

Subject:	2023-24 Annual Report on Internal Audit Activities
Presented by:	Geneviève Segu, Regional Internal Audit Manager Gord Champagne, Senior Internal Auditor
Meeting Date:	September 20, 2023

Introduction

The Ontario East Regional Internal Audit Team (RIAT)'s work is regulated and guided by the following three main documents:

- Ontario Regulation 361/10: Audit Committees¹ (The Regulation);
- The Regional Internal Audit Charter (The Charter); and
- The International Professional Practices Framework (The Framework) from the Institute of Internal Auditors (IIA).

In accordance with these documents, the RIAM is pleased to present the Ontario-East RIAT's Annual Activities Report (the Report) to the Audit Committee. The contents of the Report include essential requirements under the Regulation, the Charter and the Framework, such as:

- A confirmation of the independence of the audit activities;
- A description of its function;
- A confirmation of conformance with the Code of Ethics; and
- A summary of the 2022-23 activities.

Charter & Purpose

The charter defines the purpose of the RIAT to "provide independent, objective assurance and consulting services designed to add value and improve the district school boards' operations in the Ontario East region." As per Ministry guidelines, Regional Internal Audit Teams across the province have developed an internal audit charter, posted on their Host Board's website.

¹ The full regulation is available at the following link: <https://www.ontario.ca/laws/regulation/100361>

There are no changes to the charter this year. Due to a change in the Director of Education and Secretary of the Board, we request a newly signed Internal Audit Charter. The Internal Audit Charter is appended to this memorandum for your review and approval (see Appendix 1).

Independence

Independence is an essential component to building public trust and preserving objectivity and integrity associated with the internal audit function. To ensure this independence, RIAT reports:

- Functionally to each of the nine Audit Committees of the Ontario East region²; and
- Administratively to the Senior Business Official of the host board, Ottawa Catholic School Board.

As required under the Charter, and in alignment with the Framework, the RIAT staff henceforth confirm that they are not aware of any relationships with the School Board that may be perceived to bear on their independence.

Organizational Structure, Staffing and Professional Development

The RIAT consists of a team of two Internal Auditors, one Senior Internal Auditor and one Internal Audit Manager. All Auditors report directly to the Regional Internal Audit Manager.

Each Auditor is responsible for audits at three of the nine school boards, as follows:

- Gord Champagne: Hastings and Prince Edward DSB, Ottawa-Carleton DSB, Renfrew County DSB;
- Pasquale L'orfano: Limestone DSB, Ottawa Catholic SB, Upper Canada DSB; and
- Portia Marcaida: Algonquin Lakeshore Catholic DSB, Catholic DSB of Eastern Ontario, Renfrew County Catholic DSB.

We are pleased to report that all positions within the team are currently filled with qualified staff. The professional designations held by the RIAT include:

- Chartered Professional Accountant (CMA and CGA);
- Certified Internal Auditor (CIA);

² The nine school boards in the Ontario East region are: Algonquin Lakeshore Catholic DSB, Catholic DSB of Eastern Ontario, Hastings and Prince Edward DSB, Limestone DSB, Ottawa Catholic SB, Ottawa-Carleton DSB, Renfrew County Catholic DSB, Renfrew County DSB, Upper Canada DSB.

- Certified Information System Auditor (CISA); and
- Certification in Risk Management Assurance (CRMA).

The RIAM is also working towards acquiring the Supervisory Officer's Qualification Program, a certification required for all school boards' executives.

The governing bodies issuing the professional designations require that members complete continuing professional development/education on an annual basis to upkeep their proficiency and knowledge. This also includes an annual ethics training requirement. Each member of the RIAT received 5 days of training, leveraging associations within the K-12 sector, the Public Sector as well as professional organizations. The following are the main topics of the RIAT training in the 2022-23 school year:

- Ethics;
- Risk management;
- Cybersecurity;
- Diversity and Inclusion.

In addition to full time staff, RIAT, resorts to co-sourcing when a specialist is required or resources are limited in the performance of an engagement. In 2022-23, RIAT engaged the following firms to continue work undertaken in the previous year across the portfolio:

- MNP with the Covid 19 Lessons learned at one Board as well as the 22-23 Enrolment Project for the Ottawa Boards; and
- Robert Half with the Legislative Compliance project across four school boards.

Quality Assurance

The charter requires that RIAT performs its function and operations in accordance with the Framework. Standard 1310 requires that both internal and external quality assessments be conducted on a periodic basis. The following provides further details on how the RIAM ensures quality and continuity in the RIAT's activities:

- *Internally*, the RIAM continuously ensures QA by performing activities such as: ongoing monitoring, reviewing of working papers and being present at exit interviews. In addition, the RIAT use an internal audit software³ with audit program templates based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework⁴. A number

³ Pentana

⁴ See the following link for further information about COSO: <https://www.coso.org/Pages/default.aspx>

of documents (such as the charter and the final reports) developed by the collective of RIAMs in Ontario, are based on the Framework's standards of practice.

