

# AUDIT COMMITTEE REGULAR MEETING Open (Public) Session

**AGENDA**  
**March 26, 2019**

**Angela Kennedy. Chair**

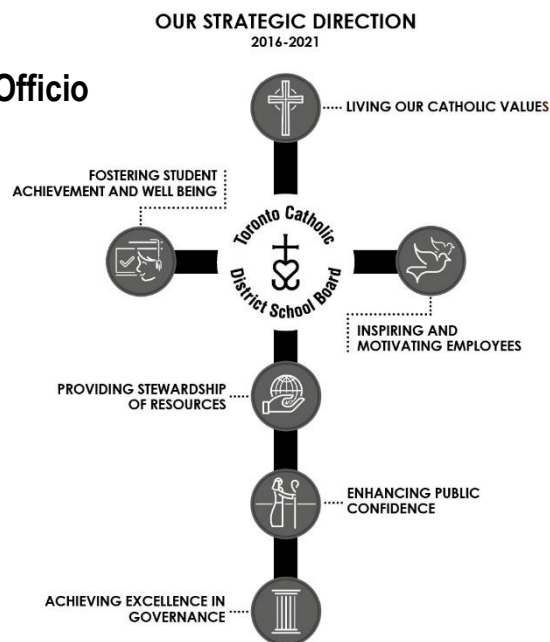
**Maria Rizzo, Vice-Chair & Ex-Officio**

**Michael Del Grande**

**Daniel Di Giorgio**

**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**

**Maria Rizzo**  
**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.

## OUR 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.*

## OUR VISION

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



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

## **PUBLIC SESSION**

Tuesday, March 26, 2019  
6:30 P.M.

---

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 January 30, 2019 for Public Session. 1 - 9
7. Delegations
8. Presentation
  - 8.a Paula Hatt, representing the Toronto & Area Regional Internal Audit Team (Refer Item 13a)
9. Notices of Motion
10. Consent and Review
11. Unfinished Business



## **12. Matters referred/deferred**

From the Audit Committee Meeting Held January 30, 2019

- 12.a Summary of School and Catholic School Parent Council (CSPC) Audit Findings (Refer Item 13g)

That staff come back with a more comprehensive and detailed analysis regarding the hospitality issue.

## **13. Staff Reports**

- |      |  |         |
|------|--|---------|
| 13.a | Paula Hatt, representing the Toronto & Area Regional Internal Audit Team, regarding the Regional Internal Audit Team Update (Refer Item 8a)                        | 10 - 12 |
| 13.b | Ministry of Education Enrolment Audits of Alternative Programs   | 13 - 27 |
| 13.c | 2019-20 Budget Setting Plan and Consultation   | 28 - 48 |
| 13.d | 2018-19 Second Quarter Financial Status Update   | 49 - 62 |
| 13.e | Audit Committee Annual Agenda/Checklist  | 63      |
| 13.f | Summary of School and CSPC Audit Findings - Ministry and Toronto Catholic District School Board Procedures and Policies Pertaining to Hospitality (Refer Item 12a) | 64 - 93 |

## **14. Listing of Communication**

## **15. Inquiries and Miscellaneous**

- 15.a Scheduled Audit Committee Meeting Dates:
- Tuesday, May 14, 2019;
- Tuesday, September 17, 2019 ; and
- Tuesday, November 13, 2019

## **16. Updating of Pending List**

94

## **17. Closing Prayer**

## 18. Adjournment

## **OUR 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.*

## **OUR VISION**

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



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

**HELD WEDNESDAY, JANUARY 30, 2019**

**Trustees:** A. Kennedy, Chair  
M. Rizzo, Vice-Chair  
M. Del Grande  
D. Di Giorgio

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

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

**External Auditor:** P. Hatt – Toronto Regional Internal Audit Team

The meeting commenced with Trustee Del Grande as Chair.

## **4. Election of Chair**

The Chair called for nominations.

MOVED by Trustee Rizzo, seconded by Ryan Singh, that the name of Trustee Del Grande be placed in nomination.

The Motion was declared

CARRIED

Trustee Del Grande accepted.

MOVED by Nancy Borges, seconded by Ryan Singh, that the name of Trustee Kennedy be placed in nomination.

The Motion was declared

CARRIED

Trustee Kennedy accepted.

Results of the Vote taken, as follows:

**Trustee Kennedy**

**Trustee Del Grande**

Nancy Borges  
Trustee Kennedy  
Ryan Singh

Trustees Del Grande  
Rizzo

Trustee Kennedy was declared Chair of the Audit Committee.

The meeting continued with Trustee Kennedy as Chair.

**5. Election of Vice Chair**

MOVED by Trustee Del Grande, seconded by Nancy Borges, that the name of Trustee Rizzo be placed in nomination.

The Motion was declared

CARRIED

Trustee Rizzo accepted.

There were no further nominations.

Trustee Rizzo was declared Vice-Chair of the Audit Committee.

**6. Approval of the Agenda**

MOVED by Nancy Borges, seconded by Trustee Rizzo, that the Agenda be approved.

The Motion was declared

CARRIED

**7. Declarations of Interest**

There were none.

MOVED by Trustee Rizzo, seconded by Trustee Del Grande, that Item 8) be adopted as follows:

**8. Approval & Signing of the Minutes of the Meeting held November 6, 2018 for Public Session** tabled until Legal Counsel is available.

The Motion was declared

CARRIED

MOVED by Trustee Rizzo, seconded by Nancy Borges, that Items 10a) and 15a) be adopted as follows:

**10. Presentation**

- 10a) Paula Hatt, representing the Toronto & Area Regional Internal Audit Team (RIAT) – Refer Item 15a) received; and**

**15. Staff Reports**

- 15a) Paula Hatt, representing the Toronto and Area RIAT Update – Refer Item 10 a) received.**

The Motion was declared

CARRIED

MOVED by Trustee Rizzo, seconded by Ryan Singh, that Items 10b) and 15b) be adopted as follows:

**10. Presentation**

- 10b) Paula Hatt, representing the Toronto & Area RIAT received; and**

**15. Staff Reports**

- 15b) Audit Committee Information Technology Update January 2019 received.**

The Motion was declared

CARRIED

Trustee Di Giorgio joined the meeting at 7:26 pm.

MOVED by Trustee Del Grande, seconded by Nancy Borges, that Item 15c) be adopted as follows:

- 15c) Summary of School and Catholic School Parent Council (CSPC) Audit Findings Update on RIAT Enterprise Risk Management** received.

MOVED in AMENDMENT by Trustee Del Grande, seconded by Ryan Singh, that, if not already received, each school receive a summary or reconciliation of their activity for the HST rebate.

The Amendment was declared

CARRIED

MOVED by Nancy Borges, seconded by Trustee Di Giorgio, that staff come back to the March 26, 2019 Audit Committee Meeting with a more comprehensive and detailed analysis regarding the hospitality issue.

The Motion was declared

CARRIED

The Motion, as amended, was declared

CARRIED

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

**15d) Schedule of 2019 Internal School Audits** received.

MOVED by Trustee Rizzo, seconded by Trustee Del Grande, that the Item be deferred until such time as a more fulsome report is received from staff.

The Motion was declared

LOST ON A TIE

The Motion of Receipt was declared

CARRIED



MOVED by Trustee Di Giorgio, seconded by Nancy Borges, that Item 15e) be adopted as follows

**15e) 2018-19 First Quarter Financial Status Update** received.

The Motion was declared

CARRIED

MOVED by Nancy Borges, seconded by Trustee Del Grande, that Item 15f) be adopted as follows

**15f) Annual Agenda List** received.

The Motion was declared

CARRIED

## **17. Inquiries and Miscellaneous**

### **17a) Next Scheduled Meeting: March 26, 2019**

MOVED by Trustee Del Grande, seconded by Nancy Borges, that the meeting resolve into PRIVATE Session.

The Motion was declared

CARRIED

**Attendance: (Following PRIVATE Session)**

**Trustees:** A. Kennedy, Chair  
M. Rizzo, Vice-Chair  
M. Del Grande  
D. Di Giorgio

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

**Staff:** R. McGuckin  
L. Noronha  
P. Matthews  
S. Camacho  
P. De Cock  
  
S. Harris, Recording Secretary  
S. Tomaz, Assistant Recording Secretary

MOVED by Trustee Rizzo, seconded by Trustee Del Grande, that Item 8) be adopted as follows:

- 8. Approval & Signing of the Minutes of the Meeting held November 6, 2018 for Public Session** that the Minutes be lifted from the table and approved.

The Motion was declared

CARRIED

MOVED by Trustee Rizzo, seconded by Trustee Del Grande, that the meeting resolve into TRIPLE PRIVATE Session.

The Motion was declared

CARRIED

---

SECRETARY

---

CHAIR



## **Toronto Catholic District School Board**

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

**March 2019**

**Audit Plan Update:** 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 Asset Management	<p>The main objective for this engagement is to assess whether the Board is adequately managing its IT assets. For this audit, the following types of IT assets are being reviewed:</p> <ul style="list-style-type: none"> <li>• Laptops / Desktops</li> <li>• Mobile devices (i.e. iPads and Chromebooks)</li> <li>• Printers</li> <li>• Audio visual equipment (i.e. large format displays and projectors)</li> </ul> <p>Review of the audit work is almost complete. Once complete, a closing meeting will be scheduled with management to discuss observations.</p>
2	Records Management	<p>The main objective for this engagement is to determine whether the Board's records are adequately managed from the creation of a record through to destruction of a record that is no longer required to be kept.</p> <p>The RFP for this audit was issued on March 7<sup>th</sup>. The successful vendor will be selected the first week of April, with audit work to start in April.</p>

#	Audits	Status
3	Payroll/Human Resources Follow Up	<p>The objective of this engagement is to follow up on findings identified in the Payroll/Human Resources Audit Report that was issued in 2016 and determine whether management has implemented appropriate processes and controls to address these findings.</p> <p>Planning for this follow-up is underway, with on-site fieldwork expected to take place in early April.</p>
4	Risk Assessment / Three-Year Internal Audit Plan	<p>A risk is the possibility of an event occurring that will impact achievement of the Board's objectives. The Regional Internal Audit Team will assess risk across the various functions of the Board to determine areas that are higher risk.</p> <p>The internal audit plan for the three years starting 2019-20 will then be developed and will take into consideration:</p> <ul style="list-style-type: none"> <li>• Areas of highest risk</li> <li>• Projects that will add the most value</li> <li>• Previous audit coverage</li> <li>• Common risk areas across boards in the Toronto and Area Region</li> </ul> <p>The risk assessment is underway. Management has completed surveys for the various functions of the board. Meetings to discuss the surveys and obtain further detail are taking place the first week of April.</p>



REPORT TO

AUDIT COMMITTEE

## MINISTRY OF EDUCATION ENROLMENT AUDITS OF ALTERNATIVE PROGRAMS

*“And let us consider how to provoke one another to love and good deeds, not neglecting to meet together, as is the habit of some, but encouraging one another, and all the more as you see the Day approaching.”*

*Hebrews 10:24-25*

Created, Draft	First Tabling	Review
February 11, 2019	March 26, 2019	<a href="#">Click here to enter a date.</a>
Douglas de Souza, Coordinator of Grants, Revenue & Ministry Reporting Paul De Cock, Comptroller of Business Services and Finance		
<b>INFORMATION REPORT</b>		

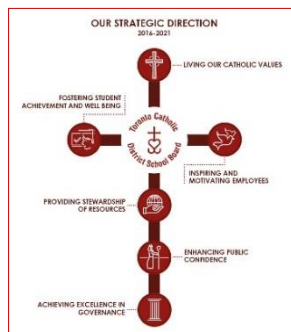
### **Vision:**

*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

L. Noronha  
Associate Director of Facilities,  
Business and Community  
Development, and  
Chief Financial Officer

## **A. EXECUTIVE SUMMARY**

A recent report by the Ministry of Education regarding enrolment audit findings (Appendix A) may affect the Toronto Catholic District School Board.

Credit courses must be 110 hours, and currently, the Monsignor Fraser programs offers less than 90 hours (83 to 87 hours). Consequently, a Monsignor Fraser Program student given the current course hour load could be reduced from a 1.0 full time equivalent (FTE) to a .75 FTE, which generates a Grant for Student Needs (GSN) reduction of (\$2-2.4M).

Mary Ward Catholic School's Independent Learning Program records and reports students on a regular register and claims them based on 6 credits for 1 FTE. The Ministry is currently reviewing all alternative programs and their program delivery models. If the TCDSB is required to put Mary Ward on an independent Study register, a full time student would need to have 7.5 credits. While most Mary Ward students do take the full 8 courses per year, there are some students in Grade 12 that take 7 credits or less. This may change a 1 FTE at to 0.8 FTE, and consequently, generating a GSN reduction.

*The cumulative staff time required to prepare this report was 2 hours*

## **B. PURPOSE**

1. The purpose of this report is to bring to your attention two key findings of the Ministry of Educations Enrolment Audits of Alternative Programs as they may negatively affect Toronto Catholic DSB.
2. One of the key findings was that many alternative programs were structured in a manner that did not provide 110 hours for a full credit and or 55 hours for a half credit. Significant adjustments were made to recalculate the FTE of pupils in these programs at other school boards. Msgr. Fraser is one of these programs that would be at risk as they provide under 90 hours under the current Quad Structure (83-87 hours).
3. Independent Study should be reported on an independent study register. The distinguishing factor between the independent study register and the day school register is that the number of credits required for a full ADE (6 credits for regular day school and 7.5 credits for independent study). The Ministry approved the Mary Ward Independent Study program in 1999 (20 years ago).



The ministry is currently reviewing alternative programs and alternative program delivery internally. The ministry has established an internal alternative program workgroup. This group's work may affect how TCDSB reports the Mary Ward program and the funding received for Mary Ward.

## **C. BACKGROUND**

1. The Ministry of Education over the last 3 years have been auditing Alternative programs and alternative program delivery. TCDSB was one of the first to have its Monsignor Fraser Alternative program audited. The key finding in that audit was that the program had an instructional day of 210 hours which is less than 300 Minutes (5 hours) of instruction available for compulsory age students. They also found a few students incorrectly documented resulting in an adjustment of \$67K in GSN's. Recent Ministry enrolment audits have identified significant findings and adjustments at other school boards. If the Monsignor Fraser Program is audited again, the result may reduce funding because the mandatory hours of instruction was not achieved. Currently, the credit course at Monsignor Fraser ranges from at 83 to 87 hours. A Monsignor Fraser student under the current course hours could be adjusted from a 1.0 FTE to a 0.75 F.T.E or a GSN grant reduction of \$2M to \$2.4M.
2. In the last year Ministry staff have contacted TCDSB about the Mary Ward enrolment registers and how students are marked for attendance purposes for the Program. TCDSB has a Ministry of Education letter dated back to 1999 approving the Mary Ward program and the program delivery model. However, it has been 20 years and the new working group on alternative education programs may have a different view.

## **D. CONCLUDING STATEMENT**

This report is for the information of Audit Committee.

# **ENROLMENT AUDIT ALTERNATIVE PROGRAMS**

**Ministry of Education**

January 2019

# Contents

1. Background
2. Examples of Alternative Programs
3. Alternative Program Audit Findings
4. Assessing Alternative Program Delivery
5. Independent Study
6. Questions

# Background

- Many of the school boards within the province have developed alternative programs and alternative program delivery for students at risk within their school board. The structure of many of the programs may not conform to current funding policy.
- The current enrolment audit cycles include review of alternative schools and alternative program delivery within a school.
- Recent audits have identified significant findings and adjustments related to alternative program delivery.
- The ministry is currently reviewing alternative programs and alternative program delivery internally.
- The ministry has established an internal alternative program workgroup.

# Examples of Alternative Program Delivery

- Terms within a semester
- One course all day every day
- Modular delivery
- Co-operative education
- Blended learning
- Reduced day
- Multiple alternative programs within a school

# Audit findings

## Regulation requirements

- Most of the alternative programs visited had an instructional day of less than 300 minutes or 5 hours. Regulation 298 addresses the need for 300 minutes (5 hours) of instruction available for compulsory age students.
- Many of the programs were structured in a manner that did not provide 110 hours for a full credit and/or 55 hours for a ½ credit. Significant adjustments were made to recalculate the FTE of pupils in these programs. The FTE of some students decreased from a full-time equivalency of 1.00 to an FTE of 0.60.
- Pupils with less than an average of 210 minutes of instruction per day were being reported as full-time for funding purposes.
- Students receiving instruction from continuing education teachers were incorrectly recorded on the regular day school register and vice versa.

# Audit Findings

## Reporting requirements

- Many school boards were incorrectly reporting students that were receiving instruction using a modular/unit based delivery on the regular full-time and part-time day school register. These students should have been reported on the Independent day school register based on the modules completed during the period of September to August
- In most of the alternative schools visited, there were many different alternative programs with varying period lengths. The master bell schedule was recorded in the school boards information system and used to determine the student's full time equivalency on the October and March count dates. However, the ministry policy clearly states that FTE is based on the student's timetable. Since students' timetables often differed from the master bell schedule, significant audit adjustments were made to recalculate the FTE of student's based on their actual program and minutes of instruction.



# Audit Findings

## Program Structure

- Some of the programs offered the option of completing one course at a time. At the October and March count dates the timetable identified one course only for the entire day and pupils were reported as a full-time FTE.
- Some e-learning programs offered the option of completing one e-learning course at a time. Students could complete the course from the school or from home. At the October and March count dates the timetable identified one e-learning course for their entire day and the students were reported as full-time.



