



YORK CATHOLIC DISTRICT SCHOOL BOARD

Audit Committee Agenda

Public Session

Monday, May 29, 2023

4:30 p.m. – 5:30 p.m.

Trustee Lounge

Watch the Audit Committee Meeting STREAM
event on our YCDSB TV Channel:

<http://bit.ly/YCDSB-TV>

*We are gathered on the ancestral lands and waters of all Indigenous Peoples, who have left their footprints on Mother Earth before us.
We respectfully acknowledge those who have walked on it, those who walk on it now, and future generations who have yet to walk upon it.
We pray to the Creator for strength and wisdom that all may continue to serve as stewards of the Earth.*

Page(s)

Prayer for Gratitude in Every Day Living

Father in Heaven,
Thank You for all the
graces and blessings.
You have bestowed upon
us, spiritual and temporal,
our faith and religious
heritage.
Our food and shelter, our
health, the love we have
for one another.
Please grant us continued
graces and blessing as we
go upon our day.

Amen

- | | | | |
|--|---|-------------------|-------|
| 1. | Call to Order and Prayer/Land Acknowledgement | C. McNeil | |
| 2. | Roll Call | C. McNeil | |
| 3. | Election of Chair | C. McNeil | |
| 4. | Election of Vice Chair | C. McNeil | |
| 5. | Review of Terms of Reference for 2023 | Chair (TBD) | 2-5 |
| 6. | Approval of Agenda | Chair (TBD) | |
| 7. | Approval of the Minutes of the November 8, 2022 Meeting | Chair (TBD) | 6-9 |
| 8. | Declaration of Conflict of Interest | Chair (TBD) | |
| 9. | Business Arising from the Minutes of the Previous Meeting:
Nil | | |
| <u>Staff Presentations:</u> Nil | | | |
| <u>Action Item(s):</u> Nil | | | |
| <u>Information Item(s):</u> | | | |
| 10. | Regional Internal Audit Team Update | P. Hatt | 10-18 |
| 11. | RIAT Follow-up: School-Based Audits –
Enrolment and School Finance | P. Hatt | 19-24 |
| 12. | RIAT Follow-up: HR/Payroll Audit | P. Hatt | 25-27 |
| 13. | RIAT Second Follow-up: Construction Management Audit | P. Hatt | 28-30 |
| 14. | School Finance Management Status Update | C. McNeil/J. Tsai | 31-35 |
| 15. | YCDSB: Cashless School System Implementation Update | C. McNeil/J. Tsai | 36-40 |
| 16. | External Audit Committee Member Update | C. McNeil | 41 |
| <u>Future Items:</u> | | | |
| 17. | Next Meeting Date: September 2023 | | |

Adjournment

**AUDIT COMMITTEE
(STATUTORY COMMITTEE OF THE BOARD)**

TERMS OF REFERENCE

(May 29, 2023)

The Audit Committee will support the York Catholic District School Board's Mission, Vision, Core Values and Strategic Commitments and good Governance as outlined within these terms of reference.

1. Purpose/Mandate:

- 1.1 To follow and abide by the duties and powers of an Audit Committee as outlined in Ontario Regulation 361/10.
- 1.2 To assist the Board of Trustees in fulfilling its duties related to governance and oversight.
- 1.3 To review the financial reporting process, internal controls, internal auditing, external auditing, compliance matters, risk management and any other Board-proposed activity.

2. Expected Outcome of the Committee's Work:

- 2.1 To recommend the approval of annual financial statements to the Board of Trustees
- 2.2 To receive reports related to the Audit Committee's duties as outlined in section 1.

3. Committee Membership:

- 3.1 The Audit Committee will be comprised of three Trustees, two persons who are not board members and the Regional Internal Auditor. Board members are appointed annually and external members serve a three-year term.
- 3.2 External Audit Committee members must meet the criteria as outlined in Ontario Regulation 361/10. Additional future criteria for External Audit Committee members will be: is a resident of York Region, is Catholic and is a Separate school tax supporter.

4. Resource Personnel:

- 4.1 Director of Education and Secretary of the Board, Ex-Officio
- 4.2 Associate Director
- 4.3 Chief Financial Officer and Treasurer of the Board
- 4.4 Regional Internal Audit Manager
- 4.6 Other Staff (as required)

5. Meeting Schedule and Time:

- 5.1 The Audit Committee will meet at least three times/year with the first meeting of any fiscal year taking place prior to September 30.

Trustee and External Membership:

**Carol Cotton
Maria Iafrate
Joseph DiMeo
Annabelle Rocha
Mike Petrilli**

Last Revision/Approval Date:
May 29, 2023



YORK CATHOLIC DISTRICT SCHOOL BOARD

EXTRACT FROM EDUCATION ACT O. REG. 361/10

Mandate:

The Mandate of the Audit Committee shall be in accordance with the duties and powers of an Audit Committee as outlined in O. Reg. 361/10 as follows:

Duties of an Audit Committee:

9. (1) An audit committee of a board has the following duties related to the board's financial reporting process:
 1. To review with the director of education, a senior business official and the external auditor the board's financial statements, with regard to the following:
 - i. Relevant accounting and reporting practices and issues.
 - ii. Complex or unusual financial and commercial transactions of the board.
 - iii. Material judgments and accounting estimates of the board.
 - iv. Any departures from the accounting principles published from time to time by the Canadian Institute of Chartered Accountants that are applicable to the board.
 2. To review with the director of education, a senior business official and the external auditor, before the results of an annual external audit are submitted to the board,
 - i. the results of the annual external audit,
 - ii. any difficulties encountered in the course of the external auditor's work, including any restrictions or limitations on the scope of the external auditor's work or on the external auditor's access to required information,
 - iii. any significant changes the external auditor made to the audit plan in response to issues that were identified during the audit, and
 - iv. any significant disagreements between the external auditor and the director of education or a senior business official and how those disagreements were resolved.
 3. To review the board's annual financial statements and consider whether they are complete, are consistent with any information known to the audit committee members and reflect accounting principles applicable to the board.
 4. To recommend, if the audit committee considers it appropriate to do so, that the board approve the annual audited financial statements.
 5. To review with the director of education, a senior business official and the external auditor all matters that the external auditor is required to communicate to the audit committee under generally accepted auditing standards.
 6. To review with the external auditor material written communications between the external auditor and the director of education or a senior business official.
 7. To ask the external auditor about whether the financial statements of the board's reporting entities, if any, have been consolidated with the board's financial statements.
 8. To ask the external auditor about any other relevant issues. O. Reg. 361/10, s. 9 (1).
- (2) An audit committee of a board has the following duties related to the board's internal controls:
 1. To review the overall effectiveness of the board's internal controls.
 2. To review the scope of the internal and external auditor's reviews of the board's internal controls, any significant findings and recommendations by the internal and external auditors and the responses of the board's staff to those findings and recommendations.
 3. To discuss with the board's officials the board's significant financial risks and the measures the officials have taken to monitor and manage these risks. O. Reg. 361/10, s. 9 (2).
- (3) An audit committee of a board has the following duties related to the board's internal auditor:

1. To review the internal auditor's mandate, activities, staffing and organizational structure with the director of education, a senior business official and the internal auditor.
 2. To make recommendations to the board on the content of annual or multi-year internal audit plans and on all proposed major changes to plans.
 3. To ensure there are no unjustified restrictions or limitations on the scope of the annual internal audit.
 4. To review at least once in each fiscal year the performance of the internal auditor and provide the board with comments regarding his or her performance.
 5. To review the effectiveness of the internal auditor, including the internal auditor's compliance with the document *International Standards for the Professional Practice of Internal Auditing*, as amended from time to time, published by The Institute of Internal Auditors and available on its website.
 6. To meet on a regular basis with the internal auditor to discuss any matters that the audit committee or internal auditor believes should be discussed.
 7. To review with the director of education, a senior business official and the internal auditor,
 - i. significant findings and recommendations by the internal auditor during the fiscal year and the responses of the board's staff to those findings and recommendations,
 - ii. any difficulties encountered in the course of the internal auditor's work, including any restrictions or limitations on the scope of the internal auditor's work or on the internal auditor's access to required information, and
 - iii. any significant changes the internal auditor made to the audit plan in response to issues that were identified during the audit. O. Reg. 361/10, s. 9 (3).
- (4) An audit committee of a board has the following duties related to the board's external auditor:
1. To review at least once in each fiscal year the performance of the external auditor and make recommendations to the board on the appointment, replacement or dismissal of the external auditor and on the fee and fee adjustment for the external auditor.
 2. To review the external auditor's audit plan, including,
 - i. the external auditor's engagement letter,
 - ii. how work will be co-ordinated with the internal auditor to ensure complete coverage, the reduction of redundant efforts and the effective use of auditing resources, and
 - iii. the use of independent public accountants other than the external auditor of the board.
 - 2.1 To make recommendations to the board on the content of the external auditor's audit plan and on all proposed major changes to the plan.
 3. To review and confirm the independence of the external auditor.
 4. To meet on a regular basis with the external auditor to discuss any matters that the audit committee or the external auditor believes should be discussed.
 5. To resolve any disagreements between the director of education, a senior business official and the external auditor about financial reporting.
 6. To recommend to the board a policy designating services that the external auditor may perform for the board and, if the board adopts the policy, to oversee its implementation. O. Reg. 361/10, s. 9 (4); O. Reg. 204/15, s. 2.
- (5) An audit committee of a board has the following duties related to the board's compliance matters:
1. To review the effectiveness of the board's system for monitoring compliance with legislative requirements and with the board's policies and procedures, and where there have been instances of non-compliance, to review any investigation or action taken by the board's director of education, supervisory officers or other persons employed in management positions to address the non-compliance.
 2. To review any significant findings of regulatory entities, and any observations of the internal or external auditor related to those findings.
 3. To review the board's process for communicating any codes of conduct that apply to board members or staff of the board to those individuals and the board's process for administering those codes of conduct.

