Sub-Total	53.4	56.0	28.0	56.1	2.7	5.1%	45.8	47.5	48.7	2.8	6.2%
Grand Total	974.3	978.7	480.5	972.4	(1.9)	-0.2%	928.1	946.8	937.2	9.0	1.0%

Finance 2019.04.08 (numbers may not add due to rounding)

	Budget	February Forecast	Change increase (decrease)
	\$	\$	\$
Revenue			
Pupil Foundation-ADE only	405,236,743	407,888,931	2,652,188
School Foundation	52,063,690	52,262,638	198,948
Special Education	97,211,751	98,626,322	1,414,571
Language	31,922,357	32,037,755	115,398
Rural and Small Community Allocation	188,140	188,140	-
Learning Opportunity (includes mental health leader)	27,568,922	27,672,457	103,535
Adult Education, Continuing Education and Summer School	6,750,093	7,619,777	869,684
Cost Adjustment and Teacher Qualification and Experience	80,560,874	78,913,126	(1,647,748)
ECE Qualification and Experience Allocation	4,816,359	4,656,503	(159,856)
New Teacher Induction Program (NTIP)	604,418	566,095	(38,323)
Restraint Savings	(279,158)	(279,158)	-
Transportation	41,384,828	41,661,345	276,517
Administration and Governance	20,839,682	20,827,506	(12,176)
School Operations	77,099,422	77,826,281	726,859
Community use of schools	1,064,827	1,064,827	-
Declining Enrolment Adjustment	-	-	-
Indigenous Education Allocation	1,171,049	2,645,232	1,474,183
Safe and Accepting Schools	1,869,628	1,878,170	8,542
Permanent Financing of NPF (Board 55 Trust)	2,523,115	2,523,115	-
	<u>852,596,740</u>	<u>858,579,062</u>	<u>5,982,322</u>
Revenue Deferrals			
Deferred Revenue - MTCA Allocation	(21,314,919)	(21,464,477)	(149,558)
Deferred Revenue - Rural and Northern Ed Fund	(188,140)	(188,140)	-
Deferred Revenue - Special Education	(97,211,751)	(98,626,322)	(1,414,571)
Deferred Revenue - Library Staffing	(238,343)	(238,343)	-
Deferred Revenue - Student Achievement Envelope	(6,684,008)	(6,787,543)	(103,535)
Deferred Revenue - Indigenous Education	(732,681)	(738,626)	(5,945)
	<u>(126,369,842)</u>	<u>(128,043,451)</u>	<u>(1,673,609)</u>
Deferred Revenue Recognition and Adjustments			
Deferred Revenue (5.1) - Special Education	96,449,071	98,265,969	1,816,898
Deferred Revenue (5.1) - Library Staffing	238,343	238,343	-
Deferred Revenue (5.1) - Student Achievement Envelope	6,684,008	6,787,543	103,535
Deferred Revenue (5.1) - Indigenous Ed PPA	732,681	738,626	5,945
Deferred Revenue - MTCA (Sch 5.1 Capital)	18,285,834	11,895,392	(6,390,442)
Deferred Revenue - School Renewal (this is maintenance)	5,693,776	5,693,776	-
Deferred Revenue - Interest on Capital Projects (OFA)	6,720,459	6,652,972	(67,487)
Deferred Revenue - Temporary Accommodation	840,000	840,000	-
Deferred Revenue - Rural and Northern Education Fund	188,140	188,140	-
Trustees' Association Fee	43,316	43,316	-
	<u>135,875,628</u>	<u>131,344,077</u>	<u>(4,531,551)</u>
Total Operating and Capital Support GSN	<u>862,102,526</u>	<u>861,879,688</u>	<u>(222,838)</u>