# Assessing Alternative Program Delivery

- Do the student timetables match the period lengths on the bell schedule?
- Does the program offer continuous intake?
- Does the program offer terms within a semester?
- Are there multi grades, multi subjects assigned to one teacher within a period?
- Are the teachers at the alternative site grid teachers?
- Are there the required 110 hours for granting a credit? (55 for a 1/2 credit)
- Does the program use LLC materials, Durham or any kind of modular materials? (in any aspect)
- Can students have a modified day?
- Do students stay in one classroom all day?

# Assessing Alternative Program Delivery

- Can a student with more than one course choose to work on one course all day?
- Can a student work on the course from home?
- Is the student enrolled for all courses when registered?
- Is one course completed before starting the next course? (one course at a time)?
- Is attendance taken in each period?
- Is the FTE generated from a co-op course based on the credit value to be earned?

# Independent Study

- The independent study register is a day school register and generates funding for the board as does the full-time and part-time day school registers.
- The distinguishing factor between the independent study register and the day school register is the number of credits required for a full ADE (6 credits for regular day school and 7.5 credits for independent study).
- Courses included on the independent study register can commence at any time throughout the school year, and can continue into the next year, if required. The independent study day school register is ideal for programs that promote continuous intake throughout the school year.
- The full-time and part-time day school registers generate funding based on a student's enrolment on the October and March count dates and their number of minutes of instruction. The independent study register generates funding from September to June and is based on the number of modules/units completed by the student in each course taken.

# Ministry Contact Information

- All questions regarding enrolment and admissions including registers, instructions and any related funding questions should be directed to : [enrolment@ontario.ca](mailto:enrolment@ontario.ca)
- All questions related to OEN and/or ONSIS including data submissions, business rules, batch/sign-off errors and/or reports should be directed to the OEN/OnSIS Help Desk:

## Help Desk Hours & Contact Information

Hours: Monday – Friday – 8:30am to 4:30pm (closed Statutory Holidays)

Email: [ONSIS\\_SISON@ontario.ca](mailto:ONSIS_SISON@ontario.ca)

Phone: 416-212-6366 or 1-888-275-5934





## REPORT TO

## AUDIT COMMITTEE

## 2019-20 BUDGET SETTING PLAN &amp; CONSULTATION

*"A generous man will himself be blessed, for he shares his food with the poor."*  
Proverbs 22:9

Created, Draft	First Tabling	Review
March 5, 2019	March 21, 2019	March 26, 2019
D. De Souza, Coordinator of Grant & Ministry Reporting G. Sequeira, Coordinator of Budget Services P. De Cock, Comptroller of Business Services & Finance S. Vlahos, Chief of Communications & Government Relations		
<b>INFORMATION 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

L. Noronha  
Associate Director of Facilities,  
Business and Community  
Development, and  
Chief Financial Officer

## **A. EXECUTIVE SUMMARY**

- 1) ***This report provides a framework to Trustees and the School Community for a proposed approach to developing the next budget.*** This report provides an overview on:
  - a) Preliminary discussion on budget setting approaches for the 2019-20 fiscal year and beyond;
  - b) Pre-identified fiscal risks in the 2019-20 school year; and
  - c) The community engagement process for the upcoming budget.
- 2) ***This is one in a series of reports that provides budgetary information for consultation and discussion, ending in an approval of next year's budget estimates.*** The information provided in this report is based on preliminary estimates at this point in time. The 2019-20 Grants for Student Needs (GSN) announcement from the Ministry of Education (EDU) is expected at the end of March or early April 2019 and will have an impact on the 2019-20 fiscal year. The following reports are expected in the series, culminating in establishing an approved fiscal year budget:
  - a) Student Enrolment Report (March 2019)
  - b) Staffing Allocation Report (March 2019)
  - c) Budget Planning and Consultation Report (March 2019)
  - d) GSN Update Report (April 2019)
  - e) Preliminary Budget Estimates for Consultation (May 2019)
  - f) Budget Estimates for Approval (June 2019)
  - g) Revised Budget Estimates for Approval (December 2019)

***The cumulative staff time required to prepare this report was 20 hours***

## **B. PURPOSE**

1. ***This report introduces the 2019-20 budget process.*** This report seeks to inform Trustees and the School Community on the proposed financial planning framework for this year's budget process. It provides an early indication of potential fiscal pressures that may arise within the development of the budget. Finally, it seeks Board approval of the Community Consultation plan.

## C. BACKGROUND

1. ***Budget setting for a School Board is a legislated process, but has strategic importance.*** Under the Education Act (Section 232), the Board is required before the beginning of each fiscal year to prepare and adopt estimates of its revenues and expenses for the fiscal year and must submit this information to the Ministry by end of June each year. The Budget process is an important planning tool for the development of an effective and balanced budget in order to provide a range of necessary resources, supports and programs to the Board's students.
2. ***The Multi-Year Strategic Plan (MYSP) provides the overarching strategic direction and principles that should drive the budget process.*** Students are always the Board's primary focus and are represented in all six strategic directions found within the MYSP. TCDSB is committed to offering programs and services which challenge all students to achieve their personal best. TCDSB also strives to make effective, efficient, and innovative use of resources, based on sound planning, and the best available information. Inherent in the budget process is the allocation of available resources to address student needs.
3. ***The previous few budget years have experienced significant fiscal constraints.*** The following list of fiscal challenges have exerted considerable influence on the Board's last few budget processes and have necessitated very difficult decisions regarding a wide array of program and staffing service levels. In the past, changes to the GSN Model have resulted in reductions to TCDSB's operating funds in certain areas. The changes included changes to the School Foundation Grant, Differentiated Special Education Needs Amount (DSENA), Administration and Governance, School Operations and Declining Enrolment Adjustment grants. These reductions along with pressures in the areas of Special Education, Transportation, and Occasional Teachers contributed to the TCDSB being in a deficit position and engaging in a four-year Multi-Year Recovery Plan (MYRP) since 2015-16.
4. ***TCDSB has ended its MYRP and is projecting an accumulated surplus at the end of this 2018-19 fiscal year.*** The 2018-19 Revised Estimates project a year-end accumulated surplus of \$31.6M.



5. ***The Ministry has provided an early signal that fiscal constraint will be present in the budget setting process.*** On February 28, 2019, the Ministry released B06: Memorandum advising boards to defer the annual process of filling vacancies for retirements and other leaves related to teachers and other staff (refer to Appendix A). The Ministry of Education further indicated that the Ontario government had implemented a hiring freeze in June 2018 and that School Boards may wish to institute similar measures. In addition, the memorandum referred to existing public consultations regarding class sizes and hiring practices.

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

This section is broken down further into the following two sub-sections:

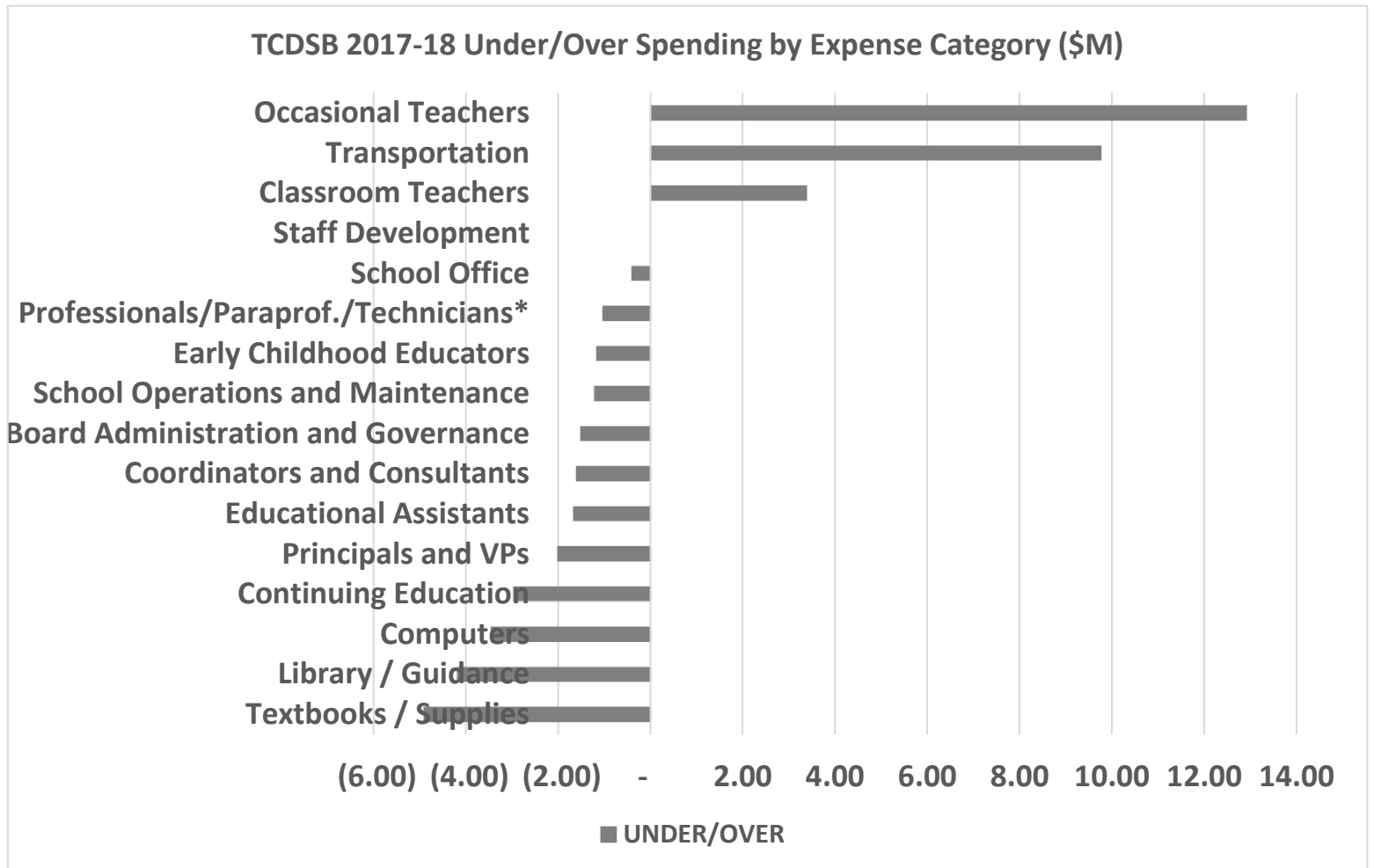
- a) Financial Planning Framework
- b) Budget Risks and Uncertainties

### ***(a) FINANCIAL PLANNING FRAMEWORK***

- 1) ***The standard internal budget process began in January.*** For the 2019-20 budget year, TCDSB staff commenced its budget development process in January 2019 with the development of timelines and preliminary projection assumptions. A summary of the 2019-20 Budget process and timelines is provided in the report.
- 2) ***The budget is the Board's fiscal plan that supports the delivery of educational programs and services.*** The fiscal plan should be driven in large part by the Board's MYSP. It also provides the authority for administration to spend funds on a variety of programs and services. It is important that the budget be developed in a thoughtful manner and that the decisions respecting the expenditure of funds carefully weigh the impacts and benefit to stakeholders across the near and long-term horizons.
- 3) ***The Board's historic budget decisions have led to the current mix of under and over spending that define the Board's current service levels.*** The Board continues to monitor its programs and staffing allocations to ensure that it is providing services to its students while complying with Ministry requirements and pursuing the system priority of student achievement and well-being. Figure 1 provides the current areas in which the Board has chosen to under and over spend in order to provide the student wellness and achievement progress it seeks while maintaining a balanced budget. The provincial average of under/over

spending is also provided for illustrative purposes. The budget process is the opportunity to revisit whether this mix of service levels is the most optimal to achieving the MYSP and most importantly, ultimately beneficial to students.

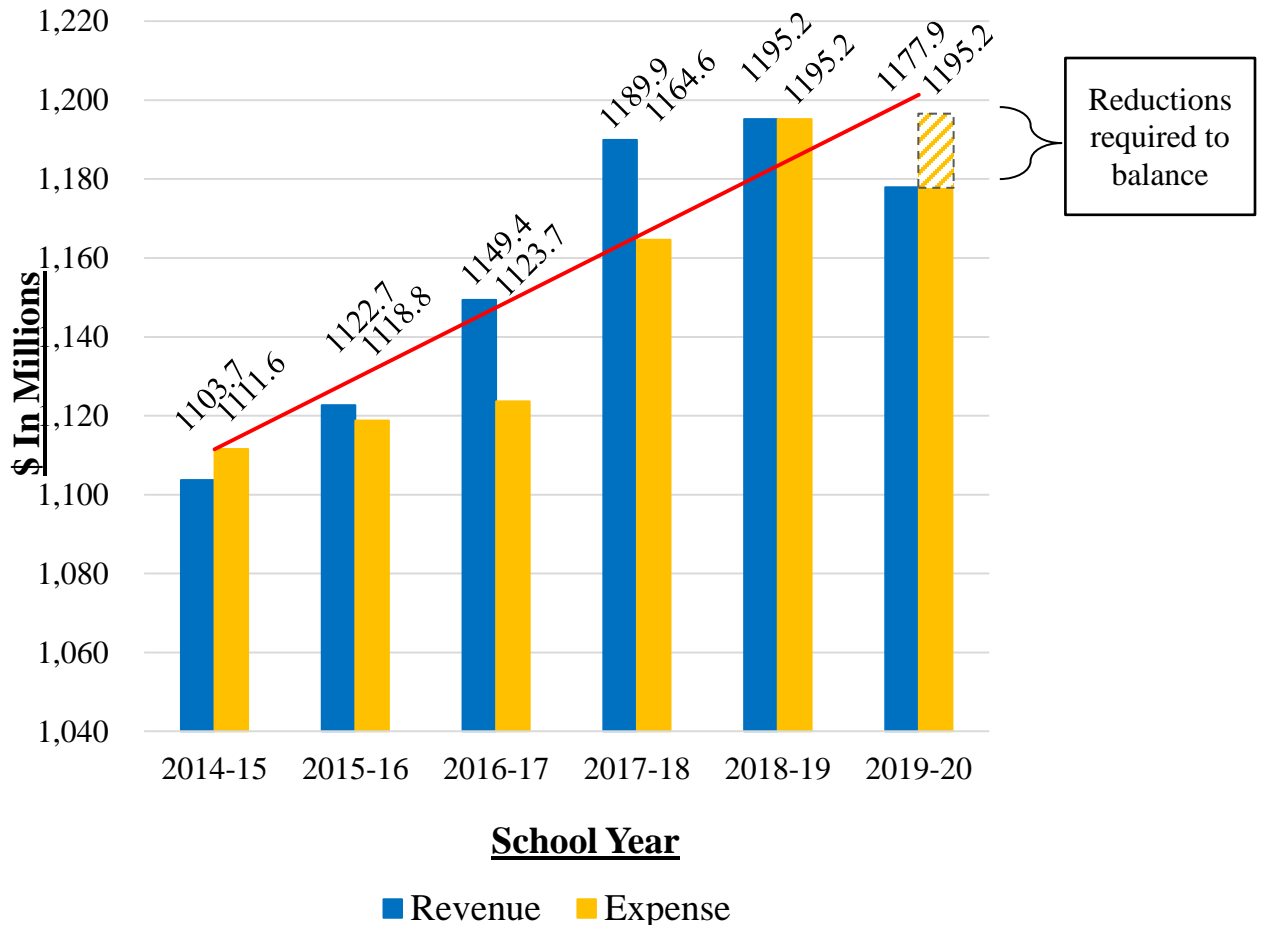
**Figure 1: Under and Over Spending Vs. Provincial Funding**



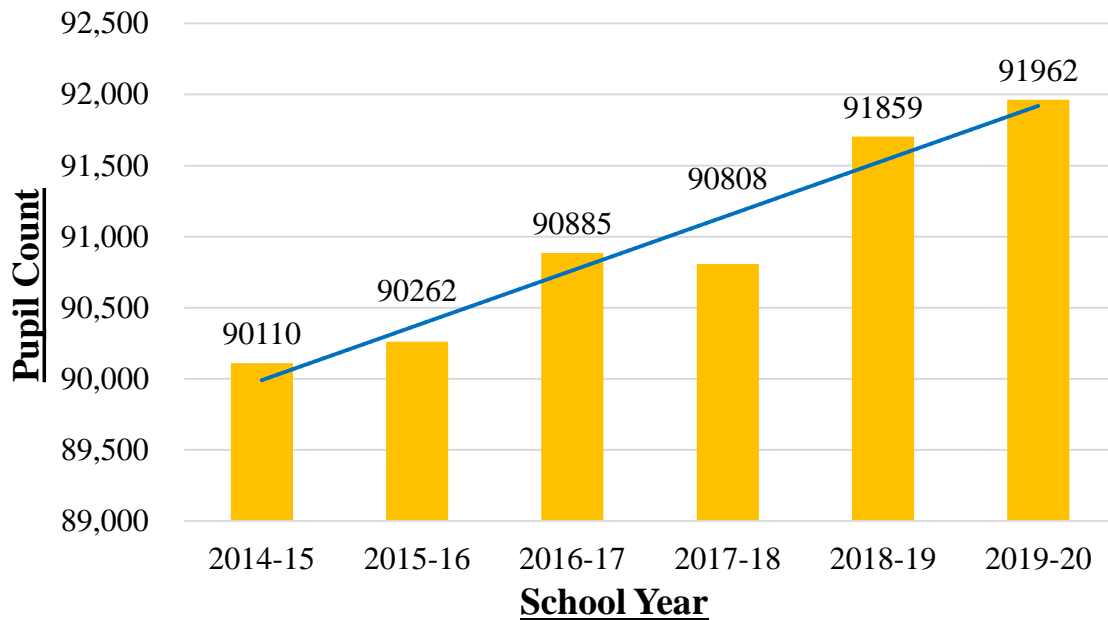
- 4) *The current year's financial planning begins with understanding projected student enrolment and staffing.* The projected student enrolment and staffing projection reports align with each other and will be submitted for approval in March. Once these levels are determined, TCDSB programs and services will continue to be reviewed for equitable, effective and efficient measures to improve delivery of services to all students. Figures 2, 3 and 4 provide very early

estimates of revenue/expense, student enrolment and accumulated surplus/deficit for 2019-20 along with historical comparisons. These estimates will change as better data is obtained related to student enrolment, staffing projections, GSN formula changes and more information becomes available regarding other identified risks. Growing student enrolment projections show an increase of 259 Average Daily Enrolment (ADE) students. These early estimates show a balanced budget, based on known Education Program –Other EPO reductions of \$812K and the loss of the 2-year guarantee of ***Local Priorities Amount*** of \$11.1M GSN funding, and further assuming expenditure budget cuts of a similar nature are made. However, as stated earlier many factors still need to be considered before arriving at a preliminary budget for consideration by the Board.

