

# AUDIT COMMITTEE REGULAR MEETING Open (Public) Session

**AGENDA**  
**November 6, 2018**

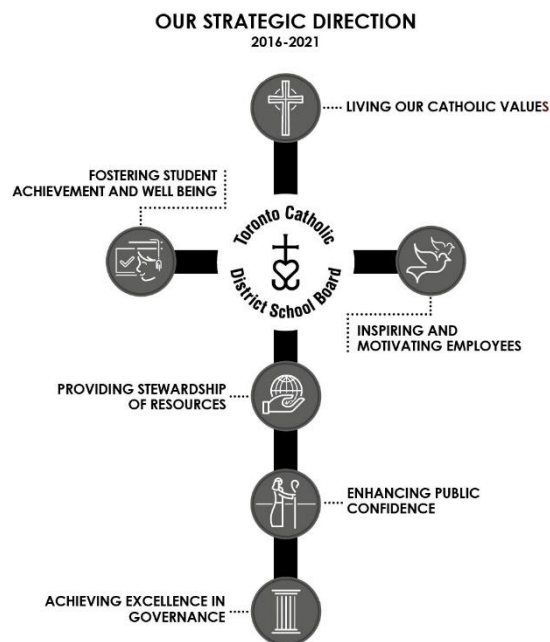
**Barbara Poplawski, Chair**

**Angela Kennedy**

**Maria Rizzo**

**Nancy Borges**

**Ryan Singh**



## **MISSION**

*The Toronto Catholic District School Board is an inclusive learning community uniting home, parish and school and rooted in the love of Christ.  
We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.*

## **VISION**

*At Toronto Catholic we transform the world through witness, faith, innovation and action.*

**Recording Secretary: Sophia Harris, 416-222-8282 Ext. 2293**  
**Assistant Recording Secretary: Sonia Tomaz, 416-222-8282 Ext. 2298**

**Rory McGuckin**  
**Director of Education**

**Barbara Poplawski**  
**Chair of the Board**

## **Summary of Terms of Reference for Audit Committee**

**The Audit Committee shall have responsibility for considering matters pertaining to:**

**(1) 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, the results of an annual external audit
2. 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.
3. To ask the external auditor about any other relevant issues.

**(2) 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.

**(3) 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.

**(4) 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 and confirm the independence of the external auditor.
3. 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) 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 obtain regular updates from the director of education, supervisory officers and legal counsel regarding compliance matters and that all statutory requirements have been met.

**(6) 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 initiate and oversee investigations into auditing matters, internal financial controls and allegations of inappropriate or illegal financial dealing.

**(7) Related to reporting to the board:**

1. To report to the board annually, and at any other time that the board may require, on the committee's performance of its duties.

**(8) Related to website maintenance:**

1. To make all reasonable efforts to ensure that a copy of Ontario Regulation 361/10 is posted on the board's website.

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# **AGENDA THE REGULAR MEETING OF THE AUDIT COMMITTEE**

## **PUBLIC SESSION**

Tuesday, November 6, 2018

7:00 P.M.

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Pages

1. Call to Order
2. Opening Prayer
3. Roll Call & Apologies
4. Approval of the Agenda
5. Declarations of Interest
6. Approval & Signing of the Minutes of the Meeting held September 12, 2018 for Public Session. 1 - 6
7. Delegations
8. Presentation
  - 8.a Paula Hatt, representing the Toronto & Area Regional Internal Audit Team (RIAT) (Refer Item 13(a))
  - 8.b Paula Hatt, representing the Toronto & Area RIAT(Refer Item 13(b))
9. Notices of Motion
10. Consent and Review

11. **Unfinished Business**
12. **Matters referred/deferred**
13. **Staff Reports**
  - 13.a Regional Internal Audit Team Status Update (Refer 8a) 7 - 10
  - 13.b Repairs and Maintenance Follow-Up Audit, July 2018(Refer Item 8b) 11 - 36
  - 13.c Update on RIAT Enterprise Risk Management Framework 37 - 39
  - 13.d Annual Agenda/Checklist 40
14. **Listing of Communication**
15. **Inquiries and Miscellaneous**
  - 15.a Proposed Audit Committee Meeting Dates for Consideration:  
Wednesday, January 30, 2019;  
Tuesday, March 26, 2019  
Tuesday, May 28, 2019  
Tuesday, September 17, 2019  
Tuesday, November 13, 2019
16. **Updating of Pending List**
17. **Closing Prayer**
18. **Adjournment**

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# **MINUTES OF THE REGULAR MEETING OF THE AUDIT COMMITTEE OPEN (PUBLIC) SESSION**

**HELD WEDNESDAY, SEPTEMBER 12, 2018**

## **PRESENT:**

**Trustees:** B. Poplawski, Chair  
A. Kennedy  
M. Rizzo

**External Members:** R. Singh  
N. Borges

**Staff:** R. McGuckin  
D. Koenig  
P. Matthews  
L. Noronha  
S. Camacho  
P. De Cock  
D. Bilenduke  
C. Maltese  
C. Giambattista  
  
S. Harris, Recording Secretary  
S. Tomaz, Assistant Recording Secretary

**External Auditors:** T. Ferguson, Deloitte LLP  
S. Finkel, Deloitte LLP  
B. Cross, Toronto Regional Internal Audit Team  
P. Hatt – Toronto Regional Internal Audit Team  
B. Lowe – Toronto Regional Internal Audit Team – via  
teleconference

**4. Approval of the Agenda**

MOVED by Nancy Borges, seconded by Ryan Singh, that the Agenda be approved.