	Budget	February Forecast	Change from Budget increase (decrease)
	\$		\$
Education Program-Other Grants			
Adult Education Hybrid Project	-	15,384	15,384
After School Skills Development	58,268	70,000	11,732
Applied Behavioural Analysis	-	4,563	4,563
Autism Pilot Project	247,595	270,000	22,405
Board Leadership Development Strategy	117,276	59,008	(58,268)
Common European Framework of Reference	-	34,464	34,464
DECE PA Day Release	-	75,000	75,000
Enhancements to Support Experiential Learning	281,185	225,000	(56,185)
Executive Compensation Adjustment	-	152,850	152,850
Experiential Learning for Adults	10,529	-	(10,529)
Focus on Youth	476,000	-	(476,000)
Focusing on Fundamental Mathematics (replaces RMS)	1,682,261	1,682,261	-
French as a Second Language	298,875	300,000	1,125
Gap Closing in Literacy Grades 7-12	38,000	31,500	(6,500)
Identity based Data Collection, Analysis and Use	-	151,500	151,500
Indigenous Student Learning & Leadership Strategy	15,370	-	(15,370)
Indigenous Support and Engagement Initiative	100,000	70,000	(30,000)
Innovation Learning Fund	108,111	-	(108,111)
Jiangsu Summer Leadership Program	15,000	-	(15,000)
Keeping Students in School	-	14,250	14,250
Mental Health Workers in Schools	607,188	607,188	-
Mentoring for All	7,268	15,640	8,372
OECD Study on Social and Emotional Skills	-	63,499	63,499
Ontario Focused Intervention Partnership	23,500	43,000	19,500
OSSTF Education Workers Apprenticeship Training	212,997	425,997	213,000
Outreach Coordinator	152,800	95,500	(57,300)
Parents Reaching Out	80,199	84,475	4,276
Parents Reaching Out Regional	-	10,000	10,000
Physical Activity in Secondary Schools	-	7,500	7,500
Prepare for Recreational Cannabis	76,100	58,600	(17,500)
Priority Schools	510,000	318,750	(191,250)
Re-engagement Initiative (12 & 12+)	71,421	60,000	(11,421)
Safe, Inclusive, and Accepting Schools	298,454	180,755	(117,699)
Speak Up Project	70,627	20,000	(50,627)
Special Education Professional Assessments	-	300,000	300,000
Specialist High Skills Major	242,263	343,998	101,735
Support for Implementation of Rev. Curriculum Documents	-	5,000	5,000
Teacher Learning and Leadership Program	-	30,000	30,000
Technomath Glebe CI	7,500	5,100	(2,400)
Transportation Funding for Children and Youth in Care	-	167,378	167,378
Tutors in the Classroom	56,600	-	(56,600)
	5,865,387	5,998,160	132,773
Remedy Payments-Non Affiliated	-	230,787	230,787
Remedy Payments-OSSTF (Residual)	-	44,998	44,998
Remedy Payments-Principals and Vice-Principals	-	346,635	346,635
	5,865,387	6,620,580	755,193
Other Deferred Revenues			
Literacy and Basic Skills (Advanced Education & Skills Dev)	831,042	831,042	-
English as a Second Language (Citizenship & Immigration)	1,818,388	1,751,315	(67,073)
Infrastructure, Environment & Climate Change (Rideau HS Hub)	208,500	208,500	-
Other	1,776,158	1,677,205	(98,953)
	4,634,088	4,468,062	(166,026)
Total	10,499,475	11,088,642	589,167



AUDIT COMMITTEE Report No. 19-046

22 May 2019

Student/Visitor Incidents Reported to OSBIE

Key Contact: Michael Carson, Chief Financial Officer, 613-596-8211 ext. 8881

PURPOSE:

1. To provide the Audit Committee with a summary report on the various types and number of student/visitor incidents reported to the District's insurer, the Ontario School Board Insurance Exchange (OSBIE) for the period 1 September 2017 to 31 August 2018.

CONTEXT:

2. One of the duties of the Audit Committee is to provide oversight of the District's risk management issues.

Incident reports are submitted to OSBIE to inform our insurer of incidents that have occurred that may result in potential claims. This information is also reviewed by Risk Management staff to allow for follow-up with principals and for discussion with other departments, such as the Health and Safety and Facilities divisions, as required, to mitigate the occurrence of further incidents.

KEY CONSIDERATIONS:

3. OSBIE Incidents Reported
For the period of 1 September 2017 to 31 August 2018, there were 1906 OSBIE incident reports entered by schools. The incident reports documented injuries sustained by students while on District property or while participating in District events away from District property, for example, field trips or off-site sporting events. Visitor accidents involving injuries that occur on District property are also reported to OSBIE and included in this report.