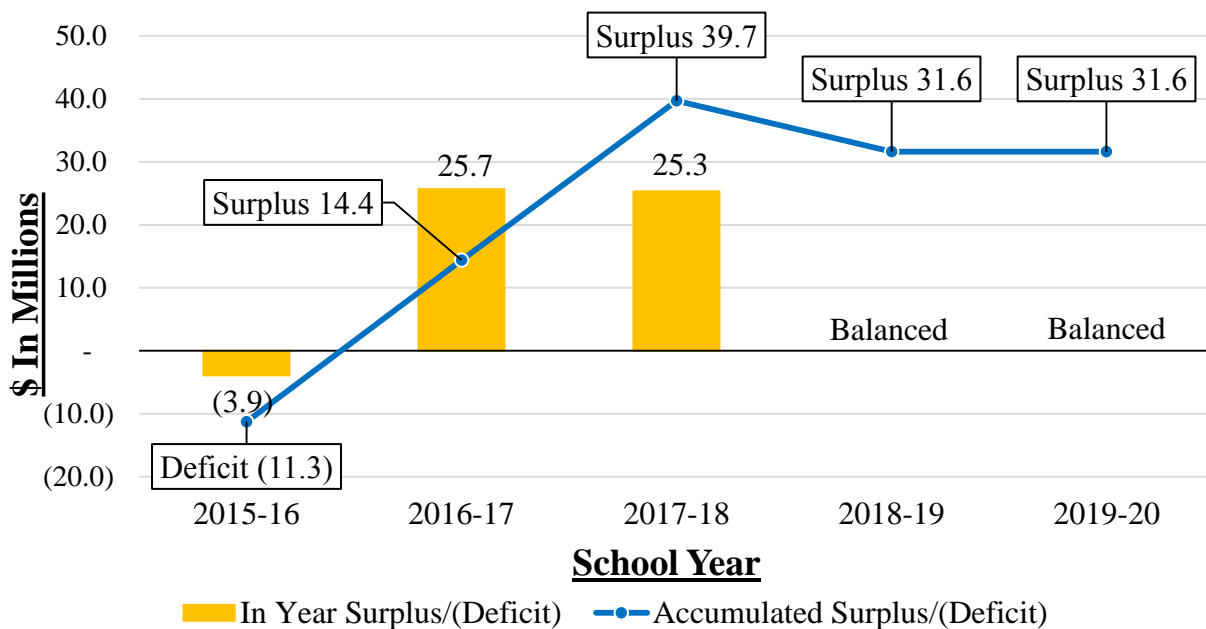
**Figure 2: Revenue vs Expense**



**Figure 3: Total Average Daily Enrolment**



**Figure 4: Accumulated Surpluses / (Deficits)**



Note: 2018-19 Accumulated Surplus will be reduced by funding the one-time budgetary pressures approved by the Board of Trustees, i.e. the International Languages program of \$5.2M, School Block Budget of \$2.0M, Human Resource funding of \$0.3M, Lunchtime supervisors of \$0.3M and Priority Schools Funding (EPO reduced) of \$0.3M for a total of \$8.1M.

**(b) BUDGET RISKS & UNCERTAINTIES**

1) ***Certain fiscal risks will unfold over the proceeding couple of months that will impact the budget process.*** These risks will need to be monitored closely as the budget development process progresses. Staff will report on these risks as part of the Preliminary and Budget Estimate presentations. Depending on the magnitude of the impacts, the Board may be faced with service level reduction decisions later in the process. A list of these risks ranked by likelihood and impact is provided below.

- i. ***The Provincial Government has signalled fiscal balancing as a primary part of their mandate.*** The newly formed Provincial Government commissioned a line-by-line fiscal study of the Province's financials. Contained within that study was messaging that the Province intends to reduce the net budget by at least approximately 4%. This principle is the basis by which staff are preparing for the 2019-20 budget estimates.
- ii. ***Education Program – Other (EPO) grants reductions to date equal \$0.812M.*** The recently announced reductions to Education Program Other Grants can be categorized into the following:

Category	Reduction
At Risk Youth	(\$83,476)
Community	(\$538,549)
Indigenous	(\$15,000)
Leadership	(\$47,312)
Physical Activity	(\$77,120)
Post-Secondary Students	(\$35,000)
Special Ed	(\$15,990)
<b>Grand Total</b>	<b>(\$812,447)</b>

- iii. ***The “Local Priorities Amount” is likely an area to be eliminated by the Province.*** The Local Priorities Amount was an amount provided by the last Government to School Boards for employee contract extensions for the period 2017-2019. It was intended for programs such as more special education staffing to support children in need, “at-risk” students, adult education and job reduction mitigation strategies related to declining enrolment and other exceptions. This fund was identified by the Auditor General as not being utilized for its intended purposes at several School

Boards and it was limited to a two-year duration by the last Government. Given this context, it is reasonable to conclude that a reduction in the upcoming GSNs is forthcoming during the spring 2019 announcements. TCDSB currently receives \$11.1M for Local Priorities and it equates to 119 Full-Time Equivalent (FTE) positions that spans almost all employee groups. Appendix B contains the listing of positions that this amount currently funds.

- iv. ***The continuance of the International Language (IL) Program has been signalled as a primary focus for this Board.*** While the value of the IL program has been confirmed by both Trustees as well as through parent surveys, based on current labour arbitration settlements as well as certain legislative prescriptions, the TCDSB may see the IL program lose all funding for the 2019-20 school year. If this were the case, the TCDSB would need to find approximately \$8.8 million in savings elsewhere to continue the program in 2019-20. This obviously has the potential to be offset, should the current Provincial Government agree to fund all or part of the program.
- v. ***Occasional Teacher Costs continue to rise.*** For the current 2018-19 fiscal year, Occasional Teacher costs are trending close to budget at this point in time. The risk is that these costs could increase this year assuming a full Occasional Teacher roster, and/or staff absenteeism rates continue to increase.
- vi. ***Inflation Assumptions could be higher than expected.*** Utility costs continue to trend higher and the budget estimates are based on historical costs and projected increases. If costs increase higher than anticipated, this could create a cost pressure in this area. The current trend is that utility costs are trending at 6% well above the EDU funded increase for inflationary costs of 2%.
- vii. ***Benefit Trusts producing higher costs than expected.*** The various employee groups have moved to their respective Benefit Trusts. The remaining supply staff within CUPE and OECTA remain with TCDSB's existing benefits providers and will not be transitioned to the trusts for the time being. Consequently, the TCDSB may experience higher premiums due to the reduced number of employees remaining in the TCDSB Group Benefits Pool due to the smaller numbers of staff. This could increase benefit costs for TCDSB.

- viii. ***Enrolment projections to actuals could be lesser than expected.*** Any variances to planned consensus enrolment projections may impact final calculated GSN revenues.
- ix. ***School Block motion to return to 2014-15 level.*** At the June 6, 2018 Board meeting a motion was passed for the permanent restoration of school block budget to the 2014-15 budget allocation levels as part of the 2019-20 budget estimates planning and consultation process the costs to restore to the 2014-15 levels would be \$1.7M.
- x. ***Funding of Lunch Room Supervisors.*** At the December 12, 2018 Board meeting a motion was passed to reallocate funds to maximize the money provided by the Province for lunchroom supervisors. On January 17, 2019 at the Corporate Services Board meeting a motion was passed to fund the cost of \$0.3M for the lunchroom supervisors from the Accumulated Surplus for the 2018-19 fiscal year.

## **E. IMPLEMENTATION, STRATEGIC COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT PLAN**

1. Based on the information being considered for the 2019-2020 Budget, engagement of community stakeholders will be conducted at the level of “**Consult**” – which may be used for regular annual budget consultations. The “Consult” level as defined in the policy is:

*“To obtain input from community members and the general public on proposed Board directions and decisions.”*

The continuum comprises of six levels of engagement that may be sought with community members including: Inform, Consult, Involve, Collaborate, Consensus, and Empower.

2. The consultation plan complies with Community Engagement Policy T.07, and reflects the desire expressed by the Board of Trustees to ensure that the community engagement process and communications plan includes invitations to **all** TCDSB community stakeholders to participate.

3. Input and feedback received during this process will be presented at the May 9, 2019 Board meeting to inform Trustees as they finalize the budget for the 2019-2020 fiscal year for submission to the Ministry of Education by the June 30, 2019 deadline.
4. To optimize stakeholder input, the parameters for public consultation and communication is guided by these key factors:
  - a) Empower local communities to encourage participation in the pre-budget consultation process. A section of the TCDSB website will be transformed into a “mini-website” dedicated as a community resource to provide information about the 2019-2020 budget consultation process. The website will feature a video explaining the budget consultation process, how people can provide input, a Frequently Asked Questions (FAQs) information sheet, and an online budget feedback tool used previously for the Multi-Year Recovery Plan and 2018-2019 budget process.
  - b) To facilitate the need to be inclusive by overcoming language, cultural and socio-economic access barriers, a customized TRANSLATE tool has been developed to take advantage of GOOGLE Translator so that TCDSB stakeholders can access all budget information on the budget website in the language of their choice.
  - c) Enhance face-to-face opportunities by aligning consultation process with dates for pre-scheduled Standing Board/Committee meetings (see chart below) parent engagement committees (CPIC, OAPCE-Toronto), Board advisory committees (e.g. SEAC), and Student leadership meetings (ESCLIT, CSLIT).
  - d) With the launch of a resource based website, set the expectation that each CSPC submit a survey on behalf of their members utilizing their April meeting.



5. The Communications Plan will also be aligned to support the budget engagement process through:

- Director's Bulletin Board
- Weekly Wrap Up, web (TCDSB's external and internal portal)
- E-news
- Social media (i.e. Twitter, instagram)
- Trustee newsletters and traditional school newsletters
- Email blast announcing launch of consultations to CPIC, SEAC, OAPCE, CSPC, employee unions and associations, schools and staff
- Collaboration with the Archdiocese to publish information for inclusion in individual parish bulletins and parish website links
- Letter to parents with information about key dates and opportunities for participation—to be distributed throughout our schools

**Who will be invited to participate:**

- Parents/Guardians
- Student Leaders (CSLIT and ECSLIT)
- Community Leaders and Members (CSPCs, CPIC, OAPCE-Toronto etc.)
- All Employees and employee groups (Teachers/Support Staff including the federations TECT, CUPE and TSU)
- Special Education Advisory Committee (SEAC)
- Principals/Vice Principals
- Parishioners and Catholic Stakeholders (via Archdiocese)
- General Public (via PSAs, Community newspaper calendars, Twitter, TCDSB website)

## 2011-2018 Consultation Summary:

In previous years, the board has explored a number of different engagement tools including regional sessions, delegations to board, online surveys and virtual town halls with varying levels of participation. Below for your reference is a summary of past consultation processes and applicable responses.

<b>Budget Year</b>	<b>Consultation Process</b>	<b>Survey Respondents</b>	<b>Attendance</b>
2011-2012	Regional in person sessions: Brebeuf, St. Thomas More, Our Lady of Lourdes, St. Robert  Online surveys and hard copy surveys distributed	225	Some sessions had between 0-1 in attendance while one session had ~30
2012-2013	Online surveys and hard copy surveys distributed	482	N/A
2013-2014	Online surveys with distribution	238	N/A
2014-2015	Virtual Town Hall requesting minimum of 1 response per school	87	~24 questions submitted
2015-2016	Multi-year recovery plan consults included virtual town hall, online survey, targeted in-person engagements	N/A	~12 questions submitted
2016-2017	Online survey, delegations to board, targeted in-person engagements	1139	N/A
2017-2018	Online survey, delegations to board, targeted in-person engagements  *Proposal to charge for parking at all school sites was under consideration	4360	N/A
2018-2019	Online survey, delegations to board, targeted in-person engagements	435	N/A

## For Consideration:

1. Launch web portal with toolkit to empower local school/community engagement along with survey dissemination.
2. Hold Regional Meetings covering East/West /Central areas with Trustees and staff support along with web portal launch and survey dissemination.

## F. ACTION PLAN

DATE	PUBLIC CONSULTATION ACTIVITY
<b>1) Wednesday, April 3, 2019</b> Community Consultation Launch (Subject to Board of Trustees Approval at March 21, 2019, Corporate Services meeting)	<ul style="list-style-type: none"> <li>• <b>GO LIVE</b> with online HTML web-based 2019–2020 Budget consultation pages on website, video and toolkit.</li> <li>• Invitation letter from Chair and Director to Parents, Principals and chairs of CSPC, CPIC, OAPCE (Toronto), SEAC, CSLIT/ECSLIT, to participate in public consultations.</li> <li>• Communication sent to Archdiocese (via Communications Dept.) for distribution to individual parishes to encourage Catholic community/ stakeholder involvement</li> </ul>
<b>2) April 3 – May 3, 2019</b> Online Budget Feedback Tool	<ul style="list-style-type: none"> <li>• Anonymous online input tool to inform Trustee deliberations on budget</li> </ul>
<b>3) Thursday, April 4, 2019</b> Student Achievement Committee	<ul style="list-style-type: none"> <li>• Opportunity for public deputations regarding budget</li> </ul>
<b>4) Thursday, April 11, 2019</b> Corporate Services Committee Meeting	<ul style="list-style-type: none"> <li>• GSN and Budget update for 2019-20</li> <li>• Opportunity for public deputations regarding budget</li> </ul>
<b>5) Tuesday, April 23, 2019</b> Special Education Advisory Committee (SEAC) Meeting	<ul style="list-style-type: none"> <li>• Budget discussions with SEAC members for input and recommendations.</li> </ul>

<b>DATE</b>	<b>PUBLIC CONSULTATION ACTIVITY</b>
<b>6) Wednesday, April 24, 2019</b> Regular Board Meeting	<ul style="list-style-type: none"> <li>• Budget consultation update for Trustees.</li> <li>• Opportunity for public deputations regarding budget</li> </ul>
<b>7) Tuesday, April 2019 (TBD)</b> OAPCE-Toronto Meeting	<ul style="list-style-type: none"> <li>• Budget discussions with OAPCE-Toronto members for feedback</li> </ul>
<b>8) Wednesday, April, 2019 (TBD)</b> ESCLIT/CSLIT	<ul style="list-style-type: none"> <li>• Budget information and options discussed with student leaders</li> </ul>
<b>9) May, 2019 (Date TBD)</b> Meeting with Union Partners	<ul style="list-style-type: none"> <li>• Consultation and discussion of budget.</li> </ul>
<b>10) Thursday May 2, 2019</b> Student Achievement Committee Meeting	<ul style="list-style-type: none"> <li>• Opportunity for public deputations regarding budget</li> </ul>
<b>11) Thursday, May 9, 2019</b> Corporate Services Committee Meeting	<ul style="list-style-type: none"> <li>• Presentation of results from Budget Consultation process</li> <li>• Opportunity for public deputations regarding budget options.</li> </ul>
<b>12) Monday, May 13, 2019</b> CPIC Meeting	<ul style="list-style-type: none"> <li>• Budget discussions with CPIC members for feedback</li> </ul>
<b>13) Thursday, June 6, 2019</b> Corporate Services Committee meeting	<ul style="list-style-type: none"> <li>• Final opportunity for delegations.</li> <li>• Final vote on approval of 2019-2020 Budget for submission to the Ministry of Education by June 30, 2019.</li> </ul>

## **G. CONCLUDING STATEMENT**

1. This report is for the information of the Audit Committee.

**Ministry of Education**

Deputy Minister

Mowat Block  
Queen's Park  
Toronto ON M7A 1L2**Ministère de l'Éducation**

Sous-ministre

Édifice Mowat  
Queen's Park  
Toronto (Ontario) M7A 1L2**2019: B06**

**MEMORANDUM TO:** Directors of Education  
Secretary/Treasurers of School Authorities

**FROM:** Nancy Naylor  
Deputy Minister

**DATE:** **February 28, 2019**

**SUBJECT:** **Budget Planning Information for 2019–20**

The ministry recognizes that school boards are beginning to prepare for the 2019-20 school year.

I am writing to you today to recommend that school boards exercise prudence in making hiring decisions in light of the upcoming Ontario Budget and the recent consultation on class size and hiring practices.

The government will be carefully reviewing the feedback received in the coming weeks and will continue to engage boards and labour partners on any plans and next steps.