The Motion was declared

CARRIED

**5. Declarations of Interest**

There were none.

MOVED by Nancy Borges, seconded by Ryan Singh, that Item 6) be adopted as follows:

**6. Approval & Signing of the Minutes of the Meeting held May 23, 2018 for Public Session approved.**

The Motion was declared

CARRIED

**8. Presentation and Staff Reports**

MOVED by Nancy Borges, seconded by Trustee Kennedy, that Items 8a) and 13b) be adopted as follows:

**8a) Trevor Ferguson and Scott Finkel, representing Deloitte LLP, regarding the 2018 External Audit Plan; and**

**13b) 2018 External Audit Plan** received.

The Motion was declared

CARRIED

MOVED by Ryan Singh, seconded by Trustee Kennedy, that Items 8b) and 13c) be adopted as follows:

**8. Presentation**

**8b) Paula Hatt, representing the Toronto and Area Regional Internal Audit Team (RIAT), regarding the RIAT Update; and**

**13c) RIAT Update, September 2018** received.

The Motion was declared

CARRIED

MOVED by Trustee Kennedy, seconded by Ryan Singh, that Items 8c) and 13d) be adopted as follows:

**8c) Paula Hatt, representing the Toronto and Area Regional Internal Audit Team (RIAT), regarding the Employee Health and Safety Audit; and**

**13d) RIAT Employee Health and Safety Audit, August 2018** received.



The Motion was declared

CARRIED

Trustee Rizzo voted against the Motion.

MOVED by Nancy Borges, seconded by Ryan Singh, that Item 13a) be adopted as follows:

- 13a) Update Report regarding Whistleblower Policy** received and that the Board accept the Whistleblower Policy as recommended by the Governance and Policy Committee.

The Motion was declared

CARRIED

MOVED by Nancy Borges, seconded by Trustee Rizzo, that Item 13e) be adopted as follows:

- 13e) Audit Committee Meeting Annual Agenda/Checklist** received and that a quarterly update of the financial status be provided.

The Motion was declared

CARRIED

**15. Inquiries and Miscellaneous**

- 15a) Proposed Audit Committee Meeting Date for Consideration** Tuesday, November 6, 2018 at 6:30 pm. is confirmed.

MOVED by Trustee Rizzo, seconded by Trustee Kennedy, that the Agenda be reopened to add Item 15b) Inquiry from Trustee Rizzo regarding the Removal of Daycare Funding by the Ministry of Education.

MOVED by Nancy Borges, seconded by Ryan Singh, that Item 15b) be adopted as follows:

- 15b) Inquiry from Trustee Rizzo regarding the Removal of Daycare Funding by the Ministry of Education** received.

The Motion was declared

CARRIED

MOVED by Ryan Singh, seconded by Trustee Kennedy, that the meeting resolve back into PRIVATE Session.

The Motion was declared

CARRIED

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SECRETARY

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CHAIR



## **Toronto Catholic District School Board**

### **Status Update for Audit Committee**

**November 2018**

The following is the status of engagements included in the Toronto Catholic District School Board's Regional Internal Audit Plan for the 2017/18 year.

#	Audits	Status
1	Monitoring and Reporting of Student Achievement	Completed. This audit report was presented to the Audit Committee in May 2018.
2	Health and Safety	Completed. This audit report was presented to the Audit Committee in September 2018.
3	Repairs and Maintenance Follow Up	<p>The objective of the follow-up engagement is to assess that controls are in place and are operating effectively to mitigate the risks associated with findings identified in the initial audit report.</p> <p>This audit report has been completed and issued and will be discussed at the November 2018 Audit Committee meeting.</p>

The following is the status of engagements included in the Toronto Catholic District School Board's Regional Internal Audit Plan for the 2018/19 year.