Daily electronic copies of the incident reports filed with OSBIE are also received by Risk Management staff, where they are reviewed and sorted into various categories based on the type of accident and the cause of accident. Appendix A (attached) categorizes the year-to-year comparison of injuries by cause, and Appendix B (attached) are the 2017-2018 injuries categorized by type and cause.

The most frequently reported injury type was head injury. There were 225 reports that contained concussion or possible concussion in the description. Where the

incident reports a concussion or suspected concussion, school staff have been instructed to follow the concussion management procedure PR.561.SCO to support the students as they return to school after injury.

For the 2017-2018 school year, OSBIE changed the format for reporting incidents by providing the opportunity to assign multiple categories of injuries to a single incident report. While this enhanced reporting provided additional information, it created a further challenge for comparing District data to the provincial data now, and over the next few years.

Sports injury remains a frequently reported cause, 572 incidents were reported. There were additional sports categories added to the OSBIE incident reporting as follows:

- 290 Sport - gym class
- 22 Sport – intramural
- 64 Sports – recess activity
- 196 Sports – school team
- 572 TOTAL

Slip or fall, the next most reported incident, was another category that was modified in the OSBIE incident reporting to allow staff to select more detail at the time of entry. There were a total of 362 reports identified under a fall category.

- 78 Fall - ice
- 39 Fall - Snow
- 237 Fall - Trip
- 8 Fall – Water
- 362 TOTAL

The reduction in the number of incidents reported to OSBIE is a result of in-person training with principals, vice-principals, and some department heads on incident reporting requirements and sound risk management practices with respect to student safety.

4. Analysis of Student Incident Reports

Risk Management staff monitors and investigates where: there are numerous incidents reported from one school; incidents that may occur in other schools; and where there are identified property issues that could cause incidents to happen at other locations as well. These investigations quite often involve a multi-disciplinary team comprising of staff from the Risk Management, Health and Safety, Facilities divisions and principals and school staff. The investigations provide opportunities to communicate potential systemic concerns with other schools and departments, to prevent similar incidents from occurring and to implement changes in procedures or practices in an effort to mitigate risks.

Using the descriptions and details entered by the schools on the OSBIE incident report, further analysis occurred using the criteria for completing an OSBIE incident form as outlined in procedure PR.553.HR, Health and Safety-Student or Visitor Accidents-Insurance and Reporting, specifically:

- a. If there was a fatality or critical injury;
- b. If there was admittance to hospital; and
- c. If there were out-of-pocket expenses incurred i.e., braces, crutches, ambulance costs, dental expenses.

The intent is to compare District data with OSBIE province-wide data with the goal of identifying similar incidents and developing and implementing new or improved risk mitigation strategies. However, OSBIE's current data is reported on a calendar year basis which does not allow staff to accurately compare it to OCDSB data at this time. OSBIE is working to provide the information on a school year basis.

The analysis of student incidents identifies the severity and the frequency of incidents, which leads to the implementation of risk control techniques to prevent or reduce the number of future incidents. Monitoring the effectiveness of the risk controls and revising the controls, where needed, completes the risk assessment loop with the goal of incident reduction. The risk assessment and management process is ongoing.

RESOURCE IMPLICATIONS:

5. Risk analysis and preparation of this report is part of staff's regular duties and is included in the annual operational budget.

COMMUNICATION/CONSULTATION ISSUES:

6. Communication regarding the investigating and documenting of incidents with schools is ongoing and staff offers risk management information and advice to schools on a continual basis.

Staff is in constant communication with OSBIE, where information is shared to mitigate incidents and to develop loss prevention strategies.

STRATEGIC LINKS:

7. To ensure that the Ottawa-Carleton District School Board is able to effectively maintain and operate safe and healthy learning and working environments for its students and staff and by reviewing and monitoring of student incidents this allows staff to develop and implement further risk mitigation strategies where required. The resulting effect is enhanced operational practices to efficiently and responsibly manage financial resources in support of students and their well-being

GUIDING QUESTIONS:

8. The following questions are provided to support the discussion of this item by the Committee:
 - How does this work connect with the OCDSB Strategic Plan?
 - How will this work benefit students?

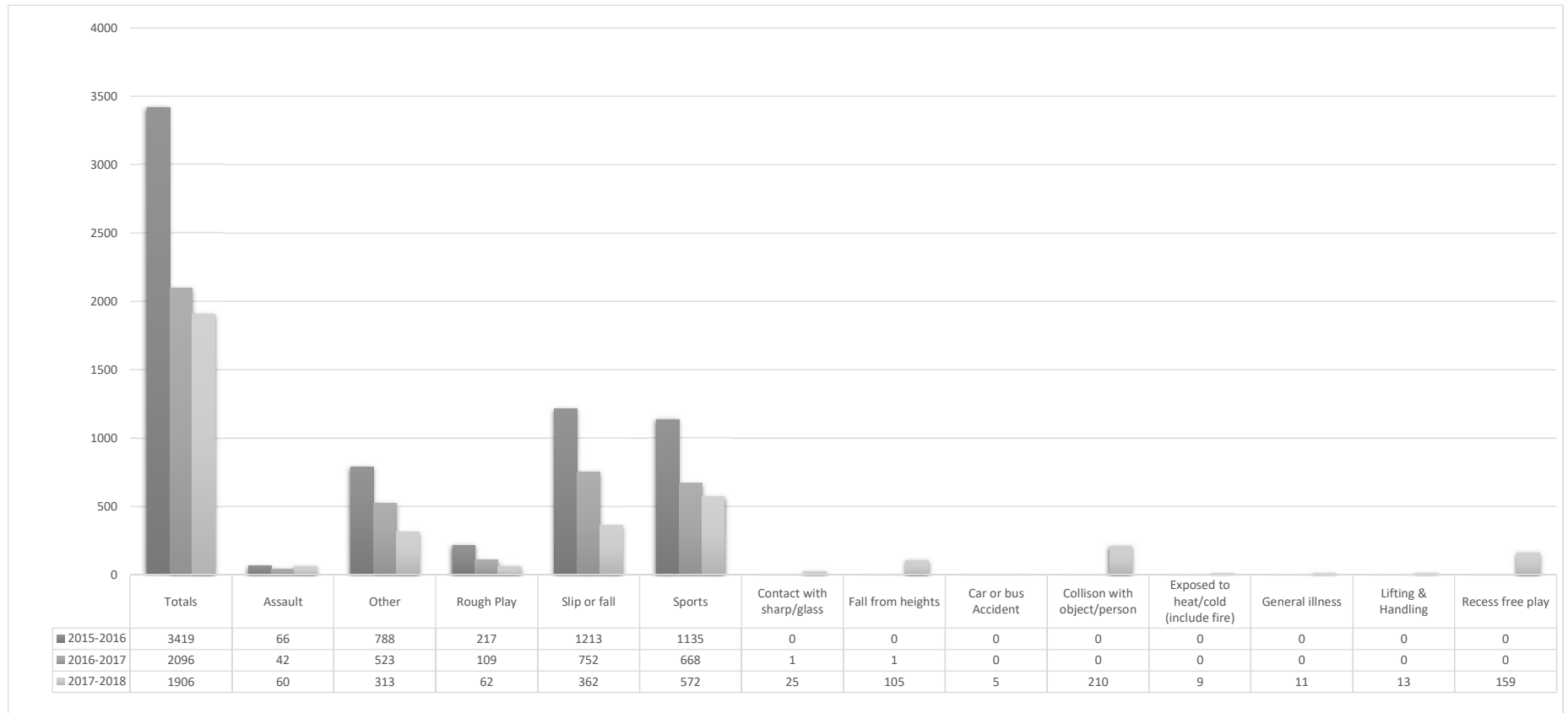
Michael Carson
Chief Financial Officer

Camille Williams-Taylor
Director of Education and
Secretary of the Board

APPENDICES

Appendix A – Year to Year Comparison of OCDSB Injuries by Cause

Appendix B – 2017-2018 OCDSB Injuries by Type and Cause



2017-2018 OCDSB Injuries by Type and Cause

Appendix B to Report 19-046

Injury	Cause																			Grand Total
	Other	Sport-Gym Class	Fall- Trip	Collision with object/person	Sport-School Team	Recess Free Play	Fall-from Heights	Fall- Ice	Sport-Recess Activity	Rough Play	Assault	Fall- Snow	Contact with sharp/glass	Sport- Intramural	Lifting & Handling	General Illness	Exposed to heat/cold (include fire)	Fall- Water	Car or Bus Accident	
Bump to head	45	41	47	82	21	44	17	12	11	7	15	5		2	1	1		2		353
Other	89	35	33	13	16	20	24	15	9	12	13	7	4	2	3	2		3	2	302
Soft Tissue Injury/Sprain/Strain	14	69	22	14	50	16	9	9	10	2	2	8	1	5				1	1	233
Concussion Suspected/Diagnosed	11	51	15	27	59	13	4	7	11	8	10	5		2				1	1	225
Laceration/Cut	50	12	41	27	5	15	7	13	6	7	3	1	18	1	3					209
Fracture	10	21	24	7	19	23	15	6	7	8	4	4		3						151
Bruise/abrasion/swelling	23	20	18	22	10	6	8	5	2	9	7	2	1	4	6				1	144
Fracture Suspected	8	21	18	3	8	11	16	3	7	8	2	7		1						113
Dental Damage	5	6	12	9		7	1	4		1	1			2						48
Collapse/Fainted/Loss Consciousness	18	3	1		2		2	1					1			7				35
Dislocation	3	9	1	2	6	3			1		1							1		27
Burn-Minor	4							1			1						8			14
Crush	9	1	1	1				1			1									14
Allergic/Adverse reaction	13																			13
Multiple	1		1	2		1	1	1												7
Pre-existing medical Condition	3		2	1																6
Foreign Object (Swallowed rock)	3																			3
Infection/Potential	1						1													2
Insect bite/sting	2																			2
Amputations	1																			1
Burn-Major																	1			1
Heat Stroke/Sun Exposure		1																		1
Loss of blood(significant)																1				1
Stabbing/Weapon			1																	1
Grand Total	313	290	237	210	196	159	105	78	64	62	60	39	25	22	13	11	9	8	5	1,906

Audit Committee Work Plan

General Responsibilities

Audit Committee Agenda Items	Meeting Date					Comments
	S E P T	N O V	J A N	M A R	M A Y	
3.(1) - Ensure committee composition complies with the regulation						
4.(1) – Ensure newly appointed external members meet eligibility requirements						
6.(1) - Elect the chair and appoint a secretary for the year			•			
7.(2) - Ensure external members have not exceeded the maximum term of appointment						
8.(1) & 8.(2) - Review committee members' compliance with membership rules listed in the regulation						
9.(7) - Report as required to the Board regarding the execution of duties and responsibilities						
9.(8) – Ensure the regulation is posted on board's website						
10.(a) - As necessary (and with Board approval), retain counsel, accountants or other professionals to advise or assist the committee						

Audit Committee Agenda Items	Meeting Date					Comments
	S E P T	N O V	J A N	M A R	M A Y	
10.(c) - Meet with management privately to discuss any necessary matters						
11.(6) – Ensure a quorum is present						
11.(7) - Maintain minutes, review and approve the minutes of prior meetings						
14.(3) – Members declare any potential financial benefits relating to agenda items						
15.(1) & 15.(3) – Annual report to the Board	•					
15.(2) – Annual report to the Ministry of Education	•					

Financial Reporting

Audit Committee Agenda Items	Meeting Date					Comments
	S E P T	N O V	J A N	M A R	M A Y	
9.(1) 1 - Review: - relevant accounting and reporting practices and issues - complex or unusual transactions - material judgments and accounting estimates - any departures from PSAB			•			
9.(1) 2i - Review the external audit results						

Audit Committee Agenda Items	Meeting Date					Comments
	S E P T	N O V	J A N	M A R	M A Y	
9.(1) 2ii - Review any difficulties encountered in the course of the audit						
9.(1) 2iii – Review any significant changes made to the external audit plan in response to issues identified during the audit						
9.(1) 2iv - Review significant disagreements between external audit and management and how those disagreements were resolved		•				
9.(1) 3 - Review the annual financial statements		•				
9.(1) 4 - Recommend to the Board the approval of the annual audited financial statements		•				
9.(1) 5 - Review all external auditor communications required under GAAS		•				
9.(1) 6 - Review any material written communication between the external auditor and management		•				
9.(1) 7 – Ask the external auditor whether all reporting entities were consolidated into the board's financial statements		•				