School boards are advised to defer the annual processes of filling vacancies for retirements and other leaves related to teachers and other staff until the Minister of Education provides an update to the sector on or before March 15<sup>th</sup>.

As you are aware, in June 2018 the Ontario government implemented a hiring freeze. School boards may wish to institute similar measures.

The Ministry looks forward to working closely with you to facilitate planning for the next school year once further details are available.

Original signed by

Nancy Naylor  
Deputy Minister

c: Chairs of Ontario District School Boards and Isolate Boards  
School business officials

## TCDSB's Local Priorities Amount by Employee Group

Local Priorities Amount by Employee Group	\$ Impact	FTE	Comments
			Ministry of Education's (EDU) Memorandum of Understanding (MOU) Extension Agreement committed funding for 2 years ending August 31 <sup>st</sup> 2019
OECTA – TECT	\$2.4	24.0	5 <sup>th</sup> Block Teachers
OECTA – TECT	\$1.4	14.2	Regular Classroom Teachers
OECTA – TSU	\$1.3	12.5	ESL/ELL Teachers
OECTA – TSU	\$0.6	6.0	Special Education Teachers
CUPE	\$1.7	30.5	Ed. Assistants, Child & Youth Workers
CUPE	\$0.1	2.2	Library Technicians
CUPE	\$0.4	6.7	School Secretaries
CUPE	\$0.8	10.9	Custodians, Trades & Maintenance Staff
CUPE	\$0.1	1.5	Bd. Admin. Clerical & Technical Staff
CUPE	\$0.3	3.3	ESL & Nursery Instructors
CUPE	\$0.2	3.6	Programmers, Sec. Student Supervisors, Life Guards, Sign Language Interpreters
EWAO	\$0.2	2.0	Professional Student Services Personnel
Principals & VPs	\$0.2	1.5	Principals & Vice Principals
All Employee Groups	\$1.1		Salary Increases & PD Amounts
<b>Total</b>	<b>\$11.1M</b>	<b>119.0</b>	

Date	March 21, 2019		
Topic	Minister of Education Announcement – Impact Update		
Government narrative	1. Finding efficiencies to support student success.		
Key Impacts	Impact Description	FTE	\$ Amount
	Kindergarten Funded Early Childhood Educators (ECEs) staffing ratio decreased from 1.14 FTE to 1.00 FTE	N/A	(\$0.5M)
	Additional Funding for Supply ECEs	N/A	TBD
	Grades 4-8 Class Size decreasing from the 2018-19 current 24.97 ratio to the 2019-20 ratio of 24.5 students to 1 teacher requires additional funded teacher positions. 22 Boards are decreasing class size ratio including TCDSB the remaining are increase class size ratio. Decreasing class size results in more staff required.	32.1	\$3.3M
	Grades 9-12 Class Size increasing from 22 to 28 achieved by normal staffing attrition to reduce positions and additional Attrition funding to bridge the funding gap for 4 years if and when normal attrition is not adequate to achieve class size ratio of 28 to 1	(349.5)	(\$37.6M)
	E-learning funded class size increasing to 35 in 2020-21; full impact unknown until program delivery model defined	N/A	TBD
	Funding for Secondary Programming ending 31 August 2019	(22.9)	(\$2.5M)
	Local Priorities Funding ending 31 August 2019 pending the outcome of Central Bargaining; Potential Impact by Employee Groups as follow: <ul style="list-style-type: none"><li>Elementary Teachers</li></ul>	(38.2)	(\$3.8M)



	<ul style="list-style-type: none"> <li>• Secondary Teachers</li> <li>• CUPE Employees</li> <li>• EWAO/APPSP Professional and Para Professional Employees</li> <li>• Principals &amp; VPs</li> </ul>	<p>(18.5)</p> <p>(58.7)</p> <p>( 2.0)</p>	<p>(\$1.9M)</p> <p>(\$3.6M)</p> <p>(\$0.2M)</p>
	Cost Adjustment Funding to offset non-teaching salary benchmark increases ending 31 August 2019	N/A	(\$1.2M)
	Human Resource Transition Funding Supplement temporarily providing support for the implementation of the 2017-18-19 Extension Agreements ending 31 August 2019	(6.0)	(\$0.5M)
	2% increased funding for utilities	N/A	\$0.75M
	4% increased funding for student transportation service	N/A	\$1.0M
	<b>Total Impact of Announcement subject to change pending further Ministry updates and GSN release</b>	<b>(465.2)</b>	<b>(\$46.9M)</b>
<b>Key Messages for Public Consumption</b>	<ul style="list-style-type: none"> <li>• There is no direct staffing impact to Early Childhood Educators (ECEs) thus far but we can expect additional funding for supply ECEs in 2019/20.</li> <li>• The funded staffing ratio for ECEs will decrease by \$500K for 2019/20.</li> <li>• For Grades 4-8, we can expect an additional 32.1 FTE and an additional \$3.3M for the 2019/20 school year. The ratio for all boards will be 24.5 students to 1 teacher.</li> <li>• For Grades 9-12, the changes announced will negatively impact students.</li> <li>• With high school class sizes increasing on average from 22 to 28 means that there will be greater variation in our secondary courses.</li> <li>• Attrition protection will mean that for TCDSB it is unlikely that teaching positions will be lost due to class size changes.</li> <li>• This is because for every secondary teacher that retires, no replacement teacher will be hired.</li> <li>• There are funding reductions, however, in addition to class size changes pending provincial negotiations which may result in further job reductions across several employee groups, i.e. Local Priorities Funding.</li> <li>• Our projected reduction for secondary teachers will mean a loss of <b>349.5 FTE</b> and an estimated funding reduction of \$37.6M over the next four years.</li> </ul>		

	<ul style="list-style-type: none"> <li>• Information about the 4 mandatory e-learning secondary course offerings and staff who may deliver these courses is limited as the program delivery model for 2021/22 is unknown at this time.</li> <li>• The secondary programming amount in the Pupil Foundation Grant will end August 31, 2019 resulting in potential reduction of <b>22.9</b> FTE and \$2.5M.</li> <li>• With the Local Priorities Funding ending August 31, 2019, the potential impact to employee groups will result in a reduction of approximately <b>119</b> FTE and \$9.7M.</li> <li>• School boards will now be required to allocate alternate flexible funding for staff salary increases to make up for the \$1.2M reduction.</li> <li>• The elimination of the Human Resources Transition Funding will mean a reduction of <b>6</b> FTE.</li> <li>• The announcement makes no mention of class size maxima, of which for TCDSB secondary schools there are approximately 15 different categories of class sizes within the teacher collective agreements, i.e. academic, applied, ESL, co-op, credit recovery, etc.</li> <li>• We look forward to learning more from the Ministry about what the full impacts of these announcements will have on our students learning and outcomes.</li> </ul>



## REPORT TO

## AUDIT COMMITTEE

### 2018-19 SECOND QUARTER FINANCIAL STATUS UPDATE

*"Whatsoever thy hand findeth to do, do it with all thy might."*  
Ecclesiastes 9:10

Created, Draft	First Tabling	Review
March 19, 2019	March 26, 2019	
L. LePera, Sr. Financial Analyst D. Bilenduke, Senior Coordinator of Finance P. De Cock, Comptroller of Business Services & Finance		
<b>INFORMATION REPORT</b>		

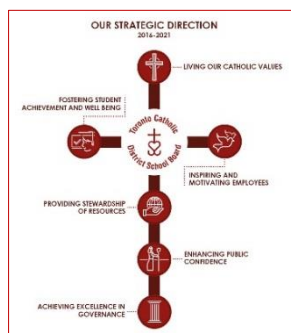
#### **Vision:**

*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

L. Noronha  
Associate Director of Facilities,  
Business and Community  
Development, and  
Chief Financial Officer

## **A. EXECUTIVE SUMMARY**

This Financial Update Report as at February 28th, 2019 provides a year-to-date look at significant financial activities at the Board.

This is the second update for fiscal 2018-19 using the Revised Estimates approved by the Board of Trustees in December 2018. The Board is on target to end the year with a balanced budget. A more detailed variance summary is attached as Appendix A.

*The cumulative staff time required to prepare this report was 20 hours.*

## **B. PURPOSE**

The Financial Update report is required to keep Trustees informed on the Board's financial performance through the year and illustrate any variance in expected outcomes. The report will provide a systematic analytical review of Operating and Capital Budgets, in the following order:

- High Level Review and Risk Assessments of Operating Budget
- Staff Absenteeism and Employee Family Assistance Program
- High Level Review of School Renewal and Capital Projects

## **C. BACKGROUND**

1. *This report is recognized as a best practice in the province.* The Ministry of Education and the District School Board Reporting Workgroup have both identified regular periodic financial reporting as a best practice in managing the Board's financial outcomes.
2. *Year to year comparisons can be slightly skewed.* When comparing the percentage spent to this period last year, it is important to note that YTD February 2019 had 1 additional teaching day compared to YTD February 2018.

## D. EVIDENCE/RESEARCH/ANALYSIS

### HIGH LEVEL REVIEW AND RISK ASSESSMENTS OF OPERATING BUDGET

1. ***Salary and Benefit expenditures are expected to finish on or below target for this academic year.*** Overall, in the Salary and Benefits area, Figure 1 below illustrates the current risk exposure. This expenditure category is the most closely monitored risk as it comprises the largest portion of the operating budget. These expenditures are expected to be on track at this time.

**Figure 1:** Salary and Benefits Variance / Risk Analysis

	<b><i>Actual to Budget</i></b>		<b><i>Actual to Previous Year</i></b>		<b><i>Risk Assessment</i></b>
<i>Instructional Salaries</i>	↓	3.1%	↓	0.9%	●
<i>Instructional Benefits</i>	↓	12.2%	↓	1.2%	●
<i>Non-Instructional Salaries</i>	↑	0.1%	↑	3.1%	●
<i>Non-Instructional Benefits</i>	↓	3.5%	↓	4.7%	●

● = Low: On Track    ◆ = Medium: Monitor    ◆ = High: Action Required

Salaries are tracking very close to budget for both Instructional and Non-Instructional categories. All employee groups have been moved to the benefit trusts as of June 1<sup>st</sup> 2018. Benefits are tracking to finish on budget.

2. ***At an aggregate level, total other expenditure categories (besides salary and benefits) are expected to finish on or below target.*** Overall, in the Non-Salary area, Figure 2 below illustrates the current risk exposure.

**Figure 2:** Non-Salary Variance / Risk Analysis

	<i>Actual to Budget</i>		<i>Actual to Previous Year</i>		<i>Risk Assessment</i>
<i>Instructional Expense</i>	↓	17.6%	↓	8.2%	●
<i>Transportation Expense</i>	↓	5.6%	↓	3.8%	●
<i>Operations &amp; Maintenance</i>	↓	8.7%	↑	6.2%	◆
<i>Other Administrative</i>	↑	1.7%	↑	0.7%	●

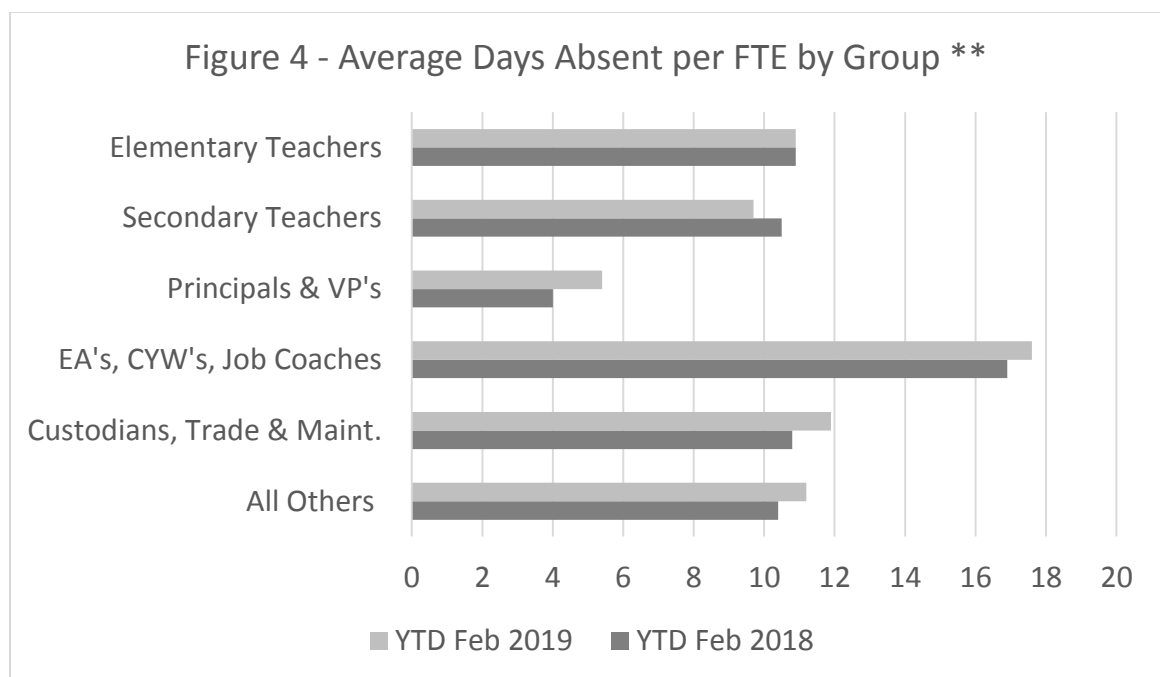
While Instructional expenses are tracking low compared to budget, they are considered a low risk because the timing of expenditure recognition is subject to annual variations and unspent school block funds are carried forward. Other Revenue Related expenses are being monitored and are expected to come in at Budget.

3. ***Grant Revenue from the Province projected to remain unchanged from the Latest Estimates.*** Grants for Student Needs (GSNs) revenue is expected to remain unchanged and all indications from the current Provincial Government is that they will not be affected in the 2018-19 school year.
4. ***“Education Program – Other” or “EPO” Revenues are projected to decrease by a minimum of \$812K, based on the most recent Ministry announcements.*** Recent updates provided by the Ministry of Education mitigate the anticipated reduction to EPO funded initiatives. The conversion to application-based EPO funding agreements could potentially reduce the funding reduction.
5. ***Additional Funding of \$369K for Special Education*** was recently announced. The Ministry of Education announced additional funding for new students with the Autism Spectrum Disorder arriving to school boards in April, May and June 2019.

## STAFF ABSENTEEISM AND EMPLOYEE FAMILY ASSISTANCE PROGRAM

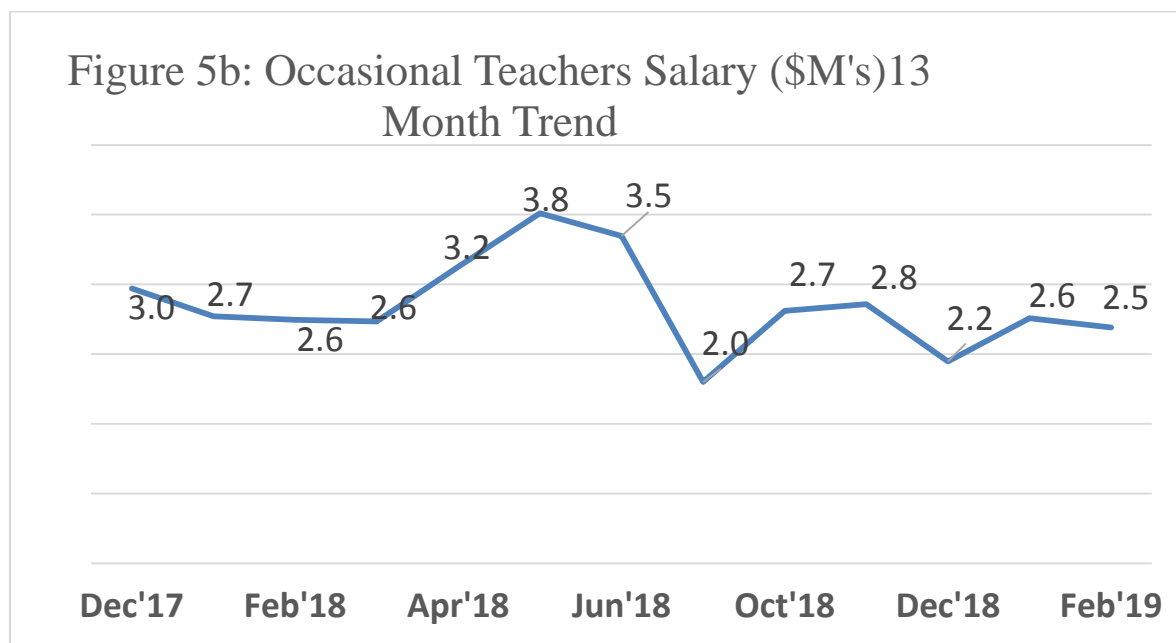
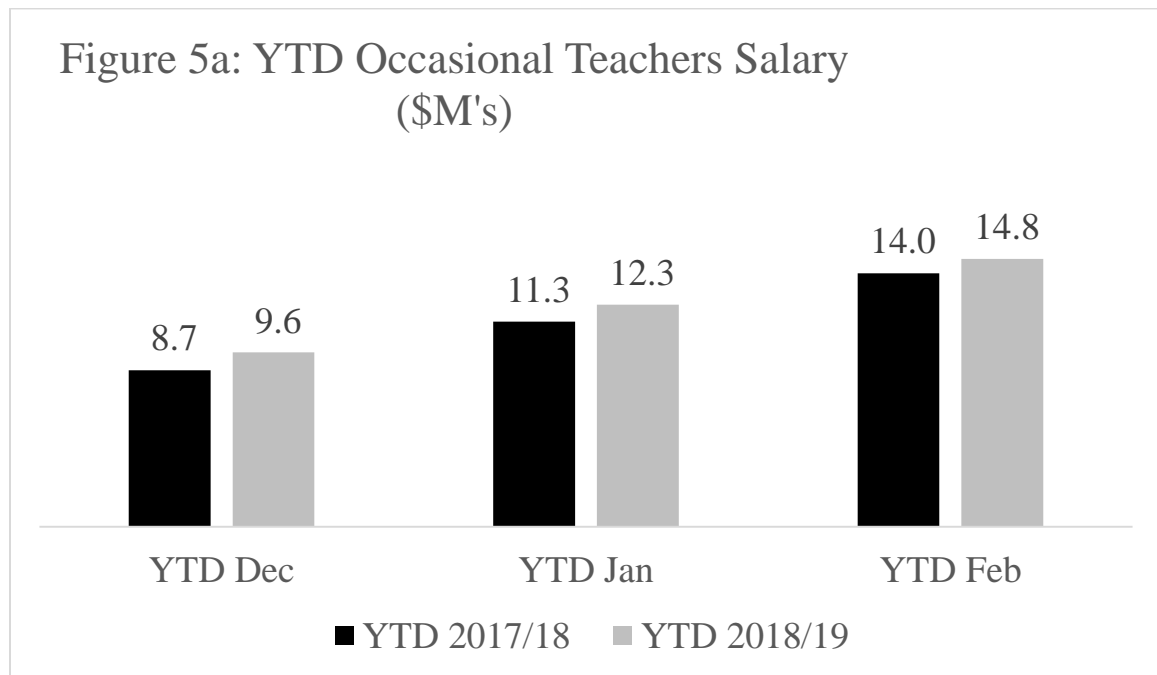
6. ***Staff Absenteeism Rates have increased and Occasional Fill Rates have declined.*** Recent statistics provide evidence that overall staff absenteeism rates experienced an increase of 1,947 days with Secondary teachers being the only group to experience a year over year decrease. Total Teacher Absence days have decreased year over year, while total Occasional Teacher expenditures have risen by 11.1% when compared to the same period last year due to temporary fill of permanent vacancies.