- *Externally*, the RIAM engaged the Institute of Internal Auditors⁵ to evaluate and review the RIAT's Quality Self Assessment in the spring of 2021. The conclusion was that "It is the overall opinion of the IIA that RIAT generally conforms with the Standards and the Code of Ethics". For the administrative and governance areas where the IIA found the RIAT in partial or noncompliance, they issued recommendations which have now mostly been implemented⁶. The outstanding item is outside of RIAT's control, where the chairs of the Audit Committee at three of the nine school boards in the portfolio have not requested that a regular, private, in-camera session be included in the agenda.

2022-23 RIAT Annual Plan Activities

As per the Ministry of Education's 2016: B10 memo⁷, each Board should receive a minimum of two engagements a year, in addition to follow-up procedures on recommendations issued for previous audits (where necessary).

The RIAM prepares an annual or multiyear plan each year based on the risk assessments and input from Audit Committee Members and Management. The RIAM then provides the plan to the audit committee, for their approval and to make recommendations to the board of trustees.

2022-23 Region-Wide Plan

Of 47 planned engagements:

- 26⁸(55%) were presented to AC;
- 6 (13%) were not initiated; and
- 15 (32%) were in the reporting, planning or fieldwork phase.

By August 31st, 2023, 34 (72%) projects were either presented to AC or in the report process, to be presented to AC at the beginning of the 2023-24 year.

⁵ See the following link for the North America Chapter of the IIA: <https://na.theiia.org/Pages/IIAHome.aspx>

⁶ See 2022-23 Annual Report on Internal Audit Activities presented to AC in September 2022.

⁷ The complete list of B and SB memos can be found at this link: <https://efis.fma.csc.gov.on.ca/faab/Memos.htm>

⁸ Includes follow-up reports

The following table presents a summary of the status of all RIAT engagements in the Ontario East Region:

	Completed ⁹		Work In Progress ¹⁰		Postponed		TOTAL	
	22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22
Assurance and Consulting	17	15	15	10	6	5	38	30
Follow-up	9	3	-	6	-	-	9	9
TOTAL	26	18	15	16	6	5	47	39

RIAT staff participated in 32 Audit Committee meetings, including six for this school board. The RIAM also coordinated the Audit Committee training for new trustees and audit committee members for all the school boards in Ontario, with the support of the other RIAMs.

On the back end, the Ontario East RIAT members led the monthly RIAM meetings, participated in provincial meetings relating to Internal Audit, Cybersecurity and Legislative Compliance.

2022-23 School Board Plan

At the September 2022 Audit Committee meeting, Audit Committee members approved the following audit plan for the School Board:

Year	Audit	Status
2022-23	Educational Assistant Deployment – Part #1 This engagement is in alignment with the board's Strategic Enterprise Risk	March 2021: Met with Senior Management Postponed to 2021-22 per management's request

⁹ Presented to AC during the 2022-23 School Year

¹⁰ Includes engagements in the planning, fieldwork or report phase

	<p>Management (SERM) Corporate Risk Profile, which identified staff well-being, under Culture of Caring, as one of the top threats in the portfolio.</p> <p>This engagement also aligns with the Region-Wide Strategic Risk Assessment, which identified student and staff health and safety as a priority. More specifically, the presence of appropriate controls and capabilities to best ensure student and staff well being and safety.</p> <p>The scope is to provide Management with a current assessment of the deployment of Educational Assistants.</p> <p>Part 1 focuses on the allocation of the Educational Assistants in the schools. More specifically to establish that the process is efficient, effective, fair and transparent.</p>	<p>March 10th 2022: Met with Senior Management to discuss engagement</p> <p>March 31st 2022: Met with System Principals to conduct process review</p> <p>April 25th to 28th 2022: Conducted interviews with Learning Support Consultants and observation of EA Allocation meetings with System Principals.</p> <p>November 2022: Conducted review of EA allocations and discussed with System Principals.</p> <p>December 13th, 2022: Met with Human Resources Management to discuss EA survey.</p> <p>March 2023: Per Management's request part 2 of the engagement has been deferred to 2023-24.</p> <p>May 4th, 2023: Met with Senior Management to review the Draft Report.</p> <p>August 31st 2023: Met with Senior Management to review revised Draft Report.</p>	
2022-23	<p>Educational Assistant Deployment – Part #2</p> <p>Part 2 will focus on an assessment of the EAs needs, tasks and training to align with their duties.</p>	TBD – Subject to current labour negotiation	
2022-23	<p>Covid 19 Response Review</p> <p>This engagement is in-line with the Board's risk profile on crisis management.</p> <p>The scope focuses on the strengths and opportunities relating to the Boards'</p>	<p>December 10th 2020: Terms of Reference approved</p> <p>Postponed to 2021-22 per Management's request</p> <p>June 20th and July 12th 2022: Met with Senior Management to discuss Engagement</p>	

