

AUDIT COMMITTEE REGULAR MEETING Open (Public) Session

AGENDA
January 27, 2021

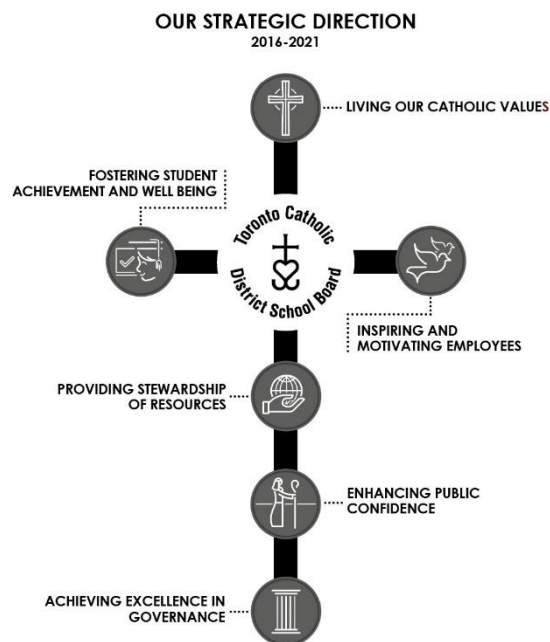
Angela Kennedy, Chair

Michael Del Grande

Markus de Domenico

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: Skeeter Hinds-Barnett, 416-222-8282 Ext. 2298

Assistant Recording Secretary: Sarah Pellegrini, 416-222-8282 Ext. 2207

Dr. Brendan Browne
Director of Education

Joseph Martino
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.

Land Acknowledgement

Out of our deep respect for Indigenous peoples in Canada, we acknowledge that all Toronto Catholic District School Board properties are situated upon traditional territories of the Anishinabek (a-ni-shna-bek), the Haudenosaunee (hoh-Dee-noh-Shoh-nee) Confederacy, and the Wendat peoples. We also acknowledge the land covered by Treaty 13 is held by the Mississaugas of the Credit First Nation and Toronto is subject to The Dish with One Spoon covenant. We also recognize the contributions and enduring presence of all First Nations, Métis, and Inuit people in Ontario and the rest of Canada.

La Reconnaissance du Territoire

Nous témoignons du plus grand respect pour les Peuples autochtones au Canada et nous avons à cœur de souligner que tous les immeubles du Toronto Catholic District School Board sont situés sur les terres traditionnelles de la Nation Anishinabek, de la Confédération de Haudenosaunees et des Wendats. Il est également important de noter que le territoire visé par le Traité 13 est celui des Mississaugas de la Première Nation Credit et que celui de Toronto est protégé par l'accord d'« un plat à une cuillère ». Nous tenons également à rappeler la présence pérenne et l'importance des contributions des Premières Nations, des Metis et des Inuits en Ontario, et dans tout le Canada.

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

Wednesday, January 27, 2021

6:30 P.M.

Pages

1. Call to Order
2. Opening Prayer
3. Land Acknowledgement
4. Roll Call & Apologies
5. Approval of the Agenda
6. Declarations of Interest
7. Approval & Signing of the Minutes of the Meeting held November 17, 2020 for Public Session.
8. Delegations
9. Presentation
 - 9.a. Paula Hatt, representing the Toronto and Area Regional Internal Audit Team (Refer to Item 14a)
 - 9.b. Paula Hatt, representing the Toronto and Area Regional Internal Audit Team (Refer to Item 14b)

1 - 7

10.	Notices of Motion	
11.	Consent and Review	
12.	Unfinished Business	
13.	Matters referred/deferred	
14.	Staff Reports	
14.a.	Paula Hatt, representing the Toronto and Area Regional Internal Audit Team (RIAT), regarding the Update (Refer to Item 9a)	8 - 10
14.b.	Paula Hatt, representing the Toronto and Area Regional Internal Audit Team (RIAT), regarding the RIAT Usage of School Facilities Audit Report (Refer to Item 9b)	11 - 31
14.c.	2020-21 First Quarter Financial Status Update (Information)	32 - 42
14.d.	Independence of External Auditor (Information)	43 - 46
14.e.	Review and Assessment of Toronto Catholic District School Board's (TCDSB) External Auditors (Recommendation)	47 - 52
14.f.	Audit Committee Self-Assessments (Information)	53 - 61
14.g.	Audit Committee Meeting 2021 Annual Agenda/Check List	62
15.	Listing of Communication	
16.	Inquiries and Miscellaneous	
16.a.	Audit Meeting Dates	
	January 27, 2021 (Wednesday)	
	April 7, 2021 (Wednesday)	
	May 26, 2021 (Wednesday)	
	September 29, 2021 (Wednesday)	
	November 16, 2021 (Tuesday)	