4. To obtain regular updates from the director of education, supervisory officers and legal counsel regarding compliance matters.
5. To obtain confirmation by the board's director of education and supervisory officers that all statutory requirements have been met. O. Reg. 361/10, s. 9 (5).
- (6) An audit committee of a board has the following duties related to the board's risk management:
 1. To ask the board's director of education, a senior business official, the internal auditor and the external auditor about significant risks, to review the board's policies for risk assessment and risk management and to assess the steps the director of education and a senior business official have taken to manage such risks, including the adequacy of insurance for those risks.
 2. To perform other activities related to the oversight of the board's risk management issues or financial matters, as requested by the board.
 3. To initiate and oversee investigations into auditing matters, internal financial controls and allegations of inappropriate or illegal financial dealing. O. Reg. 361/10, s. 9 (6).
- (7) An audit committee of a board shall report to the board annually, and at any other time that the board may require, on the committee's performance of its duties. O. Reg. 361/10, s. 9 (7).
- (8) An audit committee shall make all reasonable efforts to ensure that a copy of this Regulation is posted on the board's website. O. Reg. 361/10, s. 9 (8).

Powers of an audit committee

10. In carrying out its functions and duties, an audit committee of a board has the power to,
 - (a) with the prior approval of the board, retain counsel, accountants or other professionals to advise or assist the committee;
 - (b) meet with or require the attendance of board members, the board's staff, internal or external auditor or legal counsel or representatives from a reporting entity of the board at meetings of the committee, and require such persons or entities to provide any information and explanation that may be requested;
 - (c) where the committee determines it is appropriate, meet with the board's external or internal auditor, or with any staff of the board, without the presence of other board staff or board members, other than board members who are members of the committee;
 - (d) require the board's internal or external auditor to provide reports to the committee; and
 - (e) have access to all records of the board that were examined by the internal or external auditor.
- O. Reg. 361/10, s. 10.

York Catholic District School Board

MINUTES AUDIT COMMITTEE (Regular Session)

A regular session of the Audit Committee was held in the Boardroom at 320 Bloomington Road West and virtually via Google Meets, on Tuesday, November 8, 2022, commencing at 5:30 p.m.

PRESENT:

Committee Members: R. Cantisano*, C. Cotton*, M. Iafrate
Other Trustees: E. Crowe, J. Wigston
External Committee Member: A. Rocha*, M. Petrilli*
Administration: D. Scuglia, E. Pivato, C. McNeil, J. Tsai, K. Scanlon, T. Steenhoek, M. Gray
RIAT Team: P. Hatt, Regional Internal Audit Senior Manager
Absent with Notice:
Recording: K. Errett
Presiding: M. Iafrate, Committee Chair

[denotes attendance via teleconference]*

1. CALL TO ORDER, PRAYER AND LAND ACKNOWLEDGEMENT

Trustee M. Iafrate, Committee Chair, called the meeting to order and led the opening prayer. C. McNeil, CFO and Treasurer of the Board read the York Catholic District School Board Land Acknowledgement and provided roll call.

2. APPROVAL OF NEW MATERIAL: Nil

3. APPROVAL OF THE AGENDA

Motion: Cantisano/Rocha

THAT the Agenda be approved as amended by moving Discussion/Information Item 9) RIAT Audit Plan 2022-24 to Action Item 14).

– MOTION CARRIED –

4. APPROVAL OF THE MINUTES:

Motion: Cantisano/Cotton

THAT the Minutes of the September 27, 2022 Audit Committee meeting be approved as presented.

– MOTION CARRIED –

5. DECLARATION OF CONFLICT OF INTEREST: Nil

6. BUSINESS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING: Nil

7. NEXT MEETING DATE: May 30, 2023

8. STAFF PRESENTATION ITEMS:**a) 2021-2022 Year-End Financial Statements Review****i) PowerPoint “2021-22 Year-End Financial Report – November 8, 2022 – Audited Financial Statements for the Year Ended August 31, 2022”**

C. McNeil, CFO and Treasurer of the Board, presented the PowerPoint “2021-22 Year-End Financial Report – November 8, 2022 – Audited Financial Statements for the Year Ended August 31, 2022” providing highlights of the Audited 2021-22 Consolidated Financial Statements. C. McNeil informed the Committee of Grant Thornton’s finding of a clean audit with no concerns.

The presentation showed the reconciliation between calculations used for Ministry compliance and the Financial Statements. Highlighted is an in-year surplus of \$2.6 million per the Financial Statements and an accumulated surplus of \$278.4 million.

C. McNeil noted that the that the submission of the Board’s Audited Consolidated Financial Statements would be filed with the Ministry through the Education Financial Information System (EFIS) before November 15, 2022, as required by the Ministry of Education. Further, the 2021-2022 Financial Statements will be posted on the Board website.

ii) 2021-22 Draft Financial Statements

C. McNeil, CFO and Treasurer of the Board, highlighted the *York Catholic District School Board Consolidated Financial Statement for the Year-Ended August 31, 2022* provided in the agenda.

9. DISCUSSION/INFORMATION ITEM(S):**a) Annual Audit Committee Report to the Ministry of Education**

C. McNeil, CFO and Treasurer of the Board, highlighted the *Annual Audit Committee Report to the Ministry of Education* included in the agenda which, per Regulation 361/10, advises the Ministry of Education of the audits completed by the Regional Internal Audit Team and advises whether the Board has any enrolment audits planned.

Motion: Cantisano/Cotton

THAT the Audit Committee receives the *Annual Audit Committee Report to the Ministry of Education* for submission to the Ministry of Education.

– MOTION CARRIED –

b) Regional Internal Audit Team (RIAT) Update

P. Hatt, Regional Internal Audit Senior Manager, presented the Regional Internal Audit Team Update. It was noted that progress with the main engagements since the September 27, 2022 meeting was not made due to on-going developments with some items, the Risk Assessment and Two-Year Audit Plan were completed and selected follow-up engagements (Construction Monitoring and Board-level Findings from Initial School Audits) will begin early in 2023.

P. Hatt also provided a verbal update on RIAT-provided Audit Committee Training which is timely given the turnover in Audit Committee membership due to the municipal elections of October 2022. A series of e-learning will be provided virtually to all boards in Ontario to ensure consistency in introducing new members to Audit Committees as well as providing a refresher for existing members. Sessions will cover topics such as regulation and governance, duties of audit committees, internal audit and internal controls, financial reporting, external audit, risk management and compliance.

c) **RIAT Findings and Recommendations from Completed Engagements**

P. Hatt, Regional Internal Audit Senior Manager, presented the *Findings and Recommendations from Completed Engagements* to provide information requested by the Audit Committee at the September 27, 2022 meeting on findings included in the Findings and Recommendations Register which identified action plans that management decided not to implement and assumed the identified risk. The recommendations identified a) Continuing Education – Secondary Credit and Elementary International Languages (EIL), b) School Based Audits – Enrolment). The findings provided in the report will be considered closed upon acceptance of the report. In addition, RIAT provided the Aging of Management Action Plans (currently being addressed). A summary table was provided to outline the progress taken by audit, on management's action plans. Further updates will be provided as information becomes available.

It was requested a special notation be included for outstanding findings exceeding five years old to have an explanation if the reasoning is due to budgetary constraints in order to determine whether the board is able to address these issues during the budget development process.