Figure 4 provides a year-over-year comparison of staff absenteeism. Elementary Teachers, Principals/VP's, Education Assistants (EAs), Child and Youth Workers (CYW), Job Coaches, Custodians/Maintenance and Other school board employees are all showing an increase in days absent. These increases were slightly offset by a decrease in days absent for Secondary Teachers. The following chart compares average absence utilization by employee type as of February:



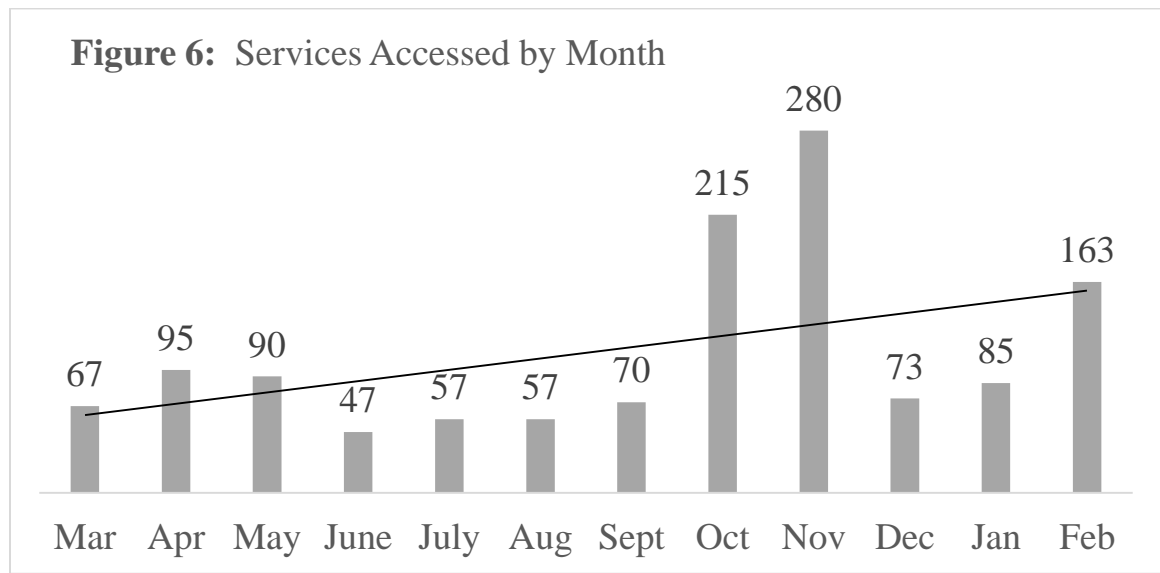
\*\* Absence days are Category A&B and are inclusive of: Personal Illness Days, Non-Personal Illness Days, Bereavement, Compassionate Leave, Health & Safety Inspections, In Lieu of Planning, Jury Duty/Subpoenaed as Witness, Recoverable, Special Circumstances, Special Permission and Suspension.

7. ***Staff absenteeism due to personal illness continues to be an area of concern for the Board.*** Despite the rise in Occasional Teacher costs shown in Figure 5a, they are expected to end in line with budget as staff proactively increased the Occasional Teacher Budget in the Revised Budget Estimates last fall in anticipation of this increase. Figure 5b illustrates the 13-month trend. The 2<sup>nd</sup> quarter of the school year experienced the same level of salary when compared to prior year. This graph highlights any trends in absenteeism by month, year over year.





8. ***The Board has invested in employee wellness by purchasing an Employee Family Assistance Program (EFAP).*** The Board purchased an EFAP in December 2017. The data collected to February 28, 2019 show that usage rates spiked in the fall months. This is largely driven by promotion of the program as there is a direct connection to supporting employees and their workplace engagement and attendance. Figure 6 provides the services accessed by month and Figure 7 provides information on the types of services accessed.

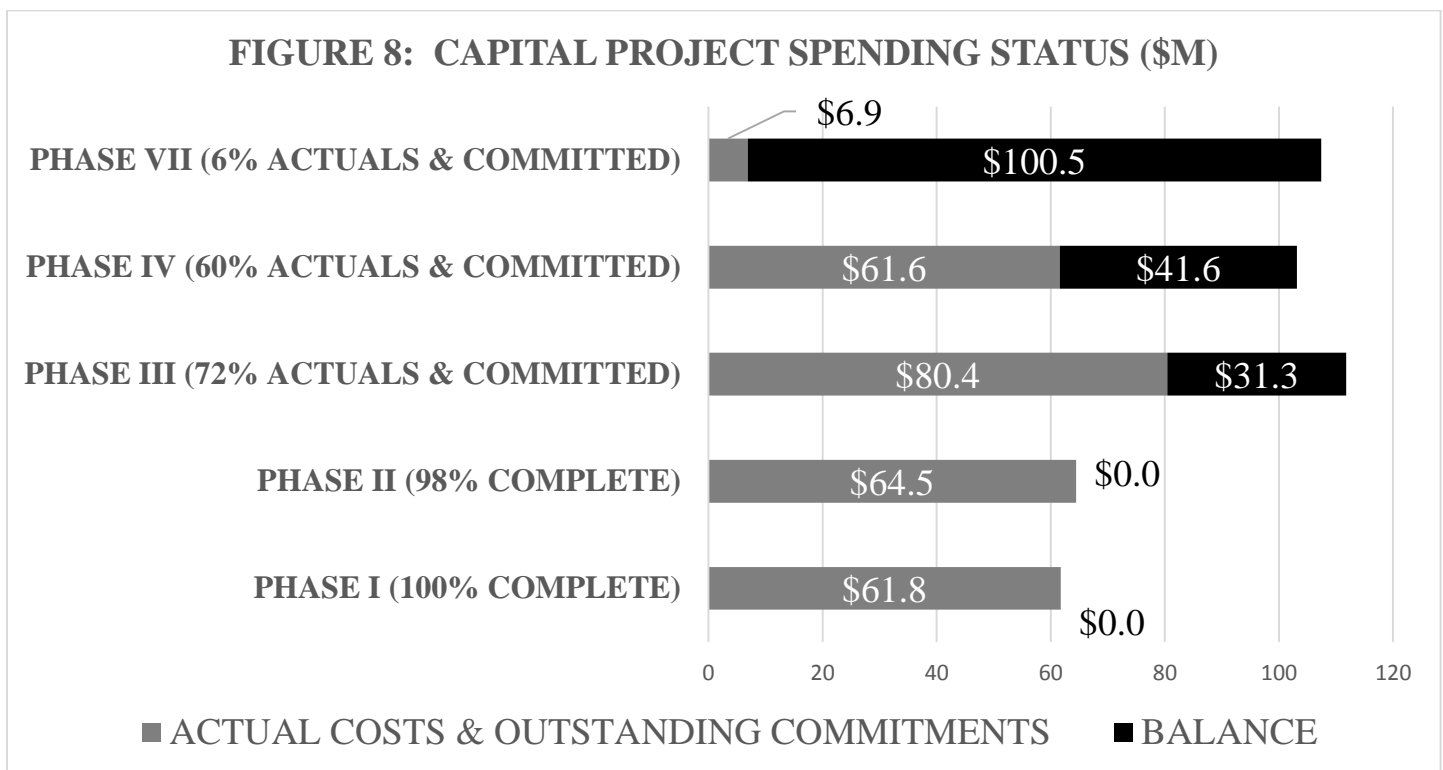


**Figure 7: Counselling Service Types**

	Q1	Q2	Current YTD		Previous YTD		Industry Average	National Norm
Addiction Related	2	2	4	0.7%	15	4.0%	1.7%	2.5%
Couple / Relationship	59	36	95	16.6%	91	24.0%	23.5%	23.0%
Family	26	31	57	10.0%	39	10.2%	11.9%	10.9%
Personal / Emotional	201	109	310	54.3%	204	53.6%	50.7%	50.5%
Work Related	56	49	105	18.4%	31	8.2%	12.2%	13.2%
<b>Total</b>	<b>344</b>	<b>227</b>	<b>571</b>	<b>100.0%</b>	<b>380</b>	<b>100.0%</b>		

## HIGH LEVEL REVIEW OF SCHOOL RENEWAL AND CAPITAL PROJECTS

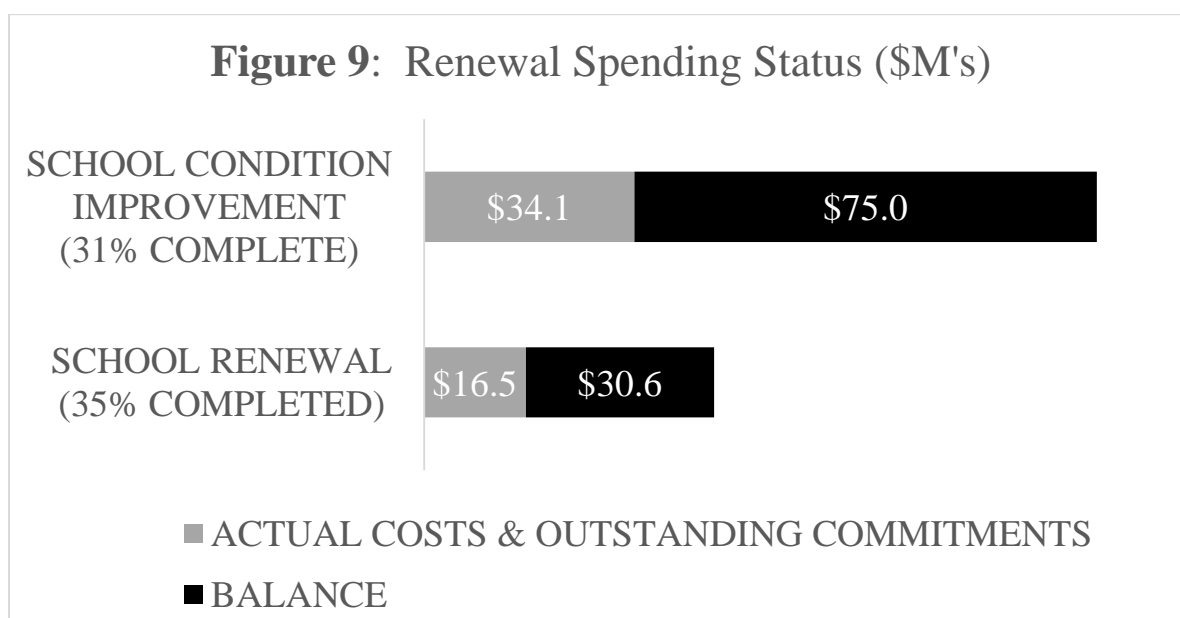
9. **THE CAPITAL PROGRAM TOTALS \$448 MILLION.** The Board received Capital Project funding for many new schools, additions and childcare spaces. The capital program funding includes Childcare funding and Full Day Kindergarten funding for projects where applicable. Figure 8 illustrates the Ministry approved capital budgets, the amount spent and/or committed, the balance remaining and the percentage completed by each Phase. Appendix B provides more detail regarding the Capital Projects Phases 1 to 7.



**Phase I** (16 School Additions), **Phase II** (6 New Elementary Schools), **Phase III** (5 New Elementary Schools), **Phase IV** (8 School Additions & 3 New Elementary Schools), **Phase VII** (7 New Elementary Schools)

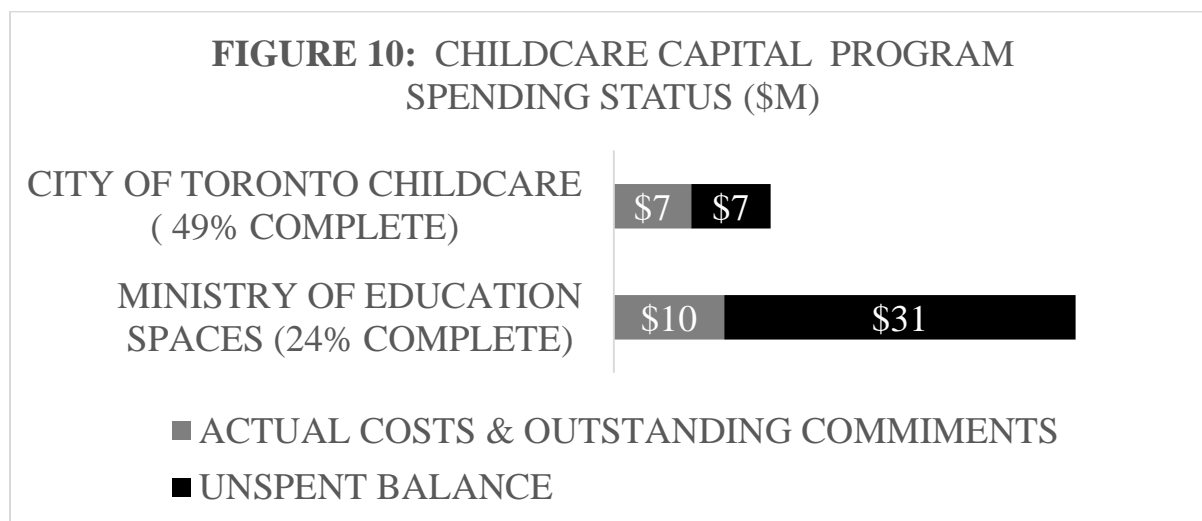
10. ***The Renewal Program consists of major building component replacements and site improvements for a total available at September 1, 2018 of \$158M with funding of approximately \$105M remaining.*** The Renewal Program is funded through several grants such as Regular School Renewal Grant and School Improvement Grant. Staff are currently planning for the upcoming construction season so projects may begin in the summer months. Greenhouse Gas Reduction projects are now complete and funding was overspent by \$42K.

Figure 9 provides a high-level view of the Ministry Approved funding, Actual & Committed Amounts spent and the balance remaining for School Renewal and School Renewal Capital Projects to date and is detailed in Appendix C:



The Board has completed the work committed as part of the Greenhouse Gas Reduction. This funding stream has been discontinued.

***The Capital budget also includes two Childcare Program capital projects.*** The childcare program consists of childcare additions, childcares as part of new school construction and retrofit of existing childcares. Childcare capital funding is received from the Ministry of Education and the City of Toronto for purposes of building childcare space at specific schools. Figure 10 presents the status of progress to date including the percentage complete, actual and committed costs, as well as the balance remaining for both the Ministry and City of Toronto funded childcares.



## **E. METRICS AND ACCOUNTABILITY**

1. The actual revenues and expenditures are tracking to budget at the end of the second quarter.
2. The one-time extraordinary item (ASO benefit surplus) had a projected balance of \$10.5M for the 2017-18 fiscal year of which \$4.5M was recorded as revenue in the 2017-18 financial statements. The remaining balance of the ASO benefit surplus is projected to be \$5.3M and is expected in the 2018-19 fiscal year.
3. ***In compliance with the Purchasing Policy, the Contract Awards Report will list Tenders and Request for Proposals (RFP) awards.*** This report will be posted on the TCDSB's website, and provide details such as Project/Service/Products, Ward, Supplier and low bid/highest score and total contract amount:

<https://www.tcdsb.org/Board/BoardAdministration/AdministrationOffices/purchasing/TenderingInformation/Pages/Default.aspx>

A Tender award is based on the compliant low bid meeting specifications, and Contractors bidding on construction or maintenance projects must be prequalified.

The report will list the total value of the project over the term of the contract, however, the actual amount may vary depending on the volume of product or services used during the term of the contract. An RFP award is based on the overall highest scoring proposal, and the evaluation is based on the scoring of specific weighted criteria including price.