	<p>preparation or plan activation, response and transition to the new “normal”. A report will be prepared which will prioritize recommendations to provide the Board with a road map moving forward.</p>	<p>July 15th 2022: Terms of Reference with sub-contractor (MNP, LLP) approved</p> <p>October 18th to Date: Interviews with key board personnel conducted</p> <p>January 19th, 2023: Met with Associate Director of Education to discuss draft Report</p> <p>February 15th 2023: Presentation to Audit Committee</p>	
2022-23	<p>Safe Schools</p> <p>This engagement focuses on capacity, processes and systems in place to communicate, identify, protect and respond to issues relating to student’s health, with a focus on well-being, mental health and bullying.</p> <p>This engagement was performed and well received by other RIATs in the province.</p>	<p>August 28th 2023: Met with Senior Management – initial planning meeting</p>	
2022-23	<p>Legislative compliance</p> <p>This is a Board-wide risk assessment of the school board’s compliance with relevant legislations and regulations. It further documents all existing internal controls in place for each of the highest risks and enables Management to formally express an informed opinion on its compliance level.</p> <p>This engagement was performed and well received by other RIATs in the province.</p>	<p>Summer 2023: Met with Senior Management – initial planning meeting</p>	
2022-23	<p>Enrolment Review</p> <p>This engagement is in-line with financial</p>	<p>April 2022: Planning</p> <p>May 2022: Fieldwork</p> <p>February 9th 2023: Present report to</p>	

	<p>risks at the school boards. Enrolment being the main driver for Grant for Student Needs (GSN).</p> <p>RIAT proposed an overall enrolment review within the boundaries of the City of Ottawa to all School Boards within the City's boundaries.</p> <p>This project aims to review, analyze and provide insights on enrolment trends within each of the City's neighbourhoods.</p> <p>The approach will be historical, to show the progress of each School Board's share within each neighbourhood and where possible, provide further insights and predictive analysis.</p> <p>This project focused on a six-year period ending 2022.</p>	<p>Management</p> <p>February 15th 2023: present report to Audit Committee</p>	
2022-23	<p>Enrolment Data Analysis</p> <p>This engagement is in-line with financial risks at the school boards. Enrolment being the main driver for Grant for Student Needs (GSN).</p> <p>RIAT proposed an overall enrolment review within the boundaries of the City of Ottawa to all School Boards within the City's boundaries.</p> <p>This project aims to review, analyze and provide insights on enrolment trends within each of the City's neighbourhoods.</p> <p>The approach will be historical, to show the progress of each School Board's share within each neighbourhood and where possible, provide further insights and predictive analysis.</p> <p>This project focused on a twelve-year period ending 2023.</p>	<p>April 2023: Planning</p> <p>July 2023: Reviewed Draft Report</p> <p>August 2023: Report Finalized</p> <p>September 20th, 2023: Present report to Audit Committee</p>	

2022-23	Follow-up Procedures RIAT continues to follow-up on the remaining recommendations, as they come due.	September 20 th 2023: 2023-24 Interim Follow-up Report to Audit Committee	
<p>RIAT completed 50% of its 2022-23 plan.</p> <p><u>2022-23 Follow-up Procedures</u></p> <p>Following up on previous audit recommendations is a recurrent engagement on the yearly RIAT plan, where there are outstanding recommendations from previous audits.</p> <p>Across the Ontario East Region, in the spring of 2019, there were 298 recommendations outstanding versus 15 as of July 11th, 2023. This trend clearly demonstrates that the follow-up procedures of the past years is achieving its goal of ensuring that Management improves their internal control, where recommended.</p> <p>Were the recommendations are aging or there are a high number of recommendations, AC sometimes requests an implementation plan from Management. This indicates that AC training on Regulation 361/10, along with the periodic reporting from RIAT to AC on the number of outstanding recommendations is helping AC identify and act on internal controls deficiencies, hence fulfilling their responsibilities under Regulation 361/10.</p> <p>At this school board, RIAT conducted and presented follow-up procedures to the Audit Committee members in the spring of 2022-23. There are currently no recommendations outstanding compared to eight a year prior. This indicates that Management is actively implementing previous audit recommendations.</p>			
Recommendations			
<p>That the Ottawa-Carleton District School Board Audit Committee:</p> <ol style="list-style-type: none"> 1. Receives for information the 2023-24 Annual Report on Internal Audit Activities; and 2. Approves the 2023-24 Regional Internal Audit Team Charter. 			
Appendix			



1. 2023-24 Regional Internal Audit Team Charter (UNSIGNED)