10. **ACTION ITEMS:**

a) **Approval of YCDSB 2021-22 Audited Financial Statements**

C. McNeil, CFO and Treasurer of the Board, highlighted that the report included in the agenda includes staff recommendation to the Audit Committee to recommend to the Board the approval of the 2021-2022 Consolidated Audited Financial Statements audited by Grant Thornton (Re Staff Presentation Item 7b). Upon approval by the Board the Financial Statements will be posted on the Board website as required by the Education Act.

Motion: Cotton/Rocha

a) **THAT the York Catholic District School Board approve the Financial Statements for the year ended August 31, 2022, as presented, and**

b) **THAT the 2021-22 Audited Consolidated Financial Statements of the York Catholic District School Board, together with the Auditor's Report, will be made available and posted on the Board's website.**

– MOTION CARRIED –

a) **Approval of YCDSB 2021-22 Educational Development Charges (EDC) Summary Schedules**

C. McNeil, Chief Financial Officer and Treasurer of the Board, presented the Educational Development Charges (EDC) Summary Schedules for York Catholic District School Board which have been audited by Grant Thornton and provided in the agenda package for review as per the EDC Bylaws. It was also noted that YCDSB collects Educational Development Charges on behalf of the York Region DSB and the report, therefore, includes the By-Laws and the amounts collected on behalf of each Board.

It was noted that the \$20 million current year EDC revenue balance reflects the highest annual revenue from EDC.

Motion: Rocha/Cantisano

THAT the Board approve the Summary Schedules of Education Development Charges of the York Catholic District School Board for the year ended August 31, 2022 as audited by Grant Thornton LLP.

– MOTION CARRIED –**c) RIAT Audit Plan 2022-24**

P. Hatt, Regional Internal Audit Senior Manager, presented the 2022-23 and 2023-24 RIAT Audit Plan for approval. The proposed two-year Regional Internal Audit Plan (2022-23 & 2023-24) focuses on overall risks for the Board rather than processes. Based on input from management, RIAT identified Financial Risk Review and School Finance Data Analytics (School Generated Funds and General School Budgets) engagements for 2022-23 and Attendance Support and School-Based Operational Review engagements for 2023-24. It was further noted that follow-up engagements and outstanding engagements from prior year plans will be conducted in 2023.

Motion: Cotton/Rocha

THAT the York Catholic District School Board's Audit Committee approve the Two-Year Regional Internal Audit Plan for 2022-23 and 2023-24.

– MOTION CARRIED –

P. Hatt thanked management for their cooperation and feedback throughout the process of developing the 2022-24 Audit Plan.

FUTURE ITEM(S): Nil

Adjournment: 6:13 P.M.

On Motion: Petrilli/Cantisano and CARRIED

YCDSB Regional Internal Audit Update

The following is the status of engagements that are still outstanding from the York Catholic District School Board's Regional Internal Audit Plans from 2020-21 to 2022-23.

Year	Engagements	Audit Stage					
		Not started	Deferred	Planning	Fieldwork	Reporting	Complete
2020-21	3	2					1 ¹
2021-22	1			1			
2022-23	2	1				1	

Workflow Assessment – Plant and Finance (2020-21)

- **Status: Not started**
- Objective/Scope: To assess workflows of specific areas of Plant and Finance (Procurement) with the goal of optimizing processes. Areas of focus may include, but are not limited to, the process flow from the approval process through to procurement for construction projects (including change orders) and repairs and maintenance.
- Scheduling of this outsourced consulting engagement was contingent on the update of YCDSB's Approval Authority Schedule (included in the scope). As the updated version was issued in March 2023, RIAT has scheduled this engagement to begin in fall 2023.

Cybersecurity (2020-21)

- **Status: Not started**
- Objective/Scope: To assess the current cybersecurity environment considering areas such as penetration testing to determine overall vulnerability levels, an overall network health check, exposure of information assets to breaches, and a maturity and threat analysis to determine the state of the Board's information security environment and practices.
- As previously communicated, the start of this outsourced engagement was contingent on implementation of a number of initiatives to reduce cybersecurity risk at YCDSB. Given the timing of the implementation, the audit is expected to begin in fall 2023.

Business Continuity Planning (2021-22)

- **Status: Planning**
- Objective/Scope: Development of a Business Continuity Plan (BCP) for YCDSB that will cover the Board's corporate functions (such as Finance, Human Resources, Information Systems, etc.). Specifically, this will include:

¹ This engagement was completed in 2020-21

- Conducting Business Impact Assessment (BIA) workshops on departments in scope to identify the processes most critical to the Board.
- After completion of the workshops, delivery of a Master BIA tool to the Board.
- Populating a BCP template with information from the BIA and tailoring it for the critical processes.
- Development of a sustainment program that includes procedures, tools and templates for training, testing, exercises and maintenance of the BCP on a continuous basis.
- This consulting engagement is currently in the planning stage. Fieldwork is expected to begin in September or October 2023. A similar engagement has been included in York Region DSB's audit plan. The plan is to outsource both engagements to the same third party service provider in order to leverage leading practices.

Special Education Financial and Operational Review (2022-23)

- **Status: Reporting**
- Objective/Scope: This financial risk review consulting engagement focused on the Special Education department. The objective was to gather data, identify trends and provide observations and recommendations. Specifically, the engagement focused on the following areas:
 - Financial analysis of the Special Education Budget.
 - Calculation of Special Education related metrics for YCDSB and comparison of the results to a selection of other boards (i.e. benchmarking).
 - Consideration of operational related risks and challenges.
- The report for this engagement is in the process of being drafted.

School Finance Data Analytics (School Generated Funds and General School Budgets) (2022-23)

- **Status: Not started**
- Objective/Scope: As a follow-on to the School Finance audits performed over the past few years, the RIAT will design a set of analytical procedures to assist the Board with continuous monitoring of school finances (including a search for outliers and other unusual information warranting further review as part of school audits, fraud red flags, overall monitoring, etc.).
- As this engagement will be staffed with the same team as the Special Education Review, planning will start on completion of the other engagement.

Other RIAT Work

Updates on other work that has been completed since the November 2022 Audit Committee meeting:

Follow-up Activities:

- Three follow-up engagements have been completed and will be presented at the May 2023 Audit Committee meeting:
 - School Based Audits - Enrolment & School Finance
 - HR/Payroll
 - Construction Management

Additional follow-up engagements will be scheduled as resources become available.

- Over the next few months, RIAT will contact management to obtain updates, where necessary, on the status of management's action plans to address findings and recommendations from previously issued RIAT reports.

Regional Internal Audit Charter:

- The RIAT's purpose, authority and responsibility are defined in a charter adopted by all RIATs across the province, based on the requirements of the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. As there has been some turnover in Audit Committee membership and an update to the provincial template, the charter is being submitted for review and approval (see Appendix 1). Minor changes have been made to the charter based on the results of third-party quality assessments completed in other internal audit regions, as well as feedback provided by senior business officials in the Toronto and Area Region.
- Pending approval, the charter is to be signed by the Audit Committee Chair, Director of Education (or designate) and Senior Manager, Regional Internal Audit.

Regional Internal Audit ~~Mandate~~Charter

PURPOSE AND DEFINITION

The purpose of the regional internal audit team is to provide independent, objective assurance and consulting services designed to add value and improve the district school boards' operations in the Toronto and Area Region. It helps the district school boards accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

ROLE

The regional internal audit activity is established by the Ministry of Education through the annual Grants for Student Needs funding. The oversight role of the Audit Committee of the Board of Trustees (Audit Committee) over the regional internal audit activity is established by Regulation 361/10.

PROFESSIONALISM

The regional internal audit activity will adhere to the Institute of Internal Auditors' mandatory guidance including the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the regional internal audit activity's performance.

AUTHORITY

The regional internal audit activity, with strict accountability for confidentiality and the safeguarding of records and information is authorized full, free and unrestricted access to any and all of the district school boards' records, physical properties, and personnel pertinent to carrying out any engagement. All school board employees are requested to assist the regional internal audit team in fulfilling its responsibilities. The regional internal audit team will also have free and unrestricted access to school board leaders and to the Audit Committee ~~of the Board of Trustees~~.

ORGANIZATION

The internal audit function follows a regional model. The function consists of a Senior Manager, Regional Internal Audit responsible to district school boards in one of the eight regions in the province of Ontario as identified by the Ministry of Education. The Senior Manager, Regional Internal Audit will report functionally to their regional audit committees ~~of the Boards of Trustees~~ and administratively are supported by a host school board Senior Business Official. The function is further supported by a regional Coordinating & Steering Committee, consisting of a Senior Business Official from each district school board in the region, that assists in the coordination and implementation of the function and facilitates discussions and action where required. Every effort is made to adequately staff the internal audit function, within available financial resources, in order to perform its audit activities.