## **F. CONCLUDING STATEMENT**

This report is for the consideration of the Audit Committee.

**OPERATING EXPENDITURES**  
**@ February 28, 2019**

APPENDIX A

'000's	Total Revised Estimate	YTD Revised Estimate	YTD Actual	Variance '000's	Variance %	2018/19 YTD % Spent	2017/18 YTD % Spent
<b>Salaries</b>							
Teachers	540,445	324,267	315,234	9,033	2.8%	58.3%	59.1%
Occasional Teachers	27,109	16,265	14,796	1,469	9.0%	54.6%	43.5%
Educational Assistants & ECE's	61,652	36,991	33,588	3,403	9.2%	54.5%	61.9%
Principal & VP	38,112	22,867	22,260	607	2.7%	58.4%	59.0%
School Office	17,777	10,666	9,498	1,168	11.0%	53.4%	54.4%
Continuing Education	17,843	10,706	6,306	4,399	41.1%	35.3%	35.7%
Other Instructional	61,925	37,155	33,340	3,815	10.3%	53.8%	57.8%
<b>Sub Total Instruction</b>	<b>764,862</b>	<b>458,917</b>	<b>435,022</b>	<b>23,895</b>	<b>5.2%</b>	<b>56.9%</b>	<b>57.8%</b>
Administration	18,173	9,086	9,137	(50)	-0.6%	50.3%	47.6%
Transportation	1,063	532	463	68	12.9%	43.6%	47.8%
Operations & Maintenance	46,129	23,064	23,512	(448)	-1.9%	51.0%	51.6%
Other	8,591	4,296	3,952	343	8.0%	46.0%	31.1%
<b>Sub Total Non Instruction</b>	<b>73,956</b>	<b>36,978</b>	<b>37,064</b>	<b>- 86</b>	<b>-0.2%</b>	<b>50.1%</b>	<b>47.0%</b>
<b>Total Salaries</b>	<b>838,818</b>	<b>495,895</b>	<b>472,086</b>	<b>23,809</b>	<b>4.8%</b>	<b>56.3%</b>	<b>56.8%</b>
<b>Benefits</b>							
Teachers	78,843	47,306	36,145	11,160	23.6%	45.8%	48.0%
Occasional Teachers	5,536	3,322	3,544	(222)	-6.7%	64.0%	28.3%
Educational Assistants & ECE's	19,779	11,867	10,035	1,833	15.4%	50.7%	54.3%
Principal & VP	4,898	2,939	2,358	581	19.8%	48.1%	58.8%
School Office	5,566	3,339	2,781	558	16.7%	50.0%	53.2%
Continuing Education	2,759	1,655	1,372	283	17.1%	49.7%	43.3%
Other Instructional	14,079	8,448	6,594	1,854	22.0%	46.8%	53.3%
<b>Sub Total Instruction</b>	<b>131,460</b>	<b>78,876</b>	<b>62,829</b>	<b>16,047</b>	<b>20.3%</b>	<b>47.8%</b>	<b>49.0%</b>
Administration	4,770	2,385	2,562	(177)	-7.4%	53.7%	49.2%
Transportation	249	124	120	5	3.7%	48.1%	46.1%
Operations & Maintenance	14,703	7,351	6,790	562	7.6%	46.2%	53.7%
Other	1,675	838	487	350	41.8%	29.1%	34.3%
<b>Sub Total Non Instruction</b>	<b>21,397</b>	<b>10,698</b>	<b>9,959</b>	<b>739</b>	<b>6.9%</b>	<b>46.5%</b>	<b>51.2%</b>
<b>Total Benefits</b>	<b>152,857</b>	<b>89,574</b>	<b>72,788</b>	<b>16,786</b>	<b>18.7%</b>	<b>47.6%</b>	<b>49.2%</b>
<b>Operating Expense</b>							
Instructional Expense	48,928	29,357	20,739	8,618	29.4%	42.4%	50.6%
Transportation Expense	35,910	17,955	15,935	2,020	11.3%	44.4%	48.2%
Operations & Maintenance Expense	37,192	18,596	15,368	3,228	17.4%	41.3%	35.1%
Other Non Instructional Expense	5,116	2,558	2,644	(86)	-3.4%	51.7%	51.0%
<b>Total Expense</b>	<b>127,146</b>	<b>68,466</b>	<b>54,686</b>	<b>13,780</b>	<b>20.1%</b>	<b>43.0%</b>	<b>44.6%</b>
<b>Grand Total</b>	<b>1,118,821</b>	<b>653,936</b>	<b>599,561</b>	<b>54,375</b>	<b>8.3%</b>	<b>53.6%</b>	<b>54.4%</b>

Instruction %	6/10	60.0%
Non-Instruction %	6/12	50.0%

## CAPITAL PROJECT PHASES 1 TO 7

Financial Update at February-28-2019

	COMPLETED PROJECT STATUS		WORK IN PROGRESS			
	MINISTRY APPROVED BUDGET	Costs to Date	Outstanding Purchase Order/ Committment Balances	Costs & Outstanding Purchase Orders ②+③	In Planning ①-④	% Complete & Committed
	①	②	③	④		
Phase I	61,750,493	61,652,198	98,295	61,750,493	-	100%
Phase II	64,450,776	63,368,036	1,082,740	64,450,776	-	98%
Phase III	111,781,897	50,776,202	29,666,281	80,442,483	31,339,414	72%
Phase IV	103,163,780	56,290,386	5,316,324	61,606,710	41,557,070	60%
Phase VII	107,391,102	1,987,546	4,888,937	6,876,483	100,514,619	6%
	<b>448,538,048</b>	<b>234,074,368</b>	<b>41,052,576</b>	<b>275,126,945</b>	<b>173,411,103</b>	<b>61%</b>

## SCHOOL RENEWAL / SCHOOL CONDITION IMPROVEMENT / GREENHOUSE GAS REDUCTION GRANT BALANCE

Update: March 8, 2019.

## FUNDS REMAINING

Financial Update at February 28, 2019

	SRG Renewal	SRA Renewal	Greenhouse Gas Reduction Fund	SCI 70% Restricted	SCI 30% Unrestricted	TOTAL
				70%	30%	
<b>FUNDING AVAILABLE</b>						
Balance Forward - August 31, 2018 (2018 Accruals incl.)	25,399,374	1,394,592	438,786	38,172,324	29,018,085	94,423,160
Grant - 2018/2019 (Rev. Estimates/SB11 2018)	16,418,436	704,708		24,152,170	10,350,930	51,626,244
<b>Total Grant Available for 2018/2019</b>	<b>41,817,810</b>	<b>2,099,300</b>	<b>438,786</b>	<b>62,324,494</b>	<b>39,369,015</b>	<b>146,049,404</b>
Add: Accruals (Payments incl. below)	3,002,368	148,988	1,111,473	7,439,787	0	11,702,617
Balance Available September 1, 2018 ①	<b>44,820,177</b>	<b>2,248,288</b>	<b>1,550,259</b>	<b>69,764,281</b>	<b>39,369,015</b>	<b>157,752,021</b>
<b>EXPENDITURES &amp; WORK IN PROGRESS (September 1, 2018 - February 28, 2019)</b>						
Actuals - Completed Work	7,125,987	397,422	833,168	9,843,596	0	18,200,173
Open Purchase Orders - Work in Progress	8,731,840	252,176	759,136	24,113,906	163,734	34,020,792
<b>EXPENDITURES AND OPEN PURCHASE ORDERS ②</b>	<b>15,857,827</b>	<b>649,599</b>	<b>1,592,304</b>	<b>33,957,502</b>	<b>163,734</b>	<b>52,220,965</b>
<b>BALANCE AT FEBRUARY 28, 2019 ①-②</b>	<b>28,962,351</b>	<b>1,598,689</b>	<b>-42,044</b>	<b>35,806,780</b>	<b>39,205,281</b>	<b>105,531,056</b>



## Audit Committee Meeting 2019 Annual Agenda / Check List

	Jan	Mar	May	Sep	Nov
<b>Risk Management</b>					
Resourcing (Mix, Skillset, Quantity)					
Reputational Risk		D			
Management Structure Issues					
CFO Role					
Budget (2019/2020)	D	D			
<b>Financial Reporting Process</b>					
MOE Financial Reports	D				
Consolidated Financial Statements					
<b>Internal Audit</b>					
Open Audit Status (% complete, support received)		D			
Risk Review Summary on Audit Completion		D			
Future Audit Plan (2 years)					
<b>Internal Controls</b>					
Ministry Operational Review					
Internal Audit recommendations	D				
<b>Compliance Matters</b>					
Legal	D	D			
MOE		D			
Union					
Board Policy Compliance					
<b>External Audit</b>					
Review External Auditors					
Scope					
Cost					

D - Discussed

R - Review requested

P - Pending

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



REPORT TO

AUDIT COMMITTEE

## SUMMARY OF SCHOOL AND CSPC AUDIT FINDINGS - MINISTRY AND TCDSB PROCEDURES AND POLICIES PERTAINING TO HOSPITALITY

*Give and it will be given unto you.*

**Luke 6:38**

Created, Draft	First Tabling	Review
March 19, 2019	March 26, 2019	<a href="#">Click here to enter a date.</a>
L. LePera; Senior Financial Analyst, Finance and Accounting C. Giambattista; Senior Manager, Finance D. Bilenduke; Senior Co-ordinator, Finance P. De Cock; Comptroller, Business Services and Finance		
<b>INFORMATION REPORT</b>		

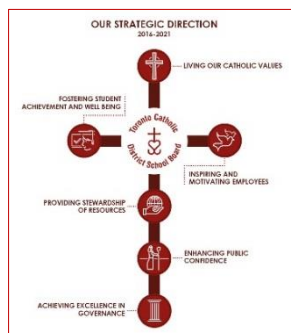
### **Vision:**

*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

**L. Noronha**  
Associate Director of Facilities,  
Business and Community  
Development, and  
Chief Financial Officer

## **A. EXECUTIVE SUMMARY**

Provincial legislation, directives and guidelines regulate the use of School and CSPC generated funds. In addition, the TCDSB has established Board policies and operational procedures regarding the appropriate use of school and CSPC generated funds. Any funds raised by the school or CSPC becomes the property of the TCDSB, and consequently, is subject to the applicable laws, regulations and guidelines governing school boards. The overall objective of the aforementioned provide the TCDSB community confidence regarding the stewardship of public resources.

*The cumulative staff time required to prepare this report was 5 hours.*

## **B. PURPOSE**

1. The purpose of this report is to provide the Audit Committee with documentation from the Ministry of Education and from the TCDSB procedures and policies pertaining to the use of School and CSPC Generated funds for hospitality.

## **C. BACKGROUND**

1. During the 2017-2018 school year, the Board's finance staff performed field audits at 10 selected schools. The audit included a review of school banking funds, including the Catholic School Parent Council (CSPC) funds.
2. A summary of findings by school was presented at the January 30, 2019 Audit Committee meeting (Appendix A).
3. The audit findings included evidence of expenses relating to staff hospitality and gift card purchases for Board employees.
4. The Audit Committee requested TCDSB staff to provide documentation from the Ministry of Education and from TCDSB policies and procedures regarding the use of School and CSPC funds on hospitality.

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

The following are a list of Ministry of Education Directives and TCDSB Policies and Procedures that address the use of public funds on hospitality expenses:

### **Ministry of Education**

1. **The Broader Public Sector (BPS) Expenses Directive (April 2001)**, Appendix B, required all BPS organizations to establish expense rules where expenses are reimbursed from public funds. The expense rules apply to all of the following stakeholders:
  - a. Board members
  - b. Elected officials
  - c. Board employees
  - d. Consultants and contractors engaged by the board

Section 4.4 of the BPS Expenses Directive states that hospitality expenses (defined as the provision of food, beverages, accommodation and transportation) can be provided **only** for people who **are not** engaged to work for a BPS organization. Hospitality may never be offered solely for the benefit of anyone covered by this directive.

2. **The Ministry of Education document, School Councils a Guide for Members (2002)** states “School Councils should be aware that because the school board is a corporate entity and the school is not, any funds raised by the school council (and any assets purchased with those funds) belong legally to the board.” The document can be viewed at:

<http://www.edu.gov.on.ca/eng/general/elemensec/council>

3. **Regulation 612, Section 22** of the Education Act states that all fundraising activities and expenditures must be conducted in accordance with Board policies and guidelines. Under the TCDSB Policy, **Catholic School Parent Councils S.10** (Appendix C), all fund raising shall be governed by TCDSB Policy **S.M.04 Fund Raising in Schools**.

### **TCDSB Policy and Procedures**

4. **Policy S.M.04 Fund Raising in Schools** (Appendix D), states that all fund raising must be carried out under the jurisdiction of the principal and may be a joint project with the local CSPC.
5. **TCDSB Guideline for School Accounts and CSPC Accounts** (Appendix E) restricts the use of funds for staff gifts and for hospitality for staff meetings.
6. **Policy F.M.07 Offering of Hospitality and Gifts** (Appendix F) has been aligned with the BPS Hospitality Directive. Regulation 2 states that hospitality may only be provided to people who are not engaged to work for a BPS organization. TCDSB is a BPS organization. This means that hospitality may never be offered solely for the benefit of anyone (i.e. TCDSB staff) covered by this policy or the BPS directive.

## **E. METRICS AND ACCOUNTABILITY**

1. Finance staff will continue to remind schools of the restriction for the use of school funds to cover Hospitality for staff meetings and for gift purchases.
2. Principal checklists will be sent out at the start and end of each school year, which identifies the applicable Board policies and guidelines, and resources.

## **F. CONCLUDING STATEMENT**

This report is for the consideration of the Audit Committee.

## Summary of Findings identified as requiring immediate attention

**School A**

<b><i>Finding</i></b>	<b><i>Solution</i></b>	<b><i>Learning</i></b>
Found evidence of TCDSB employees paid for services from the SGF account (not expense reimbursement).	The school has discontinued this practice. To ensure we are compliant with CRA regulations, these remunerations must be processed through payroll.	This control has been added to the Audit testing for future process reviews.
Found evidence of unrecorded HST paid in the school banking system. The result is lost revenue to the school.	The school was made aware that in order for schools to get the benefit of the HST refund, schools must record the HST paid in the KEV system.	The revenue potential was highlighted in the latest principals' meeting and should continue to be an agenda item for future updates.
Found evidence of expenses relating to staff hospitality and gift card purchases for Board employees.	The school was made aware that in accordance with to the 'School Management Report' issued July 2015, there is a restriction for use of school funds to cover 'Hospitality for staff meeting'.	Principal checklists will be sent out at the start and end of each school year. The checklist identifies the resources available for the most recent Board policies and guidelines.
Found evidence of non-compliance of Board regulations by the 3 <sup>rd</sup> party fundraising group.	Because this group has an arm's length relationship with the school, all purchases should be made by the school, after approval only, and reimbursed by the group. This will ensure Board purchasing policy is adhered to.	This control has been added to the Audit testing for future process reviews.

**School B**

<b><i>Finding</i></b>	<b><i>Solution</i></b>	<b><i>Learning</i></b>
Found evidence of cash deposited without counting. The result was multiple bank discrepancy adjustments.	The new office administration is now counting all cash in advance of making deposits to eliminate the risk of mis-directed funds.	This control continues to be a part of the Audit testing for future process reviews.
Found evidence that some banking procedures were not adhered to. This included the practice of issuing handwritten cheques and delaying the depositing of large amounts for up to 2 weeks. The school's secretary at the time did not	Subsequent to the audit, a new secretary was assigned to the school. Proper banking procedures are now being adhered to.	This control continues to be a part of the Audit testing for future process reviews.

<b><i>Finding</i></b>	<b><i>Solution</i></b>	<b><i>Learning</i></b>
have access to the school's bank account.		
Found evidence of expenses relating to staff hospitality and gift card purchases for Board employees.	The school was made aware that in accordance with to the 'School Management Report' issued July 2015, there is a restriction for use of school funds to cover 'Hospitality for staff meeting'.	Principal checklists will be sent out at the start and end of each school year. The checklist identifies the resources available for the most recent Board policies and guidelines.

### School C

<b><i>Finding</i></b>	<b><i>Solution</i></b>	<b><i>Learning</i></b>
Found evidence that the school did not have a safe and when required, stored cash in a locked cabinet overnight.	All schools should be equipped with a safe and be anchored to a wall or to the floor to eliminate the risk of theft.	This control continues to be a part of the Audit testing for future process reviews.
Found evidence that bank reconciliations were not printed and approved. The result was an array of very old outstanding items that skewed the ledger cash balance position.	Additional KEV training is available on-going to assist with this control.	Principal checklists will be sent out at the start and end of each school year. The checklist identifies the resources available for the most recent Board policies and guidelines.
Found evidence that some banking procedures were not adhered to. In addition to Finding C1.1, this included numerous incorrect adjusting entries.	Additional KEV training is available ongoing to assist with this control.	This control continues to be a part of the Audit testing for future process reviews.
Found evidence of expenses relating to staff hospitality.	The school was made aware that in accordance with to the 'School Management Report' issued July 2015, there is a restriction for use of school funds to cover 'Hospitality for staff meeting'.	Principal checklists will be sent out at the start and end of each school year. The checklist identifies the resources available for the most recent Board policies and guidelines.