#	Audits	Status
1	IT Assets	<p>The high-level objectives and scope for this engagement are to assess the processes surrounding IT asset management at the schools (staff and students) and administrative level including the controls surrounding approval, purchasing, deployment, retirement and recording/monitoring of IT related assets (e.g. computers, tablets).</p> <p>This engagement is currently being planned, with on-site work expected to begin in early December.</p>
2	Records Management	<p>The high-level objectives and scope for this engagement are to determine whether the network of the records management lifecycle as designed and implemented by the Board, is adequate and functioning.</p> <p>This engagement is currently planned for early spring 2019.</p>
3	Payroll Follow Up	<p>The objective of the follow-up engagement is to assess that controls are in place and are operating effectively to mitigate the risks associated with findings identified in the initial audit report.</p> <p>This engagement is currently planned for early spring 2019.</p>

4	Three (3) year Risk Assessment/Internal Audit Plan	<p>The multi-year audit plan will be developed for the three-year period 2019-2022 and will consider the previous assurance coverage across the School Board Audit Universe.</p> <p>This engagement is currently planned for early 2019.</p>
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**CONFIDENTIAL**

**Toronto Catholic District School Board  
Repairs and Maintenance Follow-up Audit**

**July 2018**

**Serving:  
Toronto Catholic District School Board**



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## **EXECUTIVE SUMMARY**

### **Introduction**

An internal audit of selected processes and controls related to repairs and maintenance of Toronto Catholic District School Board ("TCDSB" or "Board") schools and facilities was conducted by PricewaterhouseCoopers (PwC) in FY2012/13. The audit covered the period of September 1, 2011 - August 31, 2012 and the final report was issued by PwC in June 2013 ("initial audit report"). The Regional Internal Audit Team (RIAT) performed a follow-up review in FY2017/18 focused on management action plans to address the initial audit report findings and recommendations.

### **Objectives and Scope**

The objective of this engagement was to assess whether controls were designed and operating effectively to mitigate the risks associated with findings identified during the initial audit. The scope was to assess management's actions to address the "high" and "medium" risk findings identified in the initial audit report.

A detailed summary of the findings, recommendations and management action plans from the initial audit, as well as management's description of actions taken to address the initial findings is presented in this report.

### **Overall Summary of Results**

Management has made progress in addressing the findings and recommendations from the initial audit report. Enhanced processes and controls continue to be implemented to mitigate the risks previously identified.

Internal Audit noted the following:

- 6 completed
- 2 in progress

## KEY FINDINGS AND RECOMMENDATIONS

Refer to the chart below for a summary of the initial internal audit findings, the RIAT's assessment of current status, and related findings and recommendations:

	<b>INITIAL FINDING (June 2013 PwC Report)</b>	<b>CURRENT STATUS (RIAT assessment at April 2018)</b>	<b>SUMMARY OF KEY FINDINGS (April 2018)</b>
1	No evidence that repair and maintenance work orders are consistently completed in accordance with the established priority timelines	COMPLETE	The SAP work order system allows for the tracking of work order status and assignment of priority timelines.
2	Delegation of authority for authorizing work orders in the system is not consistently documented	COMPLETE	Management has established a work order process procedure and it is communicated to all staff on a periodic basis.
3	No process to monitor trade licenses required by maintenance staff	COMPLETE	Management has established a process to monitor trade licenses of maintenance staff.

4	No tracking of vehicles used by maintenance staff	COMPLETE	Management implemented a GPS tracking system in 2015 for all board vehicles.
5	Lack of a documented process to respond to complaints and concerns related to repair and maintenance activities	IN PROGRESS	Although there is no formalized process to respond to complaints related to repair and maintenance activities, there is an informal process established.
6	Lack of a formal process to review and update repair and maintenance procedures	COMPLETE	Board policies and procedures are updated according to a set timeline. The Facilities Management Policy and Procedures was approved in September 2016.
7	Lack of a formal performance appraisal process	IN PROGRESS	There is no formal performance appraisal process established for repair and maintenance staff.  Management, human resources, and unions will continue to work towards formalizing this process.
8	No documented procedures related to vehicle accidents	COMPLETE	Management has established a vehicle accident procedure and it has been communicated to all relevant facilities staff.

For detailed results and recommendations see the “Initial Findings, Recommendations, Management Action Plans (2013) and Current Status (April 2018)” section below.

## BACKGROUND

The Facilities Services Department is comprised of Capital Development, Renewal, Operations, and Maintenance and Energy Management services. Within the Maintenance subgroup there are 1 Senior Coordinator, 2 Managers, 2 Supervisors, 4 Service Quality Supervisors and approximately 70 maintenance trade staff. The Maintenance group has over 219 facilities consisting of schools, administrative offices and rental spaces under its care.

The Maintenance group handles daily repair and maintenance service requests, while the renewal area handles planned repair and maintenance projects that are more significant in cost (typically in excess of \$10,000 per project). Our follow-up procedures focused on the maintenance services group as the initial audit findings related to processes and controls therein.

To manage the high volume of repair and maintenance requests, Maintenance uses SAP work order system. This work order system module is integrated with the board's primary financial management software.

### Total Volume of Work Orders by Year

	<b>2017/18</b> <b>(as at May 24, 2018)</b>	<b>2016/17</b>
<b>Total Work Orders</b>	33,694	40,057

Based on current year data (up to May 24, 2018), the majority of requests are related to plumbing, interior doors and hardware, lighting, locks and HVAC systems (refer to Appendix C for details).

## INITIAL FINDINGS, RECOMMENDATIONS, MANAGEMENT ACTION PLANS (JUNE 2013) AND CURRENT STATUS (APRIL 2018)

The following chart contains the initial findings, recommendations and management action plans from the TCDSB Repairs and Maintenance Audit Report (June 2013) as well as current status as described by management (April 2018).

#	FINDING TITLE	RECOMMENDATION	MANAGEMENT ACTION PLAN (June 2013)	CURRENT STATUS (April 2018)
<b>Finding 1: Two (2) Parts</b>				<b>Complete</b>
1	No evidence that repair and maintenance work orders are consistently completed in accordance with the established priority timelines	The Senior Coordinators of Maintenance and Operations should require clerical staff to include adequate notes in SAP indicating the status of an open work order, as well as, information explaining why the system completion dates would be beyond the set priority timelines. These notes should be recorded in the SAP system before the entry of actual hours	<p>Priority 5 (Emergency) calls are responded to in accordance with the TCDSB Work Priority Timelines. Immediate response is required, even after hours and on weekends or holidays, in order to mitigate the risk of having to close the school.</p> <p>However, final resolution of the issue may require follow-up repairs, supply</p>	<p><b><u>Status:</u> Complete</b></p> <p><b><u>RIAT Work Performed:</u></b></p> <p>We observed that the SAP work order system allows users to update the status of an open work order and add notes to the work order.</p> <p>Dispatchers and Area Supervisors are responsible to update the</p>

#	FINDING TITLE	RECOMMENDATION	MANAGEMENT ACTION PLAN (June 2013)	CURRENT STATUS (April 2018)
		<p>worked by a given maintenance staff.</p> <p>Furthermore, the Senior Coordinators of Maintenance and Operations should have clerical staff update the status of work orders in the system on a timely basis.</p>	<p>and installation of new parts and/or additional equipment or systems repairs, which would occur after responding to the emergency. As such, the original work orders may remain “open” in SAP until any follow-up work is completed and/or invoices are received from external contractors or equipment suppliers. This ensures that any follow-up work is tracked back to the original work order.</p>	<p>status of work orders on a timely basis.</p>
		<p>Also, as opportunities for improvement, TCDSB should consider the following in any future system upgrade:</p> <ul style="list-style-type: none"> <li>• Introduction of hand held devices in the processing of repair and maintenance work orders. For instance, hand held devices could</li> </ul>	<p>Management has implemented a new work tracking system through Syclo, with hand-held devices, which is linked to the work order system in</p>	<p><b><u>Status: Complete</u></b></p> <p><b><u>RIAT Work Performed:</u></b></p> <p>We noted that work order processing on the mobile device was introduced May 2017 and prior to this it was on a tablet. This enables all tradesmen to access work orders in a timely basis, edit and</p>

#	FINDING TITLE	RECOMMENDATION	MANAGEMENT ACTION PLAN (June 2013)	CURRENT STATUS (April 2018)
		<p>give maintenance staff the capability to electronically close a repair or maintenance work order in 'real time'. Information held in these devices would electronically feed into the SAP system, as well, thus, ensuring that statuses of repair and maintenance work orders are updated in the system on a timely basis.</p> <ul style="list-style-type: none"> <li>• Explore the ability in the SAP system to differentiate between the main job per the initial work order and any additional required work thereafter.</li> </ul>	<p>SAP. This will allow maintenance staff to update work orders and the status of work from the hand-held devices directly into SAP. Four pilot schools have been tagged with a bar code, to facilitate identification of equipment, warranties and repair history. Testing of the Syclo device is in process at these four pilot schools.</p> <p>The Board has a 24-hour monitoring service, and designated on-call facilities staff to respond to building emergencies that occur after hours, weekends and holidays. The monitoring centre receives automated</p>	<p>complete the work order in real time in the work order system.</p> <p>In addition, we noted that work related to initial work orders in SAP can be coupled to enhance tracking details.</p>



#	FINDING TITLE	RECOMMENDATION	MANAGEMENT ACTION PLAN (June 2013)	CURRENT STATUS (April 2018)
			signals in the event of low heat or no-heat at a building as well as building security status (if an alarm is not set or disconnected). Security vehicles are dispatched to respond to the emergency call and the on-call staff provides direction with regards to calling in an external contractor to deal with an emergency. In all instances proper responses are provided within the set priority timelines.	
2	Delegation of authority for authorizing	We recommend that management develop documented procedures related to the delegation of authority process.	Dispatch staff may only receive verbal approval because management staff is out of the office, at a school for example,	<b><u>Status:</u> Complete</b>  <b><u>RIAT Work Performed:</u></b> Management has established the Work

#	FINDING TITLE	RECOMMENDATION	MANAGEMENT ACTION PLAN (June 2013)	CURRENT STATUS (April 2018)
	work orders in the system is not consistently documented	These procedures should include information on when delegation of authority is needed, who can delegate approval authority, and what constitutes adequate documentation (e.g. notes) in SAP to evidence such delegation. Management should ensure that these procedures are communicated to the Dispatchers and Facilities Secretaries accordingly.	dealing with a repair job – however, following the audit; facilities staff have implemented a system of recording the instances of verbal approval on the work notification in SAP. Delegation of authority is being documented within the Notification to ensure that high and urgent repairs are properly authorized prior to commencing the work. Prior to commencement of the work, incoming work orders are reviewed and approved by the Maintenance Officers and Supervisors.	Order Process procedure document that describes the delegation of authority process. In addition, the process is re-communicated to the staff periodically.
3	No process to monitor trade licenses	Management should establish a formal process to track trade licenses. This could be	Management has initiated a Trade license registry, and will undertake annual verification of trade	<b><u>Status:</u> Complete</b>  <b><u>RIAT Work Performed:</u></b>

#	FINDING TITLE	RECOMMENDATION	MANAGEMENT ACTION PLAN (June 2013)	CURRENT STATUS (April 2018)
	required by maintenance staff	<p>accomplished through the development of a tracking spreadsheet that includes key information such as the staff member's job classification, Certification/Trade Number, the date of issue and expiration.</p> <p>Maintenance Manager should designate a staff member who is responsible for follow-up on any trade licenses that are coming up for expiration and update the tracking spreadsheet accordingly.</p>	<p>licenses. In cases where the license does not show an expiration or renewal date, Management staff will request a letter of confirmation from licensing body verifying that the license is in good standing. This process will be undertaken annually. Maintenance Officers will also verify that the type of license and the work covered by the license is valid, by annually contacting the Ontario College of Skilled Trades or from the OCST website. (www.collegeoftrades.ca)</p>	<p>Management has established a formal process to track trade licenses. Each Area office is responsible to track the trade licenses and their expiry and notify the relevant staff of expiration dates and renewal.</p> <p>The East and West Supervisors are responsible to maintain the tracking of licenses.</p> <p>We examined the tracking sheet and trades licenses for all staff and noted that all were current and there were no exceptions.</p>
4	No tracking of vehicles used by	We understand that Facilities management has plans to implement GPS	As noted, Management has researched and is in the process of	<b><u>Status:</u> Complete</b>

#	FINDING TITLE	RECOMMENDATION	MANAGEMENT ACTION PLAN (June 2013)	CURRENT STATUS (April 2018)
	maintenance staff	tracking devices on all maintenance Vehicles this year. We recommend that management move forward with these plans, to include installing a GPS tracking software.	<p>implementing a telematics system for Board owned vehicles. Management staff has met with another GTA school Board that has recently awarded a contract to a vehicle telematics company. Management staff is in the process of developing policy and procedural guidelines for a telematics program, and will meet with the union in the fall to review and consult regarding implementation of the program.</p> <p>Management staff has completed the procurement process for a Fleet Management services, through shared services agreement with</p>	<p><u>RIAT Work Performed:</u></p> <p>Management implemented a GPS tracking system in 2015. The system sends notifications to managers in real time for speeding, idling and location.</p> <p>Board policy “Board Vehicles” was established in August 2015 to provide guidance on the safe and proper use and management of board vehicles.</p>

#	FINDING TITLE	RECOMMENDATION	MANAGEMENT ACTION PLAN (June 2013)	CURRENT STATUS (April 2018)
			Government of Ontario Services. The Fleet Management program contains a Driver Risk assessment program – Management staff is reviewing the costs associated with adding this service to the fleet management package. As well, further consultation with the union would be required to initiate the Driver Risk Assessment program.	
5	Lack of a documented process to respond to complaints and concerns related to	Management should formalize the process to handle complaints and concerns related to repair and maintenance activities. This should include a documented process that defines the	Schools are able to make requests for repairs, make complaints or request alterations through SAP. Work notifications when received in the maintenance department	<p><b><u>Status:</u> In Progress</b></p> <p><b><u>RIAT Work Performed:</u></b></p> <p>Although management has not documented a formal process to handle complaints, an informal</p>

#	FINDING TITLE	RECOMMENDATION	MANAGEMENT ACTION PLAN (June 2013)	CURRENT STATUS (April 2018)
	repair and maintenance activities	<p>expected response time frame for any received complaints.</p> <p>Management should provide schools with guidelines regarding the mechanism of sending complaints. For example, guidelines may include instructions for a school to open a work order notification for any unsatisfactory services. Such instructions could be included in existing communication that goes out to the schools e.g. brochures, training documentation, email/intranet bulletins etc.</p>	<p>are prioritized according to the nature of the work. Priority 4 and 5's indicate an urgent or immediate response is required. School custodial and administrative staff have received training as to how to send in a work order notification (request) in SAP and can view the notifications listed for their respective school. Custodial staff receives refresher training once a year during March break training, on how to place an SAP work notification.</p> <p>Custodial staff may also phone the Communication Centre (one located in the east</p>	<p>process is understood and communicated periodically to schools.</p> <p>The department has a Service Quality Supervisor for each area and two Service Quality Officers that are responsible for attending to school concerns and complaints.</p> <p>In addition, notifications are sent to the school when each work order is closed. Finally, twice a year, a review of all open work orders is performed in collaboration with each school.</p> <p>We reviewed two recent communications to schools providing</p>

#	FINDING TITLE	RECOMMENDATION	MANAGEMENT ACTION PLAN (June 2013)	CURRENT STATUS (April 2018)
			<p>and one in the west) to place a request with a Comm. Centre staff person.</p> <p>Renewal requests or work deemed to be Renewal (too large in scope or budget, requires a consultant and/or a building permit) can be identified and re-directed from Maintenance to Renewal in SAP.</p> <p>Management staff is also re-instating an on-line guideline to assist school administrative and custodial staff to place SAP notifications and will include information regarding timeline and</p>	<p>instruction on how to handle complaints for a specific service (i.e., snow removal).</p> <p><b><u>Management Response:</u></b></p> <p>Management is currently working on creating a system of sending complaints for any unsatisfactory completed work orders and being able to track all the action taken to address these complaints. This system will be communicated to the schools with clear instructions on how to use it. We expect to complete this system including the trial period by March 2019.</p>

#	FINDING TITLE	RECOMMENDATION	MANAGEMENT ACTION PLAN (June 2013)	CURRENT STATUS (April 2018)
			process based on the priority ranking.	
6	Lack of a formal process to review and update repair and maintenance procedures	<p>We understand that at the Board level, a new process was implemented last year to review all policies and that there are plans to also establish a regular policy review cycle.</p> <p>We recommend that all procedures pertaining to the Facilities department be reviewed against a review timeline that would be similar to the one that will be established at the Board level for policy reviews.</p>	<p>TCDSB Management has developed an overall framework and process for Policy and Operational Procedures review over the next two years. Policies and Operational Procedures have been categorized according to the appropriate Standing Committee at which they would be reviewed and prioritized according to their impact and need to be compliant with regulations and statutes of the Education Act or other relevant legislation. Internally, a new Operational Procedure to initiate repairs and</p>	<p><b><u>Status:</u> Complete</b></p> <p><u>RIAT Work Performed:</u></p> <p>The board reviews all policies and key procedures according to a set schedule, including those related to repairs and maintenance activities.</p> <p>In September 2016 the Board developed a Facilities Management Policy and Procedure and it is due to be reviewed in 2021.</p> <p>Departmental procedures are updated as required</p>



#	FINDING TITLE	RECOMMENDATION	MANAGEMENT ACTION PLAN (June 2013)	CURRENT STATUS (April 2018)
		Procedures should be reviewed, irrespective of whether there have been changes to the process or not. This will provide TCDSB the opportunity to confirm that the procedures in place are not outdated and are consistent with current practices or new legislation.	maintenance jobs was established with introduction of an integrated Enterprise-wide Financial System (SAP) by TCDSB in 2000. Facilities Department staff execute and document all maintenance activities through SAP in compliance with the Board's Purchasing Policy. Management will continue to review Operational Procedures in order to ensure compliance with legislation and codes enforced by external government agencies. In particular, the Fire Emergency Operational Procedures document is created when a building is	when changes are necessary.

#	FINDING TITLE	RECOMMENDATION	MANAGEMENT ACTION PLAN (June 2013)	CURRENT STATUS (April 2018)
			built and changes only when there are physical changes to the building such as re-configuration of interior space. Furthermore, the Fire Emergency Policy is determined by the Municipal Fire Department and can only be changed by the same Fire Department. Review of such Operational Procedure documents will continue to be reviewed and updated as prescribed by TCDSB's established Policy and Operational Procedure Review Framework.	
7	Lack of a formal performance	It is our understanding that the accountability for the implementation of this	Management will investigate the feasibility of developing and	<b><u>Status: In Progress</u></b>  <b><u>RIAT Work Performed:</u></b>

#	FINDING TITLE	RECOMMENDATION	MANAGEMENT ACTION PLAN (June 2013)	CURRENT STATUS (April 2018)
	appraisal process	<p>finding lies with the Human Resources Department.</p> <p>We recommend that TCDSB consider establishing a formal appraisal process for its facility staff.</p> <p>We understand that such a process, may not be implemented immediately and as such, we would recommend that Facilities &amp; Maintenance management implement an interim process that is more formalized to document staff performance and identify gaps and remediation steps. This could include documenting the meeting</p>	<p>implementing performance measurement policies, operational procedures, programs and training. The implementation deadline is to be determined.</p> <p>Management recognizes performance measurement as a best practice.</p>	<p>Currently there is no formal performance appraisal process established for facility staff.</p> <p>Human Resources is in the process of evaluating a recruitment tool that will allow for performance appraisals to be maintained.</p> <p>Management working in conjunction with unions will continue to work on formalizing this process.</p> <p><b><u>Management Response:</u></b></p> <p>Human Resources is currently in the process of building a Business</p>

#	FINDING TITLE	RECOMMENDATION	MANAGEMENT ACTION PLAN (June 2013)	CURRENT STATUS (April 2018)
		held to discuss performance, and follow-up actions such as a recommendation for training.		Leaders Performance Model, expected to be implemented by February 2019. Through the development of system goals, area targets and personal goal setting factors with the Business Leaders, this process will drive the required discussions with our union partners for developing similar performance systems across our unionized employee groups. Human Resources is currently in the process of sourcing an e-Recruitment, On-Boarding and Performance Management software to support these three (3) key HR emerging

#	FINDING TITLE	RECOMMENDATION	MANAGEMENT ACTION PLAN (June 2013)	CURRENT STATUS (April 2018)
				initiatives. In the interim, we are identifying promising practices in other boards relating to this issue and we plan on meeting with union Executives before June 30, 2019 to plan the cascading of the appraisal process to other groups.
8	No documented procedures related to vehicle accidents	<p>We understand that management has developed a Board vehicle procedure manual, which includes a section on drivers' safety, as part of the new GPS system implementation. As such, we recommend the following:</p> <p>The Board should finalize the vehicle procedure</p>	Management are in the process of implementing a Fleet Management service plan, which will provide a history and documentation of repairs for Board-owned vehicles. Please refer to Management Comments provided in Section 4.	<p><b><u>Status:</u> Complete</b></p> <p><b><u>RIAT Work Performed:</u></b></p> <p>The Board developed the Accident Reporting Procedure in September 2013. This procedure is periodically re-communicated to the facilities staff and they are required to acknowledge through sign-off. The</p>

#	FINDING TITLE	RECOMMENDATION	MANAGEMENT ACTION PLAN (June 2013)	CURRENT STATUS (April 2018)
		<p>manual including the safety procedures.</p> <p>The Board should communicate the vehicle procedure manual to all Facilities drivers.</p> <p>In addition, the Board should consider obtaining confirmation (e.g. sign-off) from the drivers that they have read and understood the vehicle procedure manual and are aware of their overall responsibility and how they should respond in the event of an accident.</p>		<p>procedure is accessible in each board vehicle.</p> <p>Management requires all drivers to inspect their vehicle for defects and sign the vehicle inspection report prior to using the vehicle. This helps to ensure all vehicle issues are reported to management.</p>

## **APPENDIX A - ACKNOWLEDGEMENTS**

We would like to take this opportunity to thank the management and staff of the TCDSB for their support and assistance during this engagement.

### **Conducted by:**

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### **Reviewed by:**

Bruce Lowe, (Director PwC)  
Acting Senior Manager, Regional Internal Audit Team

Paula Hatt, CPA, CA, CIA  
Senior Manager, Regional Internal Audit Team

## **APPENDIX B – REPORT DISTRIBUTION**

This report is intended primarily for the information and use of the individuals on the distribution list and should not be provided to any other individual without the consent of the Senior Manager, Regional Internal Audit Team, Toronto and Area.

This report has been distributed to the following individuals:

- Toronto Catholic District School Board Audit Committee
- Rory McGuckin, Director of Education
- Paul DeCock, Comptroller of Business Services
- Tim Robbins, Acting Associate Director of Planning, Facilities and Stewardship
- Deborah Friesen, Acting Executive Superintendent of Facilities Services
- Khaled Elgharbawy, Senior Coordinator of Maintenance and Energy Management



## **APPENDIX C – VOLUME OF WORK ORDERS BY WORK TYPE CALL CATEGORY FOR 2017/18 YEAR TO DATE**

<b>Job Activity Type</b>	<b>Total Number of Work Orders</b>	<b>% of Work Orders</b>
HVAC/Mechanical	5,087	15%
Plumbing	4,524	13%
Electrical	3,797	11%
Life/Fire/Safety Protection	1,716	5%
Lighting	1,636	5%
Walls	1,612	5%
Hardware	1,517	5%
Security Systems	1,445	4%
Windows/Glazing	1,336	4%
Interior Doors	1,309	4%
Millwork	1,033	3%
Ceilings	1,028	3%
Floors	816	2%
Warehouse	735	2%
Exterior Doors	725	2%
Building Automation/Controls	701	2%
Portables	697	2%
Communications/PA	684	2%
Landscape/Fencing	681	2%
Total	31,079	92%

*Source: SAP Work Order System*

Note: The remaining 8% is comprised of 19 work type calls, each representing less than 1.2% of the total of all work orders.