The reporting relationship between the Senior Manager, Regional Internal Audit and each Audit Committee will be further demonstrated by each Audit Committee for their Board performing the following functions:~~Each Audit Committee of the Board of Trustees will for their Board:~~

- Approve the regional internal audit ~~mandate~~charter;
- Recommend for approval the risk based internal audit plan;
- Receive information from the Senior Manager, Regional Internal Audit about the internal audit activity performance to plan and other relevant matters;
- Inquire of the Senior Manager, Regional Internal Audit ~~and the Senior Business Official~~ whether there are resource or scoping limitations; and
- Review annually the performance of the regional internal audit activity and provide the Board of Trustees with their comments regarding the performance of Senior Manager, Regional Internal Audit.

The Senior Manager, Regional Internal Audit will interact directly with the Audit Committee~~of the Board of Trustees~~, including in-camera sessions and between Audit Committee meetings as appropriate.

INDEPENDENCE AND OBJECTIVITY

The regional internal audit activity will remain free from interference by any element in the district school board including matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of a necessary independent and objective mental attitude.

Regional internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records or engage in any other activity that may impair judgment.

Regional internal auditors will exhibit the highest standards of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Senior Manager, Regional Internal Audit will confirm to the Audit Committee~~of the Board of Trustees~~, at least annually, the organizational independence of the internal audit activity.

RESPONSIBILITY

The scope of work of the regional internal audit team encompasses but is not limited to:

- Evaluating risk exposure relating to the achievement of the district school board's strategic objectives;
- Evaluating the reliability and integrity of information and the means used to identify measure, classify and report information;
- Evaluating the systems which ensure compliance with policies, procedures, applicable laws and regulations which impact the district school board;

- Evaluating whether resources are acquired economically, used efficiently, and are adequately protected;
- Evaluating operations and processes to ascertain whether results are consistent with established objectives and whether processes are functioning as planned;
- Performing consulting and advisory services or assessments of specific operations as requested by the Audit Committee ~~of the Board of Trustees~~ or district school board management as appropriate;
- Evaluating the effectiveness of the district school board's risk management and governance processes;
- Reporting periodically on the regional internal audit performance against plans; and
- Reporting significant risk exposures and control issues, including fraud risks, governance issues and other matters requested by the Audit Committee ~~of the Board of Trustees~~.

INTERNAL AUDIT PLAN

Annually, the Senior Manager, Regional Internal Audit will submit to district school board management and to the Audit Committee ~~of the Board of Trustees~~ an internal audit plan for recommendation to their Board of Trustees for approval. If there are any resource limitations or interim changes, these will be communicated.

The internal audit plan will be developed based on a prioritization of the internal audit universe using a risk based methodology which includes input of district school board management. The Senior Manager, Regional Internal Audit will review and adjust the plan as required in response to changes in the risk profile. Any significant deviation from the approved internal audit plan will be communicated through periodic status reports. The Senior Manager, Regional Internal Audit or any of his or her team may initiate and conduct any other audit or review deemed necessary for potential illegal acts, fraud, abuse, or misuse of funds. Reasonable notice shall be given to appropriate personnel of intent to audit in their areas except when conditions warrant an unannounced audit.

REPORTING AND MONITORING

Opportunities for improving internal control may be identified during audits. A written report will be issued by the Senior Manager, Regional Internal Audit at the conclusion of each audit and will be distributed according to the school board's requirements. (This could include the head of the audited activity or department, the director of education, the Audit Committee and the external auditor of the district school board.)

Each report will describe opportunities to strengthen district school board risk, internal control and governance processes and conclude on the adequacy and effectiveness of the processes. The district school board management will provide action plans and timelines to address each opportunity (observation). The regional internal audit team is responsible to perform appropriate follow-up procedures to attest to the completion of action plans. Significant observations will remain in an open issue status until cleared.

If management decides to accept a certain level of risk after considering compensating controls, the remaining risk will be disclosed to the Audit Committee.

QUALITY ASSURANCE

The regional internal audit team will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity and conformance with the International Standards for the Professional Practice of Internal Auditing.

The Senior Manager, Regional Internal Audit will communicate to district school board management and the Audit Committee ~~of the Board of Trustees~~ on the internal audit activity's quality assurance and improvement program, including the results of ongoing internal assessments and external assessments conducted as appropriate, usually on a five-year cycle.

Senior Manager, Regional Internal Audit

Audit Committee Chair

Director of Education or designate

Dated

DEFINITION OF SELECTED TERMS

Term	Definition
Add Value	Value is provided by improving opportunities to achieve organizational objectives, identifying operational improvement, and/or reducing risk exposure through both assurance and consulting services.
Advisory/Consulting Services/ <u>Review</u>	Advisory and related client service activities, the nature and scope of which are agreed to with the client and which are intended to add value and improve a school board's governance, risk management and control processes without the regional internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training. <u>These activities can also be described as "review", interchangeably with "consulting".</u>
Assurance	An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Results can be relied upon for supporting informed decision making.
Board of Trustees	A legislative body that has overall responsibility and accountability for the district school board. For purposes of this <u>Mandate Charter</u> , this also includes committees that support the Board of Trustees including the Audit Committee.
Compliance	Conformity and adherence to policies, plans, procedures, laws, regulations, contracts or other requirements.
Control Environment	<p>The attitude and actions of the Board of Trustees and district board management regarding the significance of control within the organization. The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The control environment includes the following elements:</p> <ul style="list-style-type: none"> • Integrity and ethical values. • Management's philosophy and operating style. • Organizational structure. • Assignment of authority and responsibility. • Human resource policies and practices. • Competence of personnel.
Control/Internal Controls	<p>Any action taken by district board management and other parties to enhance risk management and increase the likelihood that established objectives and goals will be achieved. Management plans, organizes and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.</p> <p>The system of management controls (business plans, capturing and analyzing data, performance reporting, code of conduct, etc.) that are implemented within a school board to ensure that assets (human, physical and information)</p>

Term	Definition
	are protected and to provide reasonable assurance that its objectives can be achieved.
Control Processes	The policies, procedures and activities that are part of a control framework, designed to ensure that risks are contained within the risk tolerances established by the risk management process.
Fraud	Any illegal acts characterized by deceit, concealment or violation of trust. These acts are not dependent upon the application of threat of violence or of physical force. Frauds are perpetrated by parties and organizations to obtain money, property or services; to avoid payment or loss of services; or to secure personal or business advantage.
Governance	The combination of processes and structures implemented by the Board of Trustees in order to inform, direct, manage and monitor the activities of the organization toward the achievement of its objectives.
In-camera	A separate discussion between members of the Audit Committee and the Senior Manager, Regional Internal Audit promoting open communication and discussion of any sensitive issues or problems.
Independence	The freedom from conditions that threaten objectivity or the appearance of objectivity. Such threats to objectivity must be managed at the individual auditor, engagement, functional and organizational levels.
Objectivity	An unbiased mental attitude that allows regional internal auditors to perform engagements in such a manner that they have an honest belief in their work product and that no significant quality compromises are made. Objectivity requires regional internal auditors to not subordinate their judgment on audit matters to that of others.
Risk	Effect of uncertainty on objectives or outcomes.
Risk Management	A structured and disciplined approach aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the risks an organization faces. Overall, it is about choices made under conditions of uncertainty, balanced by acceptable levels of risk.



INTERNAL AUDIT TEAM

Toronto and Area Region

Follow-up: School-Based Audits – Enrolment and School Finance

York Catholic District School Board

Original Audit Report Issued: April 2020

Follow-up Report Issued: May 2023

Prepared by: Rupam Shah, CPA, CA, Regional Internal Audit Specialist

Issued by: Paula Hatt, CPA, CA, CIA, Senior Manager, Regional Internal Audit

Distribution:

Audit Committee

Domenic Scuglia, Director of Education

Calum McNeil, Chief Financial Officer & Treasurer of the Board

Tom Pechkovsky, Coordinating Manager of Planning & Operations

Jesua Tsai, Manager, Accounting and Financial Services

Carol Recine, Manager, Admissions/Enrolment & International Education Program

Introduction

School-based audits, consisting of Enrolment and School Finance, were completed by the Regional Internal Audit Team (RIAT) on a sample of York Catholic District School Board's (YCDSB) elementary and secondary schools for the 2018-19 fiscal year. The final report was issued in April 2020 ("initial report"). The RIAT has conducted a follow-up engagement to assess the status of Management's action plans developed to address the findings and recommendations of the initial report.

We would like to thank management and staff for their support and assistance during this engagement.

Engagement Objective and Scope

The objective of this engagement was to assess whether management action plans developed to address the audit findings and recommendations from the initial report were adequately and effectively implemented. The follow-up captured all findings from the initial report, except as noted below.

Conclusion

Refer to the chart below for the RIAT's assessment, as at April 2023, of the current status of Management's action plans designed to address the initial report findings. With the exception of finding #2 (see Note 1), all action plans were assessed to be adequately and effectively implemented. Additional details can be found in Appendix A - Observations & Status of Findings, including recommendations and management action plans from the initial report and details supporting the RIAT's assessment.

Finding Title	Priority Rating	RIAT's Assessment of Current Status
#1 – Pupil Internal Transfers from Full-time to Part-time (Secondary schools only)	Medium	Complete
#2 – Co-op Program (Secondary schools only)	Medium	Management Assumed Risk (Note 1)
#3 – English as a Second Language Funding	Low	Complete
#4 – General Compliance Issues	Low	Complete
#5 – Annual Training for School Administration	Medium	Complete
#6 – School Generated Funds (SGF) Administrative Procedures	Medium	Complete
#7 – Purchasing Department's Involvement in SGF Spending	Medium	Complete
#8 – Purchases using SGF	Medium	Complete
#9 – Principal Purchasing Card (P-Card) Transactions	Medium	Complete
#10 – Use of P-Cards	Medium	Complete

Finding Title	Priority Rating	RIAT's Assessment of Current Status
#11 – Stale dated cheques	Low	Complete

Note 1: As presented at the November 2022 Audit Committee meeting, since the original audit, management decided to accept the identified risk and not implement the action plan.

Appendix A - Observations & Status of Audit Findings

Report Name: School Based Audits - Enrolment & School Finance
Initial Report Date: April 2020
Follow-up Date: April 2023

ORIGINAL AUDIT					FOLLOW UP ENGAGEMENT
#	Rating (H,M,L)	Finding Title	Recommendation	Management Action Plan	Current Status, Findings & Recommendations (April 2023)
1	M	Pupil Internal Transfers from Full-time to Part-time (Secondary schools only)	The first date of a student’s non-attendance of a dropped course should be accurately reflected in Maplewood. To avoid ambiguity, the course change form should be revised to include a field to capture this date.	The admission department to improve the ‘Request for Course Change Form’ (S.25B) by capturing the student’s ‘Last Date of Attendance’, to be populated by the Attendance Secretary. Training will be offered to school administration (principals and school secretaries) on the Ministry’s guidelines and procedures on enrolment reporting, including pupil transfers, and the modifications to the form.	Status: Complete The admission department provided a copy of the ‘Request for Course Change Form’ (S.25B) which now captures the student’s ‘Last Date of Attendance’. The responsibility for capturing this information has now been assigned to Guidance Counsellors. This was communicated to Guidance Counsellors through in-services, via email and was posted to the Guidance Resource Hub Google Classroom.
3	L	English as a Second Language (ESL) Funding	The Board should communicate the following information to school secretaries: - When recording year of entry, check the front of the Ontario Student Record (OSR) as it lists all the schools and dates a student attended. These dates can be verified with Maplewood. - Immigration documentation should not be retained by the school.	The admission department to provide a refresher training to school administration (principals and school secretaries) on the Ministry’s guidelines and procedures on enrolment reporting, including documentation for students with ESL needs.	Status: Complete The Admissions department provided training to school administration (principals and school secretaries) on the Ministry’s guidelines and procedures on enrolment reporting, including documentation for students with ESL needs. Copies of training materials were provided and RIAT noted that the ESL finding and recommendation were explicitly covered.
4	L	General Compliance Issues	Communicate to applicable staff at all schools the compliance issues found in the school-based audits.	The admission department to provide a refresher training to school administration (principals and school secretaries) on the Ministry’s guidelines and procedures on enrolment reporting.	Status: Complete The Admissions department provided training to school administration (principals and school secretaries) on the Ministry’s guidelines and procedures on enrolment reporting, directly addressing the compliance issues found during the school audits and outlining how to avoid these in the future. Copies of training materials were provided.
5	M	Annual Training for School Administration	A mandatory annual training session on school finance should be provided to all principals, secretaries and bursars to refresh key policies, procedures and controls, as well as to highlight any changes over the prior year. The Board should determine the best way to deliver these sessions (through an already established means such as the monthly Principals’ Council meeting, in person session, virtual session, etc.).	Finance department to provide a refresher training to all existing school administration (principals, vice-principals and school secretaries) on the Board’s finance related policies, guidelines, processes and procedures.	Status: Complete The Finance department provided refresher training on school finance to school administration (principals, vice-principals and school secretaries) in June 2020 and January 2021. Training included coverage on areas where audit findings were raised. Copies of training materials were provided, as well as evidence that participation was tracked.

Appendix A - Observations & Status of Audit Findings

Report Name: School Based Audits - Enrolment & School Finance
Initial Report Date: April 2020
Follow-up Date: April 2023

ORIGINAL AUDIT					FOLLOW UP ENGAGEMENT
#	Rating (H,M,L)	Finding Title	Recommendation	Management Action Plan	Current Status, Findings & Recommendations (April 2023)
6	M	School Generated Funds (SGF) Administrative Procedures	<p>The Board should update the SGF procedures to address these control deficiencies, as follows:</p> <p>a. Reimbursement to school bank account signatories, particularly principals, should be done at the Board level using an “Admin #3 Expense Reimbursement (Non-Mileage)” form.</p> <p>b. To reduce the risk of fraud in cash handling, changes made to a deposit should be communicated to the “fund collector” via email, copying the principal, and kept as supporting documentation.</p> <p>c. Monthly, detailed journal entries for transfers between sub-ledgers should be printed and approved by the principal. This will ensure that the principal is aware of the reasons for sub-ledger transfers.</p> <p>d. The Board should request that schools provide a detailed explanation for any sub-ledger balance carried forward from one fiscal year to the next (other than the reserve sub-ledger) to ensure these balances have a purpose.</p> <p>e. Class lists should be attached to bank deposits as supporting documentation for student payments. This provides an opportunity for the school or Board to conduct reasonability tests to confirm deposits are made intact.</p>	<p>SGF Procedures will be updated to require all reimbursements to the principal must be authorized by his/her Superintendent of Education. This will be covered in the refresher training to be provided by the Finance department. The Finance department, through involvement of the school’s Superintendent, will be actively seeking explanations from the principal on his/her plan on the SGF carry over balance.</p>	<p>Status: Complete</p> <p>The School Generated Funds Procedure was updated in July 2020 and May 2021. RIAT confirmed that items a, c, d and e from the recommendation were captured in the updated procedure. Item b was not captured in the procedure, but RIAT confirmed that this was covered through the refresher training that took place in June 2020 and January 2021 (the other items were also included in the refresher training).</p> <p>The Board has taken steps to reduce the amount of general school budgets and SGF carry forward balances at schools. Approximately \$2M (elementary and secondary) has been charged against carry forward balances for the math curriculum.</p> <p>A sample of schools with SGF carry forward balances was selected to ensure that the Board is monitoring these balances. RIAT was satisfied with support provided, no exceptions noted.</p>
7	M	Purchasing Department’s Involvement in SGF Spending	<p>Annually, the Board should compile data across all schools and analyze spending patterns by vendor. This data can be shared with the Purchasing Department to see if a competitive process should be followed for procuring certain products and services.</p>	<p>It has been long standing practice that purchases made using SGF funds are primarily decided and managed at the local school level with input from the Catholic School Council. Finance department will seek opportunities for collaboration with schools to develop a more consistent purchasing strategy across all schools, for example, bulk purchases on common items or services that are purchased by multiple schools.</p>	<p>Status: Complete</p> <p>The Manager, Purchasing Services provided an example where an opportunity for collaboration and standardization was identified. Management also asserted that they will continue to explore and identify opportunities where the department can collaborate with schools for products and services used by multiple schools.</p>

Appendix A - Observations & Status of Audit Findings

Report Name: School Based Audits - Enrolment & School Finance
Initial Report Date: April 2020
Follow-up Date: April 2023