17. Updating of Pending List

63

18. Closing Prayer

19. 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 VIRTUAL MEETING OF THE AUDIT COMMITTEE OPEN (PUBLIC) SESSION

HELD TUESDAY, NOVEMBER 17, 2020

Trustees: A. Kennedy, Chair
M. Del Grande

Non-Voting Trustee: J. Martino

External Members: N. Borges
R. Singh

Staff: L. Noronha
S. Camacho
D. Bilenduke
P. De Cock
D. De Souza
M. Eldridge
C. Giambattista
O. Malik
P. Matthews
T. Sanza
G. Sequeira
B. Shannon

S. Pellegrini, Acting Recording Secretary

External Auditors: T. Ferguson, Deloitte LLP
P. Hatt, Toronto and Area Regional Internal Audit Team
N. Rolfe, KPMG
H. Wong, KPMG

4. Roll Call & Apologies

An apology was extended on behalf of Trustee Di Giorgio.

5. Approval of the Agenda

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

On the Vote taken, the Motion was declared

CARRIED

6. Declarations of Interest

There were none.

7. Approval & Signing of the Minutes of the Previous Meeting

MOVED by Nancy Borges, seconded by Ryan Singh, that the Minutes of the Meeting held September 30, 2020 be approved.

On the Vote taken, the Motion was declared

CARRIED

9. Presentation

MOVED by Nancy Borges, seconded by Ryan Singh, that Item 9a) be adopted as follows:

- 9a) Paula Hatt, representing the Toronto and Area Regional Internal Audit Team received.**

On the Vote taken, the Motion was declared

CARRIED

MOVED by Ryan Singh, seconded by Nancy Borges, that 9b) be adopted as follows:

- 9b) Paula Hatt, representing the Toronto and Area Regional Internal Audit Team** received.

On the Vote taken, the Motion was declared

CARRIED

14. Staff Reports

MOVED by Ryan Singh, seconded by Nancy Borges, that Item 14a) be adopted as follows:

- 14a) Paula Hatt, representing the Toronto and Area Regional Internal Audit Team (RIAT), regarding the RIAT Update** received.

On the Vote taken, the Motion was declared

CARRIED

MOVED by Nancy Borges, seconded by Ryan Singh, that Item 14b) be adopted as follows:

- 14b) Paula Hatt, representing the Toronto and Area Regional Internal Audit Team (RIAT), regarding the RIAT Records Management and Privacy Audit Report received.**

On the Vote taken, the Motion was declared

CARRIED

MOVED by Ryan Singh, seconded by Trustee Del Grande, that Item 14c) be adopted as follows:

14c) Audit Committee Community Members Assessment:

1. That the Audit Committee approve the recommended process detailed in Section D of the report and the draft Community Member Assessment Form as Appendix A of the report; and
2. That the Audit Committee approve the distribution of the Community Member Assessment form to the Community Members.

MOVED IN AMENDMENT by Nancy Borges, seconded by Ryan Singh, that the Audit Committee Community Member Assessment Form be completed on an annual basis and that it be concurrent with the Audit Committee Self-Assessment.

On the Vote taken, the Amendment was declared

CARRIED

On the Vote taken, the Motion, as amended was declared

CARRIED

MOVED by Ryan Singh, seconded by Nancy Borges, that Item 14d) be adopted as follows:

- 14d) 2019-20 Annual Report of the Audit Committee** that this 2019-20 Annual Report be adopted by the Audit Committee and submitted on its own behalf to the Board at its Corporate Services Committee (Private Session) meeting on December 9th 2020, and subsequently, to the Ministry of Education in the required condensed format.

On the Vote taken, Motion was declared

CARRIED

MOVED by Ryan Singh, seconded by Nancy Borges, that Item 14e) be adopted as follows:

- 14e) Audit Committee Annual Agenda/Checklist** received.

