



**AUDIT COMMITTEE
Report No. 18-107**

19 November 2018

Regulatory Compliance

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PURPOSE:

1. To provide information on the processes and controls in place to ensure that the District is in compliance with key regulations and statutes.

CONTEXT:

2. One of the roles of the Audit Committee is to ensure that appropriate processes and controls are in place to ensure that the District is in compliance with statutes and regulations; and that processes are in place to correct instances of non-compliance.

While the regulatory compliance register is a living document, the register captures the key statutes and regulations of the 2016-2017 and 2017-2018 school years.

Two years of regulatory compliance reporting are being presented at this time, due to a fulsome internal discussion last year about how to best present work that was being undertaken to achieve compliance.

KEY CONSIDERATIONS:

3. Developing and operationalizing compliance procedures and processes occurs at the departmental level, by staff that has the greatest understanding of the compliance requirements.

Regulatory compliance is achieved and monitored in many ways:

- a. Through Ministry Directives and Policy/Program Memorandum (PPM);
- b. Through formal District policies, procedures, standard operation directives and processes that staff must follow;
- c. Through various levels of supervisory and management oversight of the work performed within the District;

- d. Through self-regulations as many staff members are bound by their professional standards and their professional code of ethics;
- e. Through staff training and certifications which includes in-depth knowledge of the regulatory requirements in their area of work/responsibility; and,
- f. Orders to comply, fines, penalties, tribunal or judicial reviews by external agencies with oversight responsibility in their respective areas

Attached as Appendix A is a memorandum to Audit Committee indicating that the District has operational processes and practices in place to ensure substantial compliance with key statutory and regulatory requirements in most areas.

The departmental managers responsible have provided an attestation to their respective superintendents that, for the 2016-2017 and 2017-2018 school years, to the best of his/her knowledge, as to the level of compliance their department is in with respect to statutory and regulatory requirements. Where partial compliance or non-compliance is identified by the manager, it is documented including the actions that are occurring to ensure substantial compliance. For example, at any given time staff may be in the process of writing, updating or implementing new processes to meet the ever-changing statutes or regulatory requirements; or responding to immediate gaps that have been identified either internally or externally through the respective compliance mechanisms, i.e., Ministry of Labour inspections, Technical Standards & Safety Authority (TSSA) inspections, Electrical Safety Authority (ESA) inspections, etc.

The following are some examples of where departments are working on in developing processes and controls to achieve full compliance:

- a. One area identified by the Supply Chain Management (SCM) division as substantial compliance is the Comprehensive Economic and Trade Agreement (CETA) and Canadian Free Trade Agreement (CFTA). SCM has updated the departmental competitive bid documents, has advised staff in other departments of the required changes under the agreements but SCM is still updating the relevant District policies and procedures for alignment and is in the process of implementing an e-bidding portal to receive submissions electronically;
- b. Two areas identified by Facilities staff as substantial compliance are where procedures are being created to deal with lock-out or tag-out of equipment as required under the *Occupational Health & Safety Act* and a procedure to deal with arc flash under the Electrical Safety Authority regulation. Facilities also indicated that while they are in compliance with the timeframe allowed under the *Safe Drinking Water Act*, they have completed the elementary schools to date and are now starting to implement the correct testing and protocols in the secondary schools, thereby becoming fully compliant in 2020, a year ahead of the deadline as allowed under the Act;
- c. In March 2018, The Ontario Human Rights Commission released, a *Policy on Accessible Education for Students with Disabilities*. Learning Support Services staff are currently reviewing District procedures and practices with respect to accommodations for students with special education needs to assess alignment with this policy position; and,

- d. Human Resources staff is working on a policy and procedure with respect to staff drug and alcohol use, including the requirements under the new *Cannabis Act* that came into effect 17 October 2018.

In staff's opinion, it is impossible to know, with certainty that all District staff are in compliance with all statutory and regulatory requirements at all times; however, by requiring the annual departmental identification of new statutes and regulations and by reviewing existing key statutory and regulatory requirements, staff is reminded of their responsibilities under the statute or regulation. This allows for the review of District processes and controls in place to become substantially compliant with the legislation, and for the identification of any non-compliance and subsequent corrective action.

It is the responsibility of the superintendents to monitor the proposed departmental work plans and timelines to ensure compliance is achieved in a timely manner and corrective action is taken where required.

Conclusion

As the regulatory landscape keeps changing, staff is constantly working on processes and controls to achieve compliance. Our review satisfied us that there are substantial processes in place to provide direction on compliance, to monitor compliance and for follow-up where non-compliance is suspected.

RESOURCE IMPLICATIONS:

4. The District continues to see increasing demands for accountability and regulatory compliance. While staff is committed to providing safe and healthy learning environments for students, it should also be noted that trying to achieve compliance with the increasing levels of regulation is creating extensive demands on resources, both financial, as well as staff time.

Although the District has not encountered any non-compliance financial penalties in recent years, statutory or regulatory compliance can result in significant fines or penalties.

COMMUNICATION/CONSULTATION ISSUES:

5. Communication has occurred with individual departmental managers to gather and understand their regulatory requirements and the associated processes and controls that are in place to achieve compliance.

STRATEGIC LINKS:

6. Reviewing the processes and controls, that staff have implemented or are putting in place to achieve regulatory compliance, is an example of enhanced operational practices to effectively and responsibly manage human and financial resources in support of students.

GUIDING QUESTIONS:

7. The following question is provided to support the discussion of this item by the Committee:
- Does this annual compliance report satisfy the Audit Committee's objective of ensuring the effectiveness of the District's system for monitoring statutory and regulatory compliance?

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Jennifer Adams
Director of Education and
Secretary of the Board

APPENDICES

Appendix A - Regulatory Compliance Memorandum