ORIGINAL AUDIT					FOLLOW UP ENGAGEMENT
#	Rating (H,M,L)	Finding Title	Recommendation	Management Action Plan	Current Status, Findings & Recommendations (April 2023)
8	M	Purchases using SGF	As part of the annual training noted under finding #5, the Board should re-communicate the procedures for purchases using SGF and reaffirm the need for compliance. Further, the Board should also monitor schools through data analysis and other desk audit procedures for early detection and correction of non-compliance.	Finance department to provide a refresher training to existing school administration (principals and school secretaries) on the Board’s finance related policies, guidelines, processes and procedures, including purchasing related guidelines and procedures.	Status: Complete The refresher training provided by the Finance department in June 2020 and January 2021 covered School Generated Funds. The issues noted in the report are also clarified in the School Generated Funds Procedure (most recently updated in May 2021), with the exception of the requirement to retain packing slips which is considered to be a low risk issue (no further work required).
9	M	Principal Purchasing Card (P-Card) Transactions	At a minimum, the Board must ensure that the monthly overview report for each principal is produced and approved by the Supervisory Officer (SO). If resources are available, the Board can implement a certification process for principals to provide further information on the monthly principal p-card expense report before it is sent to the SO for approval, such as description and details of the purchase and to attest that the original detailed receipt is available. This would provide the SO and/or Finance with more assurance on the principal’s compliance with Board policies and procedures. It would also demonstrate stronger oversight and monitoring for Principal p-card expenses.	P-card statement for Principal is made available to the Superintendent of Education for approval by the Finance Department. As the Finance Department underwent a significant management and staff turnover and restructuring during 2019, this process was inadvertently suspended. The P-card statements review process has since been reinstated and P-card reports are being reviewed and approved by the Superintendents.	Status: Complete In February 2023, the Board issued a system memo notifying principals of an update to controls over P-cards. Effective March 2023, Principals are requested to submit Purchasing Card Monthly Transaction Logs, with receipts, to their respective Superintendent for review and approval. Examples of principals' Purchasing Card Monthly Transaction Logs, signed by the relevant Superintendent, were provided to demonstrate that this review and approval was taking place.
10	M	Use of P-Cards	The annual training noted under finding #6 should include a refresher on the procedures for p-cards. In addition, the need and techniques for oversight and monitoring of school p-cards should be reinforced to principals. The Board should consider, if resources exist, monitoring p-card transactions through desk audit procedures such as spot checks and overall data analysis. This would allow for early detection of issues and corrective action (including removal of the p-card for continuous or significant non-compliance).	School audit staff resources within the Finance Department was cut over the years due to budget cuts. The Board approved the addition of a staff resource who will be involved in school audit (0.5 FTE) and budget (0.5 FTE). It is the expectation that this staff resource will be responsible to ensure schools are regularly audited for its financial processes and procedures.	Status: Complete A Compliance and Budget Analyst position was created and filled in 2020. The department plans to complete approximately 8 to 10 school audits in 2022-23. In addition, the refresher training provided by the Finance department in June 2020 and January 2021 covered purchasing cards.
11	L	Stale dated cheques	Stale dated cheques and other outstanding items on bank reconciliations should be monitored and cleared timely.	Finance department to provide a refresher training to existing school administration (principals and school secretaries) on the Board’s finance related policies, guidelines, processes and procedures, including bank reconciliation process.	Status: Complete The refresher training provided by the Finance department in June 2020 covered bank reconciliations and the need to monitor and clear outstanding items on these reconciliations.



INTERNAL AUDIT TEAM

Toronto and Area Region

Follow-up: HR/Payroll Audit

York Catholic District School Board

Audit Report Issued: June 2016

Follow-up Report Issued: May 2023

Prepared by: Judy Selvadurai, CPA, CMA, CIA, Manager, Regional Internal Audit

Issued by: Paula Hatt, CPA, CA, CIA, Senior Manager, Regional Internal Audit

Distribution:

Audit Committee

Domenic Scuglia, Director of Education

Michael Gray, Superintendent of Human Resources and International Education

Calum McNeil, Chief Financial Officer & Treasurer of the Board

Stacey Brooks, Manager, Compensation and HRIS Services

Introduction

The Regional Internal Audit Team (RIAT) completed an audit of HR/Payroll at the York Catholic District School Board (YCDSB) in the 2015-16 fiscal year. The final report was issued in June 2016 (“initial report”), containing two findings. The RIAT has conducted a follow-up engagement to assess the status of Management’s action plans developed to address the findings and recommendations of the initial report.

We would like to thank management and staff for their support and assistance during this engagement.

Engagement Objective and Scope

The objective of this engagement was to assess whether management action plans, developed to address the audit findings and recommendations from the initial report, were adequately and effectively implemented.

Conclusion

Based on the follow-up procedures completed, the RIAT has assessed that management implemented one action plan adequately and effectively. Management has assumed the risk of not implementing the other action plan. Additional details can be found in Appendix A, including the recommendations and management action plans from the initial report and details supporting the RIAT’s assessment.

Appendix A

Report Name: HR/Payroll
Report Date: June 2016
Follow-up: May-23

ORIGINAL ENGAGEMENT					FOLLOW UP ENGAGEMENT
#	Rating (H,M,L)	Finding Title	Recommendation	Management Action Plan	Current Status (February 2023)
R1	N/A	Changes to employee records within the payroll system	Management has identified the need to automate pay adjustments in SAP for teaching staff. It is recommended that management explore options to allow functionality for pay adjustments in SAP if the cost to do so increases staff efficiency and minimizes potential errors.	A quote from a third party service provider for a reconfiguration of the SAP system was received in April 2016. A reconfiguration would essentially automate the current manual calculations. Administration would require Board approval to proceed with the service provider and an implementation plan for the 2016/17 school year.	Status: Management Assumed Risk Management will not implement automated pay adjustments. They have tried several ways, as noted below, but have been unsuccessful. No further attempts will be made. - A SAP Consultant was contacted years ago, but nothing was able to be configured into SAP at that time. - Management also reached out to Spinifex to try and create a report, but that was unsuccessful as well. - Finally, the YCDSB SAP programmer tried to automate this process and was unsuccessful. Note that this was an area of improvement identified by management during the audit. No related control gaps were found. As management has since identified that it is not feasible, they have assumed the risk of not implementing the action plan and no further work is required. This finding is considered closed.
R2	N/A	HRIS Change Management	Although procedures exist to process payroll related changes, additional controls are recommended after changes are input into the system to ensure accuracy and completeness, especially given that part of the process requires manual intervention. For example, an exception report can be run after changes are processed to identify any individuals that did not have a change to their salary through further verification.	An exception report has been developed in SAP to validate salary grid changes. The exception report will be generated and reviewed by the HR System Application Coordinator.	Status: Closed A meeting was held with Stacey Brooks, Manager, Compensation and HRIS Services and Michael Papasodaro, HR-Systems Specialist. The process still requires manual intervention. All changes made in SAP are run and then the HR-Systems Specialist filters the report by certain action types that would require a Staff Adjustment Form (SAF). These entries/ changes from SAP are then matched to the SAF for accuracy. Any change checked is documented. If an error is found it is communicated with the administrator to be fixed. It is then checked again by the HR-Systems Specialist to ensure the data is accurate in SAP. Managed provided the documented process. The manager indicated that the current process works well but they are working with IT to further enhance the SAP audit report so it shows errors only. This would eliminate the filtering process and improve efficiency. The RIAT received an example of the reports that are run bi-weekly and selected a sample of four filtered entries. RIAT requested and received support documentation and confirmed that management checked these changes.

Second Follow-up: Construction Management Audit

York Catholic District School Board

Audit Report Issued: April 2015

First Follow-up Report Issued: August 2017

Second Follow-up Report Issued: May 2023

Prepared by: Shelley Ramessar, CPA, CMA, Regional Internal Audit Specialist

Issued by: Paula Hatt, CPA, CA, CIA, Senior Manager, Regional Internal Audit

Distribution:

Audit Committee

Domenic Scuglia, Director of Education

Calum McNeil, Chief Financial Officer & Treasurer of the Board

Khaled Elgharbawy, Superintendent of Facilities Services and Plant

Introduction

An audit of Construction Management at the York Catholic District School Board (YCDSB) was completed by the Regional Internal Audit Team (RIAT) on the 2014-15 fiscal year. The final report was issued in April 2015, containing four findings/recommendations. A follow-up engagement was completed in August 2017 (“first follow-up report”), with findings #1 and #4 verified as closed by the RIAT. For the two remaining findings where action plans had not been fully implemented, new recommendations were made and corresponding action plans were developed (replacing the original recommendations and action plans). The RIAT has completed a second follow-up engagement to assess the status of Management’s action plans developed to address the recommendations of the first follow-up report.

We would like to thank management and staff for their support and assistance during this engagement.

Engagement Objective and Scope

The objective of this engagement was to assess whether management action plans, developed to address the recommendations from the first follow-up report were adequately and effectively implemented or the risk identified in the initial audit report has been adequately mitigated through other means.

Conclusion

Refer to the chart below for the RIAT’s assessment, as at April 2023, of the current status of the findings from the initial audit report. Additional details can be found in Appendix A – Observations & Status of Findings, including recommendations and management action plans from the first follow-up report and details supporting the RIAT’s assessment.