Internal Controls

Audit Committee Agenda Items	Meeting Date					Comments
	S E P T	N O V	J A N	M A R	M A Y	
9.(2) 1 & 9.(2) 3 - Enquire about significant financial risks and the measures taken to manage such risks (reviewing the overall effectiveness of board's internal controls)						
9.(2) 2 - Review the scope of the internal and external auditor's reviews of the board's internal controls, as well as any significant findings and recommendations made and management's response to these	•					

Internal Audit

Audit Committee Agenda Items	Meeting Date					Comments
	S E P T	N O V	J A N	M A R	M A Y	
9.(3) 1 - Review their mandate, activities, staffing and organizational structure						
9.(3) 2 - Make recommendations to the Board on the content of the internal audit plan		•				
9.(3) 2 - Make recommendations to the Board on all proposed major changes to the internal audit plan		•				

Audit Committee Agenda Items	Meeting Date					Comments
	S E P T	N O V	J A N	M A R	M A Y	
9.(3) 4 - Review internal auditor performance and provide comments to the Board and host board		•				
9.(3) 5 - Review internal audit's effectiveness, including compliance with professional internal auditing standards. This could include a review of the quality assurance and improvement program results, which may use tools such as peer reviews and/or periodic external assessments.		•				
9.(3) 6 - Meet with internal audit privately to discuss any necessary matters						
9.(3) 7i - Review significant findings and recommendations made by internal audit and management's response to the recommendations						
9.(3) 3 & 9.(3) 7ii - Discuss significant difficulties, disagreements or scope restrictions/limitations encountered by the internal auditor						
9.(3) 7iii - Review any significant changes internal audit made to the audit plan in response to issues identified during the audit						

External Auditor

Audit Committee Agenda Items	Meeting Date					Comments
	S E P T	N O V	J A N	M A R	M A Y	
9.(4) 1 – Review external auditor performance	•					
9.(4) 1 – Make recommendations to the Board on the appointment, replacement or dismissal of the external auditor and on the external auditor's fee and fee adjustment	•					
9.(4) 2 – Review the external audit plan (engagement letter, coordination with internal audit, use of other independent accountants)	•					
9.(4) 2.1 - Make recommendations to the Board on the content of the external audit plan	•					
9.(4) 2.1 - Make recommendations to the Board on all proposed major changes to the external audit plan	•					
9.(4) 3 - Review and confirm external auditor's independence	•					
9.(4) 4 - Meet with the external auditor to discuss any necessary matters	•					
9.(4) 5 - Oversee the resolution of any disagreements between the external auditor and management	•					
9.(4) 6 - Recommend a policy on services the external auditor may perform and oversee its implementation	•					

Compliance

Audit Committee Agenda Items	Meeting Date					Comments
	S E P T	N O V	J A N	M A R	M A Y	
9.(5) 1 - Review the board's system for monitoring compliance with legislative requirements, board policies and procedures		•				
9.(5) 1 & 9.(5) 4 - Review instances of non-compliance with legislative requirements and board policies and procedures, as well as actions taken		•				
9.(5) 2 - Review any legal matters or findings of regulatory entities		•				
9.(5) 3 - Review the board's process for communicating and administering any codes of conduct		•				
9.(5) 5 - Receive confirmation that all statutory requirements have been met, e.g., through the annual compliance report signed by the Director		•				

Risk Management

Meeting Date

Audit Committee Agenda Items	S	N	J	M	M	Comments
	E	O	A	A	A	
	P	V	N	R	Y	
	T					
9.(6) 1 - Enquire about significant risks, review and assess the board's risk management policies						
9.(6) 2 - Perform other activities related to the oversight of the board's risk management issues or financial matters as requested by the Board						
9.(6) 3 - Initiate and oversee investigations into auditing matters, internal financial controls and allegations of inappropriate or illegal financial dealings (including fraud)						

Other Leading Practices

Audit Committee Agenda Items	Meeting Date					Comments
	S	N	J	M	M	
	E	O	A	A	A	
	P	V	N	R	Y	
Develop work plan and meeting schedule for the next fiscal year			•			
Succession planning				T B D		
Perform a self-assessment of the audit committee		•				
Appropriate continuing education/orientation						