**School D**

<b><i>Finding</i></b>	<b><i>Solution</i></b>	<b><i>Learning</i></b>
Found evidence of unrecorded HST paid in the school banking system. The result is lost revenue to the school.	The school was made aware that in order for schools to get the benefit of the HST refund, schools must record the HST paid in the KEV system.	The revenue potential was highlighted in the latest principals' meeting and should continue to be an agenda item for future updates.
Found evidence of expenses relating to staff hospitality.	The school was made aware that in accordance with to the 'School Management Report' issued July 2015, there is a restriction for use of school funds to cover 'Hospitality for staff meeting'.	Principal checklists will be sent out at the start and end of each school year. The checklist identifies the resources available for the most recent Board policies and guidelines.

**School E**

<b><i>Finding</i></b>	<b><i>Solution</i></b>	<b><i>Learning</i></b>
Found evidence of funds stored in classrooms overnight. This practice resulted in the school experiencing theft.	Principal to enforce the classroom practice of submitting all funds collected to the office before end of the same school day.	Principal checklists will be sent out at the start and end of each school year. The checklist identifies the resources available for the most recent Board policies and guidelines.
Found evidence that the school did not store funds in the school safe due to the inconvenience of its location.	Subsequent to the audit the school safe was relocated and is now used.	This control continues to be a part of the Audit testing for future process reviews.
Found evidence that bank reconciliations were not approved.	A review and approval of the monthly bank reconciliations is required by the principal.	Principal checklists will be sent out at the start and end of each school year. The checklist identifies the resources available for the most recent Board policies and guidelines.
Found evidence that some banking procedures were not adhered to. This included the delaying of depositing of funds for weeks after receipt.	Subsequent to the audit deposits are done timely. This reduces the risk of the school's bank account becoming overdrawn.	This control continues to be a part of the Audit testing for future process reviews.



**School F**

<b><i>Finding</i></b>	<b><i>Solution</i></b>	<b><i>Learning</i></b>
Found evidence that some banking procedures were not adhered to. This included issuing handwritten cheques, and delaying the depositing of funds for weeks after receipt.	The return of the permanent secretary will assure compliance.	Principal checklists will be sent out at the start and end of each school year. The checklist identifies the resources available for the most recent Board policies and guidelines.
Found evidence that the CSPC funds were stored in the safe for months in advance of depositing, CSPC funds were counted off school property and CSPC records were stored off school property.	All deposits should be made timely, CSPC funds should always be counted with at least 2 people present and on school site. CSPC records are the property of the school and should be stored on-site at all times.	Include the CSPC procedures on the agenda for the next CSPC workshop and on future communication and workshops.
Found evidence that the CSPC maintains a petty cash float without a reconciliation. The petty cash float was also used for cash disbursements.	In order to ensure data integrity, CSPC should discontinue the use of issuing cash disbursements	Include the CSPC procedures on the agenda for the next CSPC workshop and on future communication and workshops.
Found evidence that the CSPC often delayed reimbursements to the school for spend approved by the CSPC in advance of incurring the expense.	There should be no delay in reimbursing the school for spend that was previously approved by the CSPC. Reimbursement should be made within 10 days of the school providing the invoice.	Include the CSPC procedures on the agenda for the next CSPC workshop and on future communication and workshops.

**School G**

<b><i>Finding</i></b>	<b><i>Solution</i></b>	<b><i>Learning</i></b>
Found evidence that some banking procedures were not adhered to. This included delaying the depositing of funds for weeks after receipt and not retaining invoice copies to support payments.	Subsequent to the audit, proper banking procedures are now being adhered to.	Principal checklists will be sent out at the start and end of each school year. The checklist identifies the resources available for the most recent Board policies and guidelines.
Found evidence of unrecorded HST paid in the school banking system. The result is lost revenue to the school.	The school was made aware that in order for schools to get the benefit of the HST refund, schools must record the HST paid in the KEV system.	The revenue potential was highlighted in the latest principals' meeting and should continue to be an agenda item for future updates.

**School H**

<b><i>Finding</i></b>	<b><i>Solution</i></b>	<b><i>Learning</i></b>
Found evidence that students were submitting funds, collected in the classroom, to the office.	Teachers, never students, should submit funds collected in the classroom to the office on a daily basis.	Principal checklists will be sent out at the start and end of each school year. The checklist identifies the resources available for the most recent Board policies and guidelines.
Found evidence that some banking procedures were not adhered to. This included delaying the depositing of funds for weeks after receipt. The school was also experiencing high bank charges prior to the move to CIBC.	Subsequent to the audit, deposits are done timely. Monthly bank charges have now been reduced since moving to a Commercial account with CIBC.	Principal checklists will be sent out at the start and end of each school year. The checklist identifies the resources available for the most recent Board policies and guidelines.

**School I**

<b><i>Finding</i></b>	<b><i>Solution</i></b>	<b><i>Learning</i></b>
Found evidence that the school did not follow the practice of segregating banking duties. The principal was completing all banking tasks including counting funds, making deposits, issuing cheques and reconciling the bank account.	The secretary should be performing the daily banking tasks and the principal should play the part of oversight and approver.	Principal checklists will be sent out at the start and end of each school year. The checklist identifies the resources available for the most recent Board policies and guidelines.
Found evidence that some banking procedures were not adhered to. This included delaying the depositing of funds for weeks after receipt and not retaining invoice copies to support payments.	Subsequent to the audit, proper banking procedures are now being adhered to.	Principal checklists will be sent out at the start and end of each school year. The checklist identifies the resources available for the most recent Board policies and guidelines.
Found evidence of expenses relating to staff hospitality and gift card purchases for Board employees.	The school was made aware that in accordance with the 'School Management Report' issued July 2015, there is a restriction for use of school funds to cover 'Hospitality for staff meeting'.	Principal checklists will be sent out at the start and end of each school year. The checklist identifies the resources available for the most recent Board policies and guidelines.

**School J**

<b><i>Finding</i></b>	<b><i>Solution</i></b>	<b><i>Learning</i></b>
Found evidence that the school did not have a safe and when required, stored cash in a locked cabinet overnight.	Subsequent to the audit, the school purchased a safe which was located in the principal's office.	This control continues to be a part of the Audit testing for future process reviews.
Found evidence that the CSPC records were stored off school property and were not made available for an audit. The principal was asked to follow up with the CSPC.	Business Services continues to wait for the CSPC records to be made available for a reviews.	Include the CSPC procedures on the agenda for the next CSPC workshop and on future communication and workshops.



# **Broader Public Sector Expenses Directive**

**Issued By  
Management Board of Cabinet**

**Effective April 1, 2011**

## Table of Contents

1. INTRODUCTION .....	3
2. PURPOSE, APPLICATION AND SCOPE .....	3
3. PRINCIPLES.....	4
4. REQUIREMENTS.....	4
5. APPENDIX: GUIDANCE FOR DEVELOPING EXPENSE RULES .....	7

## 1. INTRODUCTION

The Government of Ontario is committed to protecting the interests of taxpayers and strengthening accountability for organizations that receive public funding.

The Management Board of Cabinet has issued this directive under the authority of the *Broader Public Sector Accountability Act, 2010* (Part IV – Expense Claims: Allowable Expenses), the “Act”.

The requirements set out in this document raise the level of accountability and transparency for designated broader public sector (BPS) organizations<sup>1</sup>, contributing to greater alignment with the high standards expected in ministries and agencies of the Government of Ontario.

## 2. PURPOSE, APPLICATION AND SCOPE

The purpose of this directive is to set out the requirement for the designated BPS organizations to establish expense rules where expenses are reimbursed from public funds<sup>2</sup>.

The expense rules apply to any person in the organization making an expense claim, including the following:

- appointees,
- board members,
- elected officials (e.g. school trustees),
- employees, and
- consultants and contractors engaged by the organization, providing consulting or other services.

Note that in this directive, the term, Chief Executive Officer (CEO), refers to head of operations in designated broader public sector organizations.

In addition, this directive serves as a guideline to all other publicly funded organizations<sup>3</sup>. This means that these other organizations can consider this directive in any review or development of their expense policies and practices.

Designated BPS organizations must comply with this directive.<sup>4</sup> In addition, every funding agreement between a designated BPS organization and a ministry or agency of the Government of Ontario is deemed to include the requirements of this directive.<sup>5</sup>

---

<sup>1</sup> “Designated broader public sector organization” as defined under the Act (s.1)

<sup>2</sup> “Public funds” as defined under the Act (s.1)

<sup>3</sup> “Publicly funded organization” as defined under the Act (s. 1)

<sup>4</sup> As set out in the Act (s.10 (5))

<sup>5</sup> As set out in the Act (s. 19)

Where an agreement addresses the subject matter of this directive, this directive prevails over the relevant terms of the agreement if there is any conflict or inconsistency between them<sup>6</sup>.

This directive does not prevail over a collective agreement between an organization and a bargaining agent representing employees of the organization.

The designated BPS organizations covered by this directive are encouraged to review the OPS Travel, Meal and Hospitality Expenses directive, available on the [Ministry of Government Services website](#), as they develop their expense rules.

### 3. PRINCIPLES

This directive is based on four key principles.

#### A) Accountability

Organizations are accountable for public funds used to reimburse travel, meal and hospitality expenses. All expenses support business objectives.

#### B) Transparency

Organizations are transparent to all stakeholders. The rules for incurring and reimbursing travel, meal and hospitality expenses are clear, easily understood, and available to the public.

#### C) Value for Money

Taxpayer dollars are used prudently and responsibly. Plans for travel, meals, accommodation and hospitality are necessary and economical with due regard for health and safety.

#### D) Fairness

Legitimate authorized expenses incurred during the course of the business of an organization are reimbursed.

### 4. REQUIREMENTS

Every organization must establish rules for all individuals in the organization with respect to travel, meal and hospitality expenses.

The following requirements must be included in the expense rules for the organization. For more information, see the appendix to this directive. The appendix is intended to serve as guidance for designated BPS organizations as they develop expense rules.

#### 4.1 Accountability Framework

The expense rules must include an accountability framework to ensure that there is appropriate governance, and that everyone understands the authority for approvals.

---

<sup>6</sup> As set out in the Act (s. 21(1))

**4.2 Posting**

The expense rules must be posted on the organization's website, so they are available to the public. The rules must be available in accessible formats.

**4.3 Alcohol**

The expense rules must provide direction on the circumstances in which alcohol can be claimed and reimbursed. The rules should be very specific as to the process for obtaining approval for the use of alcohol, and for approving a claim for reimbursement.

**4.4 Hospitality**

For the purposes of this directive, *hospitality* is the provision of food, beverage, accommodation, transportation and other amenities paid out of public funds to people who are not engaged to work for:

- designated BPS organizations (i.e. those covered by this directive), or
- any of the Ontario government ministries, agencies and public entities covered by the OPS Travel, Meal and Hospitality Expenses Directive (available on the [Ministry of Government Services website](#)).

The expense rules must provide that functions involving only those people in the organizations listed above are not considered hospitality functions and cannot be reimbursed. This means that hospitality may never be offered solely for the benefit of anyone covered by this directive, or by the OPS Travel, Meal and Hospitality Expenses Directive. Examples would be: office social events, retirement parties and holiday lunches.

**4.5 Documentation**

The expense rules must require that good record-keeping practices be maintained for verification and audit purposes.

**4.6 Consultants and Other Contractors**

The expense rules must provide direction on the circumstances in which a consultant or contractor can claim and be reimbursed for expenses. The rules should set out what is an allowable expense.

In no circumstances can hospitality, incidental or food expenses be considered allowable expenses for consultants and contractors under the rules or in any contract between an organization and a consultant or contractor.

Reimbursement for allowable expenses can be claimed and reimbursed only when the contract specifically provides for it.

**4.7 Individuals Making Claims (Claimants)**

Claimants must be required in the expense rules to:

- obtain all appropriate approvals before incurring expenses;
- submit original, itemized receipts with all claims;
- submit claims within the timeframe specified by the organization's rules;
- if the information above is not available or is not possible, submit a written explanation with the claim to provide the approver with adequate information for decision-making;
- repay any overpayments – it is considered a debt owing to the organization;



- if leaving employment with an organization, submit any claims for expenses before leaving the organization.

#### **4.8 Individuals Approving Claims (Approvers)**

Approvers must be prohibited in the expense rules from approving their own expenses, and the rules must note that expenses for a group can only be claimed by the most senior person present – expenses cannot be claimed by an individual that are incurred by his/her approver (e.g., an executive who reports to the CEO cannot submit a claim that includes the cost of the CEO's lunch even if they were at the same event, with the result that the CEO would thereby approve his/her own expenses).

Approvers must be required in the expense rules to:

- provide approval only for expenses that were necessarily incurred in the performance of organization business;
- provide approval only for claims that include all appropriate documentation

## 5. APPENDIX: GUIDANCE FOR DEVELOPING EXPENSE RULES

This appendix is intended to serve as guidance for designated broader public sector organizations as they develop the expense rules required under this directive (see section 4). The information below reflects some of the content of the Ontario Public Service (OPS) Travel, Meal and Hospitality Expenses Directive, available on the [Ministry of Government Services website](#), and is provided for consideration.

### A. Accountability Framework

The expense rules must include an accountability framework to ensure that there is appropriate governance, and that everyone understands the authority for approval (see section 4.1).

A CEO has the authority to establish additional rules regarding expenses. Any additional rules should be consistent with those laid out in this directive and be necessary to meet specific operational needs. These additional rules do not replace any rules required in this directive.

In addition, a CEO may modify the level of approval upward to a more senior level when authority is assigned to a manager/supervisor or contract manager.

Consideration should be given as to when the level of approval should be identified and also whether the authority can be further delegated. In cases where a decision is made not to identify a specific level of approval for a requirement (e.g., prior approval is required), this would mean that flexibility and discretion would exist for areas within the organization to establish their own level and to address possible delegation.

### **Managerial Discretion**

For the purpose of this directive and the expense rules, managerial discretion is the administrative authority to make decisions and choices with some degree of flexibility, while maintaining compliance with this directive and the rules. All decisions made under the expense rules should be taken very carefully.

When exercising managerial discretion, the rules on documentation should be followed so the rationale will be included in the claim file.

Approvers are accountable for their decisions, which should be:

- subject to good judgment and knowledge of the situation;
- exercised in appropriate circumstances; and
- comply with the principles and mandatory requirements set out in this directive and the expense rules.

When a situation arises and discretion needs to be exercised, approvers should consider whether the request is:

- ✓ able to stand up to scrutiny by the auditors and members of the public
- ✓ properly explained and documented
- ✓ fair and equitable
- ✓ reasonable
- ✓ appropriate

It is the responsibility of both the approver and the claimant to work out appropriate arrangements which would meet the test of being fair and equitable.

For information on the accountability framework for government ministries, see the OPS Travel, Meal and Hospitality Expenses Directive, available on the [Ministry of Government Services website](#).

## **B. Travel**

The following information is provided for consideration when developing the rules related to travel expenses.

It is recommended that:

- All travel require prior approval, with the appropriate level of approval authority identified in the expense rules. Consider establishing authority to approve travel dependent on the destination:
  - within Ontario
  - within North America
  - outside North America
- The highest level of approval be required for international travel (i.e. outside North America) as this is usually the most expensive type of travel. Delegation of authority for approval should be considered when developing the accountability framework (section A above).
- Consideration be given to addressing situations where frequent travel is a requirement – part of the regular job duties, and also where travel occurs irregularly on an as-needed basis.
- Rules should address the means of transportation (plane, train, road vehicle). The type of travel selected should be the most practical and economical way to travel to align with the principles established in this directive.
- Economy (coach) class be the standard option, and an appropriate level of approval should be required for any other type of fare (e.g. business class or VIA1). Considerations for making decisions should be based on circumstances such as accommodation, length of travel, health and safety considerations, etc.

For information on the rules for travel and travel approvals for government ministries, see the OPS Travel, Meal and Hospitality Expenses Directive, available on the [Ministry of Government Services website](#).

## **Accommodation**

Expense rules addressing situations overnight accommodation should also be established.

It is recommended that a standard room is the set option for accommodation, consistent with the principle of value for money.

For information on the rules for accommodation within government ministries, see the OPS Travel, Meal and Hospitality Expenses Directive, available on the [Ministry of Government Services website](#).

## **C. Meals**

The following information is provided for consideration when developing the rules related to meal expenses.

It is recommended that rules be established to address situations where the cost for meals can be claimed and reimbursed, and also to set the maximum rates for reimbursement.

For information on the rules for meals within government ministries, see the OPS Travel, Meal and Hospitality Expenses Directive, available on the [Ministry of Government Services website](#).

## **D. Alcohol**

The following information is provided for consideration when developing the rules related to claiming and being reimbursed for expenses that include alcohol (see section 4.3).

The rules regarding alcohol should be specific with regard to:

- the circumstances in which alcohol expenses can be claimed and reimbursed,
- who can claim alcohol expenses and be reimbursed,
- the process for obtaining approval for an alcohol expense, and
- the process for approving a claim for reimbursement.

For comparison purposes, the rules for government ministries prohibit claiming and being reimbursed for alcohol expenses as part of a travel or meal expense claim. This means that a person working for a ministry cannot claim alcohol expenses when they have a business meal with a ministry colleague.

Reimbursement for the service of alcohol as part of a hospitality event is allowed under the rules for government ministries; however, there is a rigorous approval process set out to ensure that there is a strong business case (see section E in this appendix).

For more information on the rules for the service of alcohol within government ministries, see the OPS Travel, Meal and Hospitality Expenses Directive, available on the [Ministry of Government Services website](#).

**E. Hospitality**

The following information is provided for consideration when developing the rules related to hospitality expenses (see section 4.4).

The rules must include the following information.