Finding Title	RIAT’s Assessment of Current Status
#2 – Opportunity for further coordination between the Plant and Finance departments	Complete
#3 – Variances in Capital Project Summary	Complete

Appendix A - Observations & Status of Audit Findings

Report Name: Construction Management
Report Date: April 2015
Follow-up Date: August 2017
Second Follow-up: April 2023

RECOMMENDATIONS RESULTING FROM AUGUST 2017 FOLLOW-UP ENGAGEMENT				SECOND FOLLOW UP ENGAGEMENT
#	Finding Title	Follow-up Recommendation	Management Action Plan	Current Status, Findings & Recommendations (April 2023)
R2	2. Opportunity for further coordination between the Plant and Finance departments	Management should continue to work on the implementation of a formalized communication process which would allow for all updates from the construction process (i.e., change orders, delays in construction) to be communicated to both parties as they are identified. This would allow the Finance department to prepare for any potential variances in budget vs. actual costs which may occur.	Management agrees with the audit recommendations and has in fact implemented a change order tracking system. Management will continue to work with the affected departments to maintain and enhance future communications.	<p>Status: Complete</p> <p>At the time of this engagement, the board had two capital projects in progress.</p> <p>The RIAT walked through the communication process between Plant and Finance and confirmed that the Superintendent of Facilities Services and Plant (K. Elgharbawy), Senior Financial Analyst, Capital & Finance (T. Steenhoek) and CFO & Treasurer (C. McNeil) are providing and receiving regular and timely updates on the progress of capital projects.</p> <p>C. McNeil noted that he is informed in a timely way of items requiring escalation. Although the mode of communication is ad hoc and informal, it is transparent and meets the needs of both Plant and Finance. As a result, this finding is considered closed.</p>
R3	3. Variances in Capital Project Summary	Management should ensure that a root cause analysis for all significant variances identified is consistently documented within the Capital Project Summary report, to ensure that all variance root causes are identified, monitored and escalated appropriately.	Management agrees with the recommendation and has worked with the existing project architect to ensure this occurs moving forward.	<p>Status: Complete</p> <p>The RIAT confirmed that variances are calculated throughout the life of a project and root cause analysis of variances are discussed at meetings of the Capital Budgeting and Monitoring Steering Committee (CBMSC), comprised of YCDSB management. The Committee meets a minimum of four times per year.</p> <p>The RIAT selected the new Stouffville school capital project, in progress at the time of this engagement, and reviewed the most recent Capital Project Summary to confirm that variances are calculated. In addition, we reviewed the minutes for four CBMSC meetings that included this capital project and verified that root causes for cost variances and time delays were being identified and discussed for this capital project and other projects in progress.</p> <p>In addition, variances and their root cause analysis are completed, reported and approved after the final close of a capital project in the Project Closing Summary Report.</p> <p>The RIAT reviewed two completed Project Closing Summary Reports for new school builds and verified that the overall variance and root cause analysis were reported.</p> <p>Overall, management does identify, investigate and discuss the root cause of significant variances. This is consistently documented in the CMBSC meeting minutes. This and the open communication between Plant and Finance ensures that the root cause of variances are identified, monitored and escalated appropriately.</p>



School Finance Management Status Update

Audit Committee

May 29, 2023

Prepared by: Jesua Tsai, Manager – Accounting and Financial Services
Submitted by: Calum McNeil, Chief Financial Officer & Treasurer of the Board
Endorsed by: Domenic Scuglia, Director of Education & Secretary of the Board