Audit Committee Agenda Items	Meeting Date						Comments
	S	N	J	M	M		
	E	O	A	A	A		
	P	V	N	R	Y		
	T						
Review interim financial reports							
Insurance Coverage				•			



Subject:	Internal Audit Activities Update		
Presented by:	Geneviève Segu, Regional Internal Audit Manager		
Meeting Date:	May 22, 2019		
Purpose	To provide the Audit Committee with an update from the Regional Internal Audit Manager (RIAM).		
Content	Regional Internal Audit Plan 2018-2019		
	The RIAM presented the 2018-19 audit plan to the Audit Committee at the September 26, 2018 meeting. The following audits were identified for the 2018-19 school year:		
	Year	Audit	Status
	2018-19	Attendance Support	Started
	2018-19	Manage IT Security	Completed by Management
	2018-19	Procurement Review	Completed by Management
	2018-19	Risk Assessment Update	Started
	2018-19	Follow-up of Audit Recommendations: <div><div>- Health and Safety</div><div>- Continuing Education</div><div>- School Council Funds</div></div>	Started
The RIAM met with Management and will move forward with an “Attendance Support” audit in the next couple of months. Management is also currently considering a Data Visualization engagement in the area of Attendance Support.			



	<p>The RIAM initiated a conversation with Management in regards to the follow-up on recommendations (from previous audits and previous follow-up audits). The purpose of the follow-up will be to assess whether the recommendations are still relevant, and, if so, ensure that Management has a timeline for implementation. The Auditor will depart from past methodology whereby they followed-up two years after the issuance of the report and instead follow-up as the recommendations are due, and even as they are coming up, to ensure continuity and timing in the implementation of the recommendations.</p> <p>Risk assessment</p> <p>The 2019-20 work plan presented at the September 26, 2018 meeting is also based on a risk assessment which was performed during the 2014-15 school year. The following audits and procedure were identified:</p> <table><tr><th>Year</th><th>Audit</th><th>Status</th></tr><tr><td>2019-20</td><td>Hiring and Supply Teachers</td><td>Re-Assess</td></tr><tr><td>2019-20</td><td>Special Education</td><td>Re-Assess</td></tr><tr><td>2019-20</td><td>Follow-up of Audit Recommendations:<ul style="list-style-type: none">- Records Management- Special Education</td><td>Not Initiated</td></tr></table> <p>The environment and the risks and opportunities in the sector have changed since that time. Management is in the very early stages of an Enterprise Risk Management (ERM) process of which the RIAM will provide consultation. This ERM will be relied on to inform audits in the current or next year. By doing so, the RIAM will be better able to align resources where it creates most value, in alignment with the current risks and opportunities identified by Senior Management of the Board.</p>	Year	Audit	Status	2019-20	Hiring and Supply Teachers	Re-Assess	2019-20	Special Education	Re-Assess	2019-20	Follow-up of Audit Recommendations: <ul style="list-style-type: none">- Records Management- Special Education	Not Initiated
Year	Audit	Status											
2019-20	Hiring and Supply Teachers	Re-Assess											
2019-20	Special Education	Re-Assess											
2019-20	Follow-up of Audit Recommendations: <ul style="list-style-type: none">- Records Management- Special Education	Not Initiated											
Appendices	1- OCDSB Regional Internal Audit Multi-Year Plan												
Recommendation	That the Ottawa-Carleton District School Board Audit Committee receives the report of the Regional Internal Audit Manager for information.												



**MULTI-YEAR AUDIT PLAN FOR THE
OTTAWA-CARLETON DISTRICT SCHOOL BOARD**

	Audit Area	Functional Area	09/2018-06/2019				09/2019-06/2020			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Health and Safety	Human Resources								
2	Continuing Education	Instruction and Schools								
3	School Generated Funds/School Councils	Business Services/Schools								
4	Records and Information Management	Corporate Services								
5	Extended Day Program	Instruction and Schools								
6	Attendance Support	Human Resources								
7	Manage IT Security	Information Technology								
8	Procurement Review	Business Services								
9	Risk Assessment Update	All Functional Areas								
10	Hiring and Occasional Teachers	Human Resources								
11	Special Education	Instruction and Schools								



Proposed audit timelines

Follow-up on audit recommendations

**Timelines subject to change