For the purposes of this directive, *hospitality* is the provision of food, beverage, accommodation, transportation and other amenities paid out of public funds to people who are not engaged to work for:

- designated BPS organizations (i.e. those covered by this directive), or
- any of the Ontario government ministries, agencies and public entities covered by the OPS Travel, Meal and Hospitality Expenses Directive (available on the [Ministry of Government Services website](#)).

Activities involving only those people in the organizations listed above are not considered hospitality and cannot be reimbursed. This means that hospitality may never be offered solely for the benefit of anyone covered by this directive, or by the OPS Travel, Meal and Hospitality Expenses Directive. Examples would be: office social events, retirement parties and holiday lunches.

**Service of Alcohol as Hospitality**

It is recommended that:

- A high level of approval be required when alcohol will be served. Consider also the process for obtaining approval (e.g. will prior written approval be required, will there be a form for consistency, what type of business case is required, etc.).
- Alcohol be provided in a responsible manner, e.g., food should always be served when alcohol is available. Preference should also be given to wine, beer and spirits produced in Ontario.

For information on the rules for hospitality within government ministries, see the OPS Travel, Meal and Hospitality Expenses Directive, available on the [Ministry of Government Services website](#).

**F. Expenses For Consultants And Other Contractors**

The following information is provided for consideration when developing the rules related to expenses for consultants and contractors (see section 4.6).

In no circumstances can hospitality, incidental or food expenses be considered allowable expenses for consultants and contractors under the rules or in any contract between an organization and a consultant or contractor. Therefore, they cannot claim or be reimbursed for such expenses, including:

- meals, snacks and beverages
- gratuities
- laundry or dry cleaning

- valet services
- dependant care
- home management
- personal telephone calls

See the Broader Public Sector Procurement Directive for information about procurement and contracts. Reimbursement for allowable expenses can be claimed and reimbursed only when the contract specifically provides for it.

For information on the rules for consultants and contractors within government ministries, see the OPS Travel, Meal and Hospitality Expenses Directive, available on the [Ministry of Government Services website](#).

<b>Date Approved:</b> April 22, 2015	<b>Review Cycle:</b> 2019	<b>Dates of Amendment:</b> 14 June 01; 20 June 96; 16 Nov.92;20 Oct 83; 19 Nov 81; Feb 19 <sup>th</sup> , 2015; Feb 24, 2016
<b>Cross Reference:</b> <ul style="list-style-type: none"> <li>• Reg. 298 – Operation of Schools – General</li> <li>• Reg. 612 – School Councils School Councils – a Guide for Members, 2001, Ontario Ministry of Education</li> <li>• H.M. 14 Harassment and Discrimination Policy and The Respectful Workplace</li> <li>• H.M. 19 Conflict Resolution Policy</li> </ul>		
<b>Attachment(s):</b> Catholic School Parent Council Operational Procedures		

**Purpose:**

This Policy provides the regulations by which Catholic School Parent Councils shall operate within the Toronto Catholic District School Board. This is consistent with the Education Act and Ontario Regulation 612/00.

**Scope and Responsibility:**

The Policy extends to all schools of the Toronto Catholic District School Boards. The Director of Education is responsible for this Policy.

**Alignment with MYSP:**

Living our Catholic Values  
Fostering Student Achievement and Well Being  
Strengthening Public Confidence

**Policy**

The Catholic School Parent Council (CSPC) of each school in the TCDSB will, through the active participation of parents, endeavor to improve student achievement and well-being and to enhance the accountability of the education system to parents. Each CSPC shall function in an

advisory role by making recommendations to the principal of the school and, where necessary, to the Board, on any matter in accordance with the Education Act, TCDSB policies and, guidelines and operating procedures.

**Regulations:**

1. The school council at every school shall use the name Catholic School Parent Council (hereafter the CSPC), and will be guided by Catholic values and doctrine. The Chair or at least one of the CSPC Co-Chairs must be Roman Catholic. The CSPC shall not be incorporated.
2. A CSPC may make recommendations to the principal of the school on any matter, and the principal shall consider each recommendation and advise the CSPC of the action taken in response to the recommendation.
3. The principal will act as a resource person to the CSPC and shall assist the Council in obtaining information relevant to the duties and functions of the Council.
4. The principal will provide information and solicit the views of CSPC on matters concerning:
  - i. student achievement and the School Learning Improvement Plan;
  - ii. annual funding for parent involvement;
  - iii. the school budget;
  - iv. school policies and procedures including the code of conduct;
  - v. school uniform or dress code.
5. The principal of a school may delegate any of his or her powers or duties as a member of CSPC to a vice-principal of the school.
6. A CSPC may make recommendations to the Board on any matter, and the Board shall consider each recommendation and advise the CSPC of the action taken in response to the recommendation.
7. The Board shall solicit the views of CSPCs with respect to the:
  - i. establishment or amendment of Board policies or guidelines;
  - ii. development of implementation plans for new initiatives that relate to student achievement  
or to the accountability of the education system to parents;
  - iii. Board action plans for improvement based on EQAO reports;



- iv. Principal Profile, to assist in the selection and placement of principals and vice-principals.
8. A CSPC may make recommendations to the Board's Catholic Parent Involvement Committee (CPIC) on matters relating to:
    - i. strategies for parent engagement;
    - ii. identifying and reducing barriers to parent engagement;
    - iii. creating a welcoming environment for parents;
    - iv. strategies for parents to support their child(ren)'s learning at home and at school.
  9. The election of parent members to CSPC will be held within the first 30 days of each school year. The minimum number of council members is 7 and parents must form the majority. Other members include school personnel, community representatives and the local pastor. That said, parents shall still be the majority member. On behalf of the CSPC, the principal will communicate information about elections to the parent community of the school at least 14 days prior to the election.
  10. There will be no proxy votes at Council meetings.
  11. Every effort will be made to ensure that CSPC is representative of the diversity within a school community, where possible.
  12. Composition of the CSPC will be consistent with the Education Act, and will also include the local pastor or designate, parent representative from the Ontario Association of Parents in Catholic Education Toronto (OAPCE Toronto) and, where possible, a person who has a special interest in Special Education.
  13. There must be a minimum of six CSPC meetings, which includes the Annual General Meeting. All CSPC meetings are open to the public in each school year.
  14. CSPC may solicit and take into consideration the advice of parents of students enrolled in the school with regards to matters under consideration by the Council.
  15. All communications from CSPC intended for distribution to parents of children in the school will be approved by the Principal prior to the communication being sent to the intended recipients.
  16. All CSPC shall function and will be governed by Ontario Regulation 612/00 (found in Operational Procedures in Appendix A)

17. Each CSPC will develop by-laws governing the conduct of its activities and must include the following by-laws:
  - i. a by-law governing election procedures and the filling of vacancies in the membership of the CSPC
  - ii. a by-law that establishes rules respecting participation in school council proceedings in cases of conflict of interest
  - iii. a by-law that establishes a conflict resolution process for internal Council disputes, consistent with TCDSB policy H.M.19 Conflict Resolution. [\[hyperlink to policies\]](#). CSPC by-laws must be distributed and verified each year at the Annual General Meeting.
  - iv. A by-law that establishes a process for the governance of Catholic School parent councils and its affairs.
18. Per Regulation 17 ii) no member of the school parent council will participate in proceedings if they have a conflict of interest.
19. All funds collected by CSPCs shall be retained at the school for preparation and deposit to a CSPC account.
20. CSPC may maintain a bank account, separate from the school account, under the name of the CSPC.
21. The CSPC may engage in fundraising activities related to charitable, humanitarian, educational or services consistent with the tenets of Catholicism. All fundraising shall be carried out under the jurisdiction and supervision of the principal, and will be governed by TCDSB policies S.M.04 Fund Raising in Schools, and F.P.01 Purchasing. [\[hyperlink to policies\]](#) All funds raised will be reported to the parent community.
22. Per legislation an annual report will be submitted by May of every year to the principal and local trustee. Trustees will determine if this should be shared with the board. The annual report will be posted to the website.
23. CSPC shall create minutes of all its meetings and records of all its financial transactions and retain those records for a minimum of four years. The principal will retain these minutes and records and make them available at the school for examination without charge for any member of the Catholic community.
24. Operational Procedures and Financial Procedures provided will govern the respective activities of Catholic School Parent Councils of the TCDSB.

**Evaluation and Metrics:**

1. The annual report of CSPC activities will serve as an assessment of the Council's work to support student achievement and well-being at the school.
2. The utilization of parent involvement funds and Parent Reaching-Out (PRO) grants will be monitored.



## TCDSB Policy Register

### FUND RAISING IN SCHOOLS S.M.04

<b>Date Approved:</b> 11 Dec 06	<b>Date of Review:</b>	<b>Dates of Amendment:</b>
<b>Cross Reference:</b> O. Reg. 612, School Councils S. 10, Catholic School Advisory Councils		

#### Policy:

The Toronto Catholic District School Board permits fund raising to be undertaken by its schools. All fund raising activities whether for the school or for an approved organization shall be related to charitable, humanitarian, educational, or service activities consistent with the tenets of Catholicism.

#### Regulations:

1. All fund raising shall be carried out under the jurisdiction and supervision of the principal and may be a joint project with the local Catholic School Advisory Council and/or Student Council.
2. Participation of students in fund raising in schools shall be voluntary and consideration shall be given to factors such as the age and safety of the students. Fund raising activities shall not interfere unduly with the learning experiences in the curriculum.
3. The school principal must approve the content, and/or posting on school property, of any advertising materials, or the distribution of notices dealing with school fund raising events.
4. Individuals and organizations, approved under policy S.13, Approved Access to Schools by Individuals and Organizations, who wish to raise funds on school property and/or with the assistance of school staff and students, must do so in accordance with the fund raising policy and its regulations.
5. Funds raised under this policy shall not be used to purchase textbooks, learning materials and resources for regular classroom programs which would normally be funded through Board and school-based budgets.
6. When fund raising is a joint project with the local Catholic School Advisory Council and/or Student Council, it is understood that the decision making as to the disbursement of funds is also a joint responsibility. The following shall be authorized to sign cheques (one person from each of groups (a) and (b) shall sign each cheque):
  - a) two parent/student representatives on the Executive Committee of the Catholic School Advisory Council/Student Council - usually the Treasurer and the Chair;
  - b) two representatives from the school namely the Principal, Vice-Principal or Superintendent (where no Vice-Principal exists) and
  - c) The signature of the Treasurer of TCDSB will be required only under exceptional circumstances such as suspected misappropriation of funds.
7. The school Principal shall sign all cheques and only in the absence of the Principal will the Vice-Principal or Superintendent sign.
8. Appropriate record keeping procedures for all funds raised or donated to the school shall be maintained in accordance with those prescribed by the Treasurer of the Board.
9. An annual financial summary of all fund raising activities conducted during the school year shall be prepared and presented to the community at the Annual General Meeting in the fall. The statement should be kept on file at the school.

## TORONTO CATHOLIC DISTRICT SCHOOL BOARD

### Extract from 'Guidelines to Principals for Non-School Block Funds

(Education Council - November 30, 2005)

8. In deciding what the money is spent on, the school should ensure that any expenditures are consistent with the Board's Mission, Vision, Goals, Targets or local school priorities.

Following is a list of possible uses and restrictions for these funds. Check with your School Superintendent if you are unsure in regards to use of these funds for a specific purpose not covered in the following:

ALLOWABLE	RESTRICTIONS
Student subsidies for trips, rental of gowns, retreats	Out of school parties for staff
Gifts for pastor, office helpers, and volunteers	Hospitality for staff meetings
Rental of equipment for concerts	Pre-printed materials available through SAP
Mass expenses, flowers, offertory gifts	Principal Professional Membership fees
Special office supplies - certificates, decorative paper	Principal/Vice Principal Conference fees
Staffroom needs	Textbooks
Tournament entry fees, referee costs	
Special presentation, e.g. Scientist in School	
Interpreter honoraria	
Buses for athletic/artistic events	
Taxis for student/staff emergency	
Parking costs relating to meetings for the school community	
Staff incentives (buttons, thank you cards)	
Reimbursing teachers and/or support staff for decorations (or the class incentives stickers)	
Support material, (C.D.'s, resource documents)	
Immediate cash needs for items that will later be reimbursed	
Canada Post costs for school communications	
Student incentives and recognition, e.g. Birthday treats	
Professional staff development activity costs	
Printing costs of student newspaper	
Occasional teachers for coverage of Board approved field trips, athletic activities, and educational activities. (With Superintendent's approval)	
Laptops/Desktops/Peripherals and associated furniture	
Digital video projectors	
General Office Furniture	
Sports/Playground equipment	



## TCDSB Policy Register

### Offering of Hospitality and Gifts F.M.07

<b>Date Approved:</b> Board – April 20, 2011	<b>Date of Review:</b>	<b>Dates of Amendment:</b> 28/03/2007
<b>Cross Reference:</b>		

#### Policy

It is the policy of the Toronto Catholic District School Board that elected officials and staff designated by the Director may offer hospitality or gifts on behalf of the Board where necessary and reasonable in the course of their duties. The objective of this policy is to comply with the Broader Public Sector Expenses Directive which takes effect April 1, 2011 in a manner that achieves value for money while treating all employees both fairly and equitably. All expenditures related to hospitality and gifts will be made available for Freedom of Information (FOI) requests.

#### Definition(s):

Hospitality is the provision of food, beverages, accommodations, transportation, or other amenities paid out of public funds.

Gifts are tokens of appreciation or promotional materials given to persons who are not employed by or contracted to the Board in exchange for pro bono services or employees as identified in the regulations. The Broader Public Sector (BPS) Expenses Directive further defines any BPS employee as not eligible to receive hospitality from a fellow BPS employee even when they are employed by different organizations.

#### Regulations:

1. Hospitality and gifts may be extended on behalf of the Board when engaging in discussion of official public matters with, or sponsoring formal conferences for:
  - (i) Recognizing staff or other individuals for outstanding achievement (e.g. service, meritorious awards, etc.);
  - (ii) Engaging representatives of other Boards, the broader public sector, industry, public interest groups, unions or delegations in discussions on official matters;
  - (iii) Providing individuals from provincial, national, or international organizations and charitable organizations with an understanding and appreciation of the workings of the Board;
  - (iv) Sponsoring or attending formal conferences related to the goals of the Board.
2. Hospitality is the provision of food, beverage, accommodation, transportation and other amenities paid out of public funds to people who are not engaged to work for:
  - Designated BPS organizations; or
  - Any of the Ontario government ministries, agencies and public entities covered by the Ontario Public Service (OPS) Travel, Meal and Hospitality Expenses Directive.

Activities involving only those people in the organizations above are not considered hospitality and cannot be reimbursed. This means that hospitality may never be offered solely for the benefit of anyone covered by this policy, or by the Ontario Public Service (OPS) Travel, Meal and Hospitality Expenses Directive. Examples would be: office social events, retirement parties and holiday lunches.
3. Hospitality offered to others may include the moderate consumption of alcoholic beverages with a meal. The cost of alcohol cannot exceed the cost of food. Elected officials shall be guided as to whether to order alcoholic beverages according to guest preference. All requests for reimbursement of alcoholic beverages must be approved by the Director of Education and a written business case will accompany the request supporting the decision.
  - (i) Alcoholic beverages may be offered during a reception approved by the Board. These should not include premium brands or vintage wines. Costs of alcohol must be reasonable.
4. Gifts of appreciation should be of a value not to exceed \$30. Gifts of greater value must be approved by the Director for designated staff or by the Chair for elected officials.
5. All expenses related to hospitality and gifts in this policy must be submitted on the Board's expense reports and must be accompanied by original detailed receipts or invoices with the number of individuals in attendance, their names, roles and the purpose of the expenditure.
6. Approvals of expenses under this policy will be obtained from the immediate supervisor; in the case of trustees, the Director of Education or designate; in the case of the Directors Council, the Director of Education and the Chair of the Board will approve all of the expenditures of the Director.
7. The TCDSB will assume no obligation to reimburse expenses that are not in compliance with this policy.
8. Exceptions to this policy and resolution of any dispute arising shall be at the discretion of the Director for staff.



**AUDIT COMMITTEE  
PENDING LIST OF REPORTS AS AT MARCH 26, 2019**

	<b>Subject</b>	<b>Date Due</b>	<b>Delegated to</b>
a.	Report regarding Schedule of Internal Audits (Annual)	Jan./Feb.	<b>L. Noronha</b>
b.	Report regarding Summary of Grievances, Trends, Liabilities, Administrative Risks and Litigation (Quarterly, where appropriate, to both the Audit Committee and the respective Standing Committee)	Quarterly	<b>P. Matthews</b>
c.	Report regarding Audit Committee Annual Report to the Board of Trustees (Annual)	Nov.	<b>L. Noronha</b>
d.	Report regarding the Draft Audited Financial Statements (Annual)	Nov.	<b>L. Noronha</b>
e.	Report regarding the Audit Committee's Self-Assessment (Annual)	Jan./Feb.	<b>L. Noronha</b>
f.	Report regarding the External Auditors' Annual Audit Plan (Annual)	Sept.	<b>L. Noronha</b>
g.	Report regarding the Toronto & Area Regional Internal Audit Team Progress Report (Every Meeting)	Every Meeting	<b>P. Hatt</b>
h.	Report regarding Statements of Reserves and Accumulated Surplus (Annual)	Nov.	<b>L. Noronha</b>
i.	Report regarding the type of work External Auditors may/may not complete on non-audit work; and include a staff recommendation on the ratio of non-audit services that External Auditor may be able to perform so as to not compromise independence.	Nov.	<b>L. Noronha</b>
j.	Report regarding Professional Services Fees paid to External Consultants for Financial Advisory and Reporting Services (Annual)	Nov.	<b>L. Noronha</b>