

**AUDIT COMMITTEE
Report No. 20-074**

21 October 2020

2019-2020 Annual Report on Internal Audit Activity

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PURPOSE:

1. To seek Audit Committee approval of Appendix A to Report 20-074 as its annual report to the Board summarizing the work performed by the regional internal audit team (RIAT) during 2019-2020 in accordance with *Ontario Regulation 361/10, Audit Committees*.

CONTEXT:

2. *Ontario Regulation 361/10* requires that a summary of work performed by the RIAT be provided to the Board and that a copy of the report be submitted to the Ministry of Education. Appendix A presents the information in Ministry-prescribed format. This report is in compliance with the requirements set out in the regulation and covers the period 01 September 2019 to 31 August 2020.

KEY CONSIDERATIONS:

3. Audit Committee is integral to the District's corporate governance framework. Reporting to the Board, Audit Committee works with District management to ensure that matters affecting financial, compliance and risk management activities are conducted appropriately. Audit Committee meets this mandate by providing oversight in ensuring that management has implemented an appropriate system of internal control, by liaising with internal and external auditors, by discussing risks that may have a significant effect on the District's operations and financial resources and by reviewing significant financial reports.

A key responsibility of the Audit Committee is to work with the RIAT which supports the committee by providing analyses, assessments, recommendations and advice that contribute to the effectiveness of risk management, internal control, and governance processes. The RIAT is led by the regional internal audit team manager who reports administratively to the senior business official of the host board (Ottawa Catholic School Board) and functionally to the audit committees in the region.

In June 2015, Audit Committee approved the 2015-2020 Risk-Based Internal Audit Plan which has guided the work of the internal audit team. Audits identified in the plan focus on various policies and processes including those relating to school generated funds, health and safety, staffing and information technology. The timing and scope of the anticipated work shown in the multi-year plan is, in consultation with Audit Committee, confirmed with the approval of the annual internal audit plan which is developed with consideration of emerging priorities.

An update of the plan was initially considered as part of the work to be completed during 2019-2020. However, following discussions with management, it was agreed that performing a risk assessment may be seen as a duplication of the work being undertaken as part of the District's strategic enterprise risk management (SERM) framework initiative. Accordingly, it was agreed that the RIAT's update be deferred and that instead the SERM risk assessment be used when developing the 2020-2021 Internal Audit Plan.

The 2019-2020 Internal Audit Plan was approved on 25 September 2019. The proposal was to perform two audit engagements and the following work was approved:

- attendance support review;
- attendance data visualization; and
- follow-up procedures on past audits.

4. Attendance Support Review

As a consulting engagement, the objective of the review was to provide the District with an assessment of the processes used in its attendance support program as compared to leading practices and the practices used in other school boards of similar size. The review commenced during the previous school year and was completed in 2019-2020. The final report included opportunities to enhance processes, and was shared with Audit Committee on 11 June 2020.

5. Attendance Data Visualization

As a consulting engagement, the objective was to present the District's absenteeism data in a format that would enable management to interpret the data, form conclusions on usage patterns and consider changes to improve staff attendance. The RIAT engaged Deloitte LLP to assist with the development of the model that focused on absences from September 2012 to August 2019. The results of the review were shared with Audit Committee on 11 June 2020.

6. Follow-up Procedures on Past Audits

The RIAT customarily conducts follow-up procedures to ascertain the District's progress towards implementing changes in response to audit recommendations. The RIAT completed its update of follow-up procedures and provided a summary of outstanding recommendations. The update noted that a small number of recommendations remain outstanding from two audits: Patch and Release Management and Occupational Health and Safety. Further updates on the outstanding recommendations will be presented during 2020-2021.

7. **Internal Audit Meeting Participation**

RIAT staff participated in all four Audit Committee meetings held during the year. Ms. Genevieve Segu, RIAT manager, and Mr. Gord Champagne, Senior Internal Auditor, both presented information and responded to questions posed by members. In addition to the reports previously mentioned, Ms. Segu provided information on the internal audit team's mandate, the qualifications and continuing professional development activities of team members, and the findings of a review of the internal audit model as it currently exists.

8. **Completed and Planned Enrolment Audits**

Ontario Regulation 361/10 clarifies the Ministry's information needs as it relates to efforts to coordinate its own enrolment audits with those planned by the RIAT. Staff has confirmed that no enrolment audits have been identified in the approved Multi-Year Internal Audit Plan.

RESOURCE IMPLICATIONS:

9. Approval of the report has no financial impact.

COMMUNICATION/CONSULTATION ISSUES:

10. The report was prepared by Finance staff. No consultation was required.

STRATEGIC LINKS:

11. Aligned with the culture of social responsibility identified in the Board's 2019-2023 Strategic Plan, an effectively functioning Audit Committee and approach to risk management is a key component of a focus on sustainably allocating resources. Independent reviews performed by the RIAT assist in identifying opportunities to enhance operational practices to effectively and responsibly manage human and financial resources in support of students.

RECOMMENDATION:

THAT Appendix A to Report 20-074 be approved as the 2019-2020 Annual Report on Internal Audit Activity.

Michael Carson
Chief Financial Officer

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

APPENDICES:

Appendix A – 2019-2020 Annual Report on Internal Audit Activity (Ministry Format)