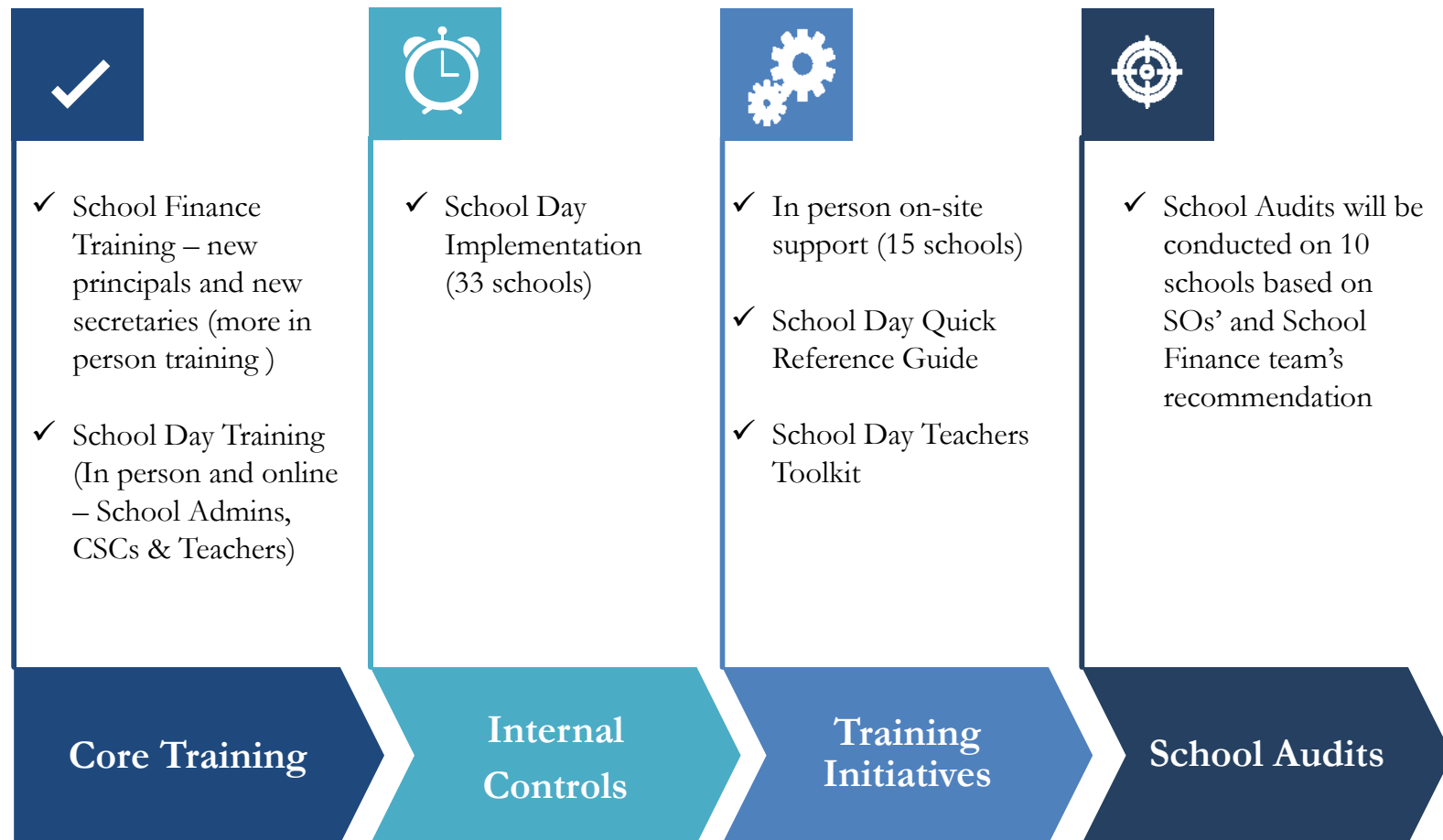


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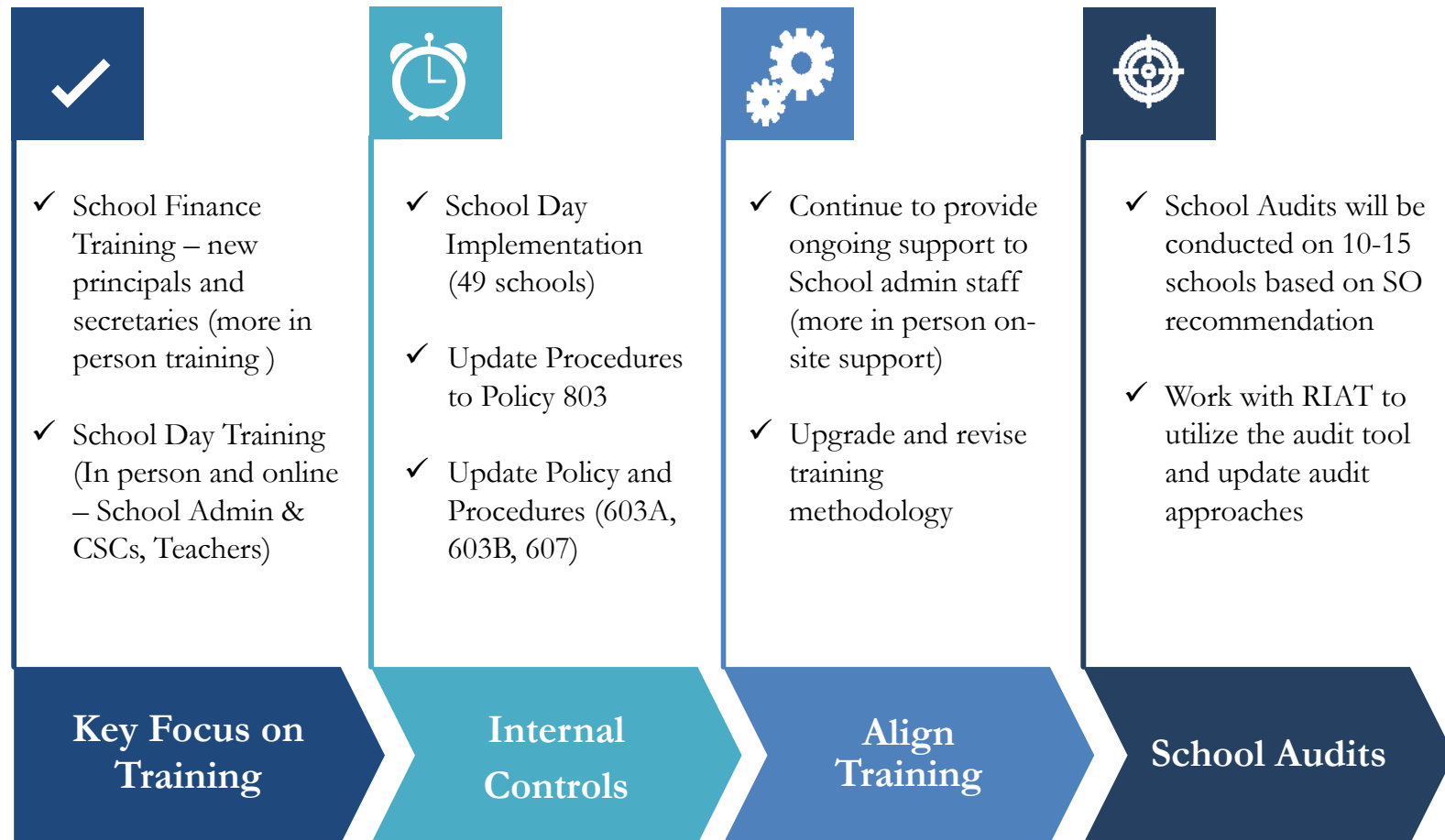


2022-23 School Finance Training and Other Initiatives





2023-24 School Finance Training and Strategy





Training Plan

- Training focus:
 - Update new principal training – feed the pipeline (train VPs on shortlist)
 - Align training documentation with the Principal Month End Financial Checklist
 - Training videos



YCDSB: Cashless School System Implementation Update Audit Committee

May 29, 2023

Prepared by:
Submitted by:
Endorsed by:

Jesua Tsai, Manager – Accounting and Financial Services
Calum McNeil, Chief Financial Officer and Treasurer of the Board
Domenic Scuglia, Director of Education and Secretary of the Board





Implementation Update – Summary

- 2022-23 Implementation Overview
- Current Adoption Rate – Summary
- 2023-24 Proposed Timeline – Next Phases



2022-23 Implementation Overview

Phase 3 -
Oct. 2022

- 16 Elementary Schools, 2 High Schools

Phase 4 -
Jan. 2023

- 4 Elementary Schools, 8 High Schools
- School-Day system rolled out in all High Schools

Phase 5 –
May 2023

- In school Teacher Training for High Schools – 8 HS
- Mini phase – 3 Elementary Schools



Current Adoption Rate – May 15th, 2023

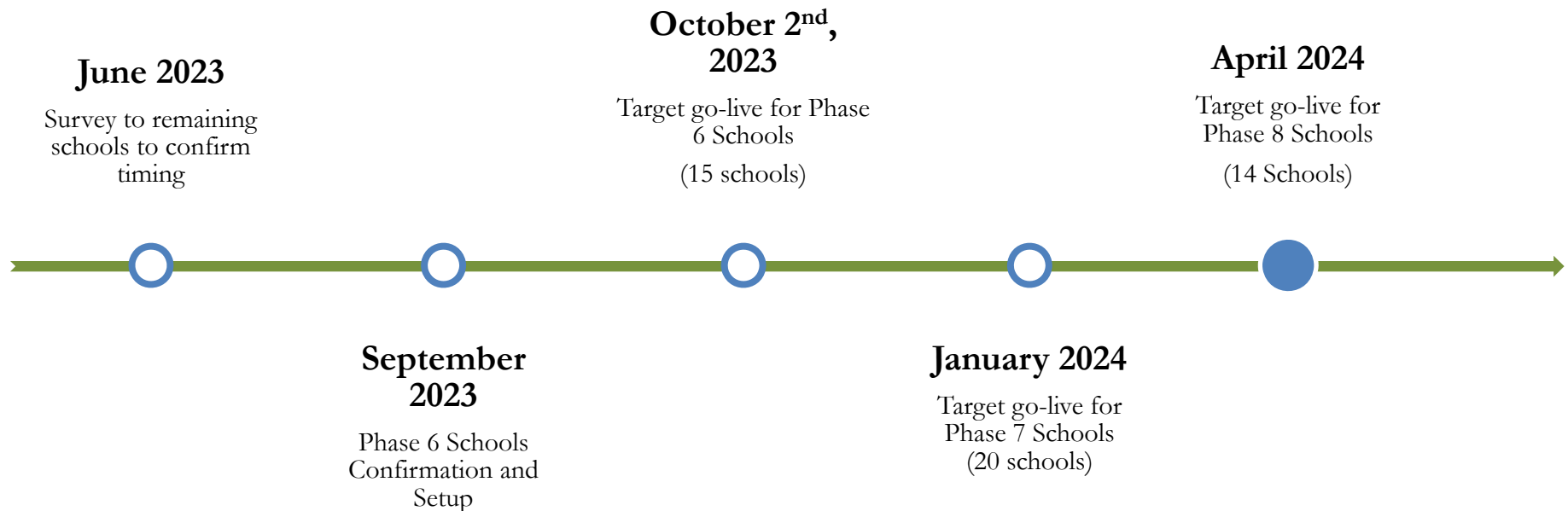
Phase	Elementary (# of Schools)	Secondary (# of Schools)	Total (# of Schools)	Avg Adoption %	% of Online Sales
1	2	4	6	75%	43%
2	12	2	14	89%	70%
3	16	2	18	81%	29%
4	4	8	12	56%	15%
5	3	0	3	41%	1%
Total	37	16	53	74%	37%

Close to 24,000 students have parents enrolled;
Total of \$3.7M transactions processed (Sep 2022 – May 2023)



Project Plan – Proposed Next Phases

49 Elementary Schools remaining to be implemented in 2023-24



* each phase will take about 2 months with set up, training and implementation

York Catholic District School Board

Report

Report to: Audit Committee
From: Administration
Date: May 29, 2023
Re: External Audit Committee Members Update

This report updates the Audit Committee of the upcoming expiry of the second three-year term of office for one External Audit Committee Volunteer Member as defined by approved Board motion.

Ms. Annabelle Rocha, MBA CPA CMA, was initially appointed as an External Audit Committee member for the period April 1, 2017 to April, 1, 2020. The second term of office began on April 1, 2020 and will expire on August 31, 2023.

In accordance with Ontario Regulation 361/10 “Audit Committees” under the Education Act, YCDSB established an Audit Committee on January 18, 2011 (Board Motion 2011:23 f – Appointment of External Audit Committee Members) which, per the Act, was comprised of three board members and two external persons who are not board members. Section 7, Term of Appointment, states that:

7. (1) *The term of office of a member of the audit committee who is a board member shall be determined by the board but shall not exceed four years.*
- (2) *The term of office of a member of the audit committee who is not a board member shall be determined by the board but shall not exceed three years.*
- (3) *Subject to subsection (4), a member of the audit committee may be reappointed.*
- (4) *An individual who is not a board member may not be appointed to the audit committee more than twice unless,*
 - (a) *the board advertised the position for at least 30 days; and*
 - (b) *after the 30 days, the selection committee did not identify any potential candidates.*
- (5) *When the term of a member of the audit committee expires, he or she continues to be a member until a successor is appointed or the member is reappointed.*

Summary:

In accordance with the O. Reg. 361/10, the second three-year term for Ms. Rocha, External Audit Committee member, will expire on August 31, 2023 and, as such, the Board must seek/appoint successors. Should a successor not be found, the Board will determine whether the current external member is interested in reappointment.

Prepared and Submitted by:
Endorsed by:

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