On the Vote taken, Motion was declared

CARRIED

16. Inquiries and Miscellaneous

MOVED by Ryan Singh, seconded by Nancy Borges, that Item 16a) be adopted as follows:

- 16a) Audit Committee Meeting Dates** received.

On the Vote taken, the Motion was declared

CARRIED

17. Updating of Pending List

MOVED by Nancy Borges, seconded by Ryan Singh, that Item 17) be adopted as follows:

17) Pending List received.

MOVED IN AMENDMENT by Nancy Borges, seconded by Ryan Singh, that Staff provide a report to the Audit Committee regarding fees paid or payable to the external Auditor for audit and audit-related and permitted non-audit services in concurrence with the Audited Financial Statements.

On the Vote taken, the Amendment was declared

CARRIED

On the Vote taken, the Motion, as amended was declared

CARRIED

MOVED by Ryan Singh, seconded by Nancy Borges, that the meeting resolve into Closed (PRIVATE) Session.

On the Vote taken, the Motion was declared

CARRIED

SECRETARY

CHAIR



INTERNAL AUDIT TEAM

Toronto and Area Region

Status Update for Audit Committee: January 2021

Toronto Catholic District School Board

Prepared by:

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

Audit Plan Update:

The following is the status of the outstanding engagement from the Toronto Catholic District School Board's 2018-19 Regional Internal Audit Plan.

Audits	Status
IT Asset Management, including Student Device Distribution during COVID-19	A response to the original report has been received. The RIAT is currently working with management to complete the additional review of student device distribution during COVID-19. The results of this review will be issued together with the original report.

Status of engagements included in the 2019-20 Regional Internal Audit Plan.

Audits	Status
Strategic Workforce Planning - Phase 1	Fieldwork is currently underway for the first phase of this engagement. This first phase (consulting engagement) consists of a critical position analysis for the Capital Development and Asset Renewal, Planning and Development, and Business Services functional areas. The RIAT has developed a tool to help identify critical positions, which has been provided to management to obtain pertinent information on each position.
Usage of Schools Analysis	This report has been completed and issued and will be discussed at the January 2021 Audit Committee meeting.
Follow-up Activities	The RIAT is currently confirming with management the status of open audit findings from all RIAT reports previously issued to the Board. Future follow-up work will be selected based on the results of this update.

2020-21 Audit Plan

The following is the status of engagements included in the Toronto Catholic District School Board's 2020-21 Regional Internal Audit Plan. While the kick-off of these engagements had been delayed due to COVID-19, planning has now started on the two main audits.

Engagement	Preliminary Scope & Status
Privacy Audit	<p>Assess the current practices in place to protect sensitive information obtained by the school board, identifying areas for process improvements and minimization of risks. Sensitive information could include, but is not limited to, student and employee records.</p> <p>Privacy audits will take place at four Boards. All engagements are currently being planned.</p>
Accounts Payable and Expense Audit	<p>Assess controls in place and analyze accounts payable and expense data to identify potential issues and areas for process improvement (i.e. duplicate vendors, unusual payments).</p> <p>Planning for this engagement is underway. A kick-off meeting was scheduled for January 20th.</p>
Follow-up	<p>Follow-up work will be selected based on the status update of previous audit findings that is currently being obtained.</p>



INTERNAL AUDIT TEAM

Toronto and Area Region

Usage of Schools Analysis – January 2021

Toronto Catholic District School Board

Prepared by:

Viraj Trivedi, CPA, CA, Regional Internal Manager

Issued by:

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

Distribution:

Audit Committee

Dr. Brendan Browne, Director of Education

Steve Camacho, Acting Associate Director, Facilities, Business and Community Development

Michael Loberto, Superintendent, Planning and Development Services

Paul De Cock, Comptroller of Business Services

Table of Contents

Introduction.....	3
Engagement Objectives and Scope.....	3
Conclusion.....	4
Limitations on use of Regional Internal Audit Report	4
Observations	5
A. Observations from Permit Data Analysis.....	5
B. Leasing/Licence Data Analysis and Observations	10
<i>Appendix A: Individuals Interviewed</i>	16
<i>Appendix B: List of Key Documents Reviewed.....</i>	17
<i>Appendix C: TCDSB 2019 Permit Rates</i>	18
<i>Appendix D: TDSB 2019 Permