

Subject: Presented by: Meeting Date:	2019-20 Annual Report on Internal Audit Activities Geneviève Segu, Regional Internal Audit Manager October 21, 2020
Introduction	<p>The Ontario East Regional Internal Audit Team (RIAT)'s work is regulated and guided by the following three main documents:</p> <ul style="list-style-type: none"> • Ontario Regulation 361/10: Audit Committees¹ (The Regulation); • The Regional Internal Audit Mandate (The Mandate); and • The International Professional Practices Framework (The Framework) from the Institute of Internal Auditors (IIA). <p>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 Mandate and the Framework, such as:</p> <ul style="list-style-type: none"> • 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 2019-20 activities.
Mandate & Purpose	<p>Audit Committee members reviewed and approved the Ontario East Regional Internal Audit Team (RIAT)'s mandate at the September 2019 meeting.</p> <p>The mandate 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 mandate, posted on their Host Board's website.</p> <p>No changes have taken place with this mandate since its presentation to the Committee in September 25, 2019. The mandate is appended to this memorandum for your review and approval (see Appendix 1).</p>

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

<p>Independence</p>	<p>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:</p> <ul style="list-style-type: none"> 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. <p>As required under the Mandate, 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.</p>
<p>Organizational Structure, Staffing and Professional Development</p>	<p>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.</p> <p>Each Auditor is responsible for audits at three of the nine school boards, as follows:</p> <ul style="list-style-type: none"> Gord Champagne: Hastings Prince Edward DSB, Ottawa-Carleton DSB, Renfrew County DSB; Pasquale L'orfanio: Limestone DSB, Ottawa Catholic SB, Upper Canada DSB; and Portia Marcaida: Algonquin Lakeshore Catholic DSB, Catholic DSB of Eastern Ontario, Renfrew County Catholic DSB. <p>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:</p> <ul style="list-style-type: none"> Chartered Professional Accountant (CMA and CGA); Certified Internal Auditor (CIA); Certified Information System Auditor (CISA); and Certification in Risk Management Assurance (CRMA). <p>The governing bodies issuing the professional designations require that members complete continuing professional development/education on an annual basis to</p>

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

	<p>upkeep their proficiency and knowledge. This also includes an annual ethics training requirement. Each member of the RIAT received eight 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 2019-20 school year:</p> <ul style="list-style-type: none"> • Ethics; • Risk management; • Information technology and cybersecurity; and • Leadership skills. <p>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 2019-20, RIAT engaged the following firms to assist with various projects across the portfolio:</p> <ul style="list-style-type: none"> • MNP with the new Strategic Risk Assessment process at eight of nine school boards; • KPMG with a portfolio-wide Cybersecurity engagement; and • Deloitte with employee absences data visualization engagements at three of the nine school Boards in the portfolio.
<p>Quality Assurance</p>	<p>The mandate requires that RIAT performs its function and operations in accordance with the Framework.</p> <p>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:</p> <ul style="list-style-type: none"> • 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 of documents (such as the mandate and the final reports) developed by the collective of RIAMs in Ontario, are based on the Framework's standards of practice.

³ Pentana

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

	<ul style="list-style-type: none">Externally, the RIAM is in the process of acquiring Quality Assessment services to be performed in 2020-21. This assessment also includes interviews with a selection of staff and Audit Committee members. The RIAM will communicate to the Audit Committee the result of the external QA, including a plan to remedy gaps, as required.																									
2019-20 RIAT Annual Plan Activities	<p>As per the Ministry of Education’s 2016: B10 memo⁵, 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).</p> <p>The RIAM, in collaboration with Management, prepares an annual or multiyear plan each year based on risk assessments and input from Management. The RIAM then provides the plan to the audit committee, for their approval and to make recommendations to the board of trustees.</p> <p><u>2019-20 Region-Wide Plan</u></p> <p>The following table presents a summary of the status of all RIAT engagements in the Ontario East Region:</p>																									
	<table><tr><th>Engagement Type</th><th>Completed⁶</th><th>Work in Progress⁷</th><th>Postponed due to Covid</th><th>TOTAL</th></tr><tr><td>Assurance and Consulting</td><td>12</td><td>7</td><td>1</td><td>20</td></tr><tr><td>Strategic Risk Assessment</td><td></td><td>1</td><td>7</td><td>8</td></tr><tr><td>Follow-up</td><td>9</td><td></td><td></td><td>9</td></tr><tr><td>TOTAL</td><td>21</td><td>8</td><td>8</td><td>37</td></tr></table>	Engagement Type	Completed ⁶	Work in Progress ⁷	Postponed due to Covid	TOTAL	Assurance and Consulting	12	7	1	20	Strategic Risk Assessment		1	7	8	Follow-up	9			9	TOTAL	21	8	8	37
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⁵ The complete list of B and SB memos can be found at this link: <https://efis.fma.csc.gov.on.ca/faab/Memos.htm>

⁶ Presented to AC in the 2019-20 school year.

⁷ Includes 3 engagements where the report is final but has not been presented to AC.

RIAT staff also participated in 29 Audit Committee meetings, including four for this school board.

2019-20 School Board Plan

At the September 2019 Audit Committee meeting, Audit Committee members approved the following audit plan for the School Board:

Year	Audit	Status
2019-20	Attendance Support Review	Completed
2019-20	Attendance Data Visualization	Completed
2019-20	Follow-up Procedures	Completed

RIAT completed all of its 2019-20 plan.

2019-20 Follow-up Procedures

Following up on previous audit recommendations is a recurrent engagement on the yearly RIAT plan, where there are outstanding recommendations from previous audits.

Across the Region, in the spring of 2018, there were 298 recommendations outstanding, with 122 recommendations with an initial implementation date prior to 2018-19. In 2019-20, RIAT staff focused on following up these recommendations and in the spring of 2020 there were 95 recommendations outstanding with only 5 dating prior to 2018-19.

At this school board, RIAT conducted and presented follow-up procedures to the Audit Committee members in 2019-20. In the 2019-20 Detailed Recommendations Status Report⁸, there were 18 recommendations outstanding. The status of these recommendations has not been up-dated since due to COVID19.

⁸ Appendix 4, dated March 25, 2020, presented at the September 23, 2020 Audit Committee meeting

Key Considerations & Analysis	<p>2019-20 Regional Internal Audit Activities Updates were presented for information at each of the September 25, 2019, November 25, 2019 and January 22, 2020 Audit Committee meetings.</p> <p>The 2019-20 Annual Report on Internal Audit Activities includes a summary of the activities for the OCDSB as well as presents an overview of the whole portfolio.</p>
Resource implications	<p>The RIAT's staff and budget was used to prepare this report, with no financial participation from the Ottawa-Carleton DSB.</p>
Communication/ Consultation	<p>Throughout the year, the RIAT provides the Audit Committee with regular Internal Audit Updates at each Audit Committee meeting.</p> <p>The 2019-20 Annual Report on Internal Audit Activities ("the report") presents the summary of all RIATs activities for the year to the members of the OCDSB Audit Committee, both for the OCDSB and the Ontario-East Region.</p> <p>The Report, in its draft format, was presented to Management to ensure Management was aware of the content of the report and to give them an opportunity to comment, as appropriate.</p>
Recommendations	<p>That the Ottawa-Carleton District School Board Audit Committee:</p> <ol style="list-style-type: none"> 1. Receives for information the 2019-20 Annual Report on Internal Audit Activities; and 2. Approves the 2020-21 Regional Internal Audit Mandate.
Appendix	<ol style="list-style-type: none"> 1. 2020-21 Regional Internal Audit Mandate – Ontario East.