REPORT TO

AUDIT COMMITTEE

## ENTERPRISE RISK MANAGEMENT FRAMEWORK UPDATE

*“Take delight in the LORD, and he will give you the desires of your heart.”*

**Psalm 37:4**

Created, Draft	First Tabling	Review
October 30, 2018	November 6, 2018	<a href="#">Click here to enter a date</a>
P. De Cock, Comptroller of Business Services & Finance		
<b>RECOMMENDATION REPORT</b>		

**Vision:**

*At Toronto Catholic we transform the world through witness, faith, innovation and action.*

**Mission:**

*The Toronto Catholic District School Board is an inclusive learning community uniting home, parish and school and rooted in the love of Christ.*

*We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.*



**Rory McGuckin**  
Director of Education

**D. Koenig**  
Associate Director  
of Academic Affairs

**T. Robins**  
Acting Associate Director  
of Planning and Facilities

**L. Noronha**  
Executive Superintendent  
of Business Services and  
Chief Financial Officer

## **A. EXECUTIVE SUMMARY**

This report provides the Audit Committee with an update concerning the new Enterprise Risk Management (ERM) Framework currently in development and pilot study for the School Board Sector.

The new ERM Framework is currently undergoing a pilot study with a few school boards since November 2017. It is anticipated that a documented ERM Framework specific to the School Board Sector will be released in the next few months.

*The cumulative staff time required to prepare this report was 3 hours*

## **B. PURPOSE**

1. This update report and the original report to the Audit Committee (Private Session) on May 23<sup>rd</sup> responds to a request through an approved motion at the Audit Committee meeting on April 24<sup>th</sup> 2018. The motion requested that, “staff to come back with a report on the top five priority areas and the risks to the Board at the next Audit Committee meeting on May 23<sup>rd</sup> 2018.”

## **C. BACKGROUND**

1. The Audit Committee received an inquiry from an Audit Committee member regarding Regulatory Environment Dashboards. The Audit Committee received the inquiry, and an approved motion requested staff to come back with a report identifying the top five priority areas and their inherent and residual risks to the TCDSB.
2. TCDSB staff responded to the inquiry during the Audit Committee meeting on September 12<sup>th</sup> 2018. The response indicated that work is currently underway by Ministry and School Board staff to develop an updated ERM specific to the School Board Sector, and a pilot study is occurring at a few school boards. A further update regarding this ERM pilot study would come back to the next scheduled Audit Committee meeting.

## **D. EVIDENCE/RESEARCH/ANALYSIS**

### ***ERM Framework pilot study is a work-in-progress***

1. The Enterprise Risk Management (ERM) Framework tool is currently a work-in-progress and undergoing a pilot study with a few school boards since November 2017 in order to develop their risk registers.
2. This pilot study presently does not include any school board from the Greater Toronto Area.
3. Documentation regarding the ERM Tool specific to the School Board Sector is expected to be ready for distribution to the School Board Sector in the next few months.
4. Council of School Business Officials (COSBO) Efficiency and Effectiveness (E&E) funding will be provided to School Boards once the ERM Framework tools have been developed.

### ***Developing the TCDSB's Environmental Risk Management Dashboard***

3. TCDSB staff will develop a school board specific ERM Dashboard based on the forthcoming ERM Framework documentation and design to communicate to the Audit Committee on a regular basis the existence or emergence of environmental and/or organizational risks.

## **E. STAFF RECOMMENDATION**

That TCDSB staff continue to track and monitor the development of a School Board Specific Enterprise Risk Management (ERM) tool, and bring back to the Audit Committee a report recommending its modification and/or adoption as soon as the new ERM tool is available.

## Audit Committee Meeting 2018 Annual Agenda / Check List

	Jan	Apr	May	Sep	Nov
<b>Risk Management</b>					
Resourcing (Mix, Skillset, Quantity)	D				
Reputational Risk	D			D	D
Management Structure Issues		D			
CFO Role		D			
Budget (2018/2019)			D	D	
<b>Financial Reporting Process</b>					
MOE Financial Reports			D		
Consolidated Financial Statements					D
<b>Internal Audit</b>					
Open Audit Status (% complete, support received)	D		D		D
Risk Review Summary on Audit Completion	D		D		
Future Audit Plan (2 years)			D	D	
<b>Internal Controls</b>					
Ministry Operational Review					
Internal Audit recommendations	D		D	D	D
<b>Compliance Matters</b>					
Legal		D		D	D
MOE				D	D
Union				D	D
Board Policy Compliance				D	D
<b>External Audit</b>					
Review External Auditors		D		D	
Scope				D	
Cost				D	

D - Discussed

R - Review requested

P - Pending

Audit Committee is required to meet a minimum of 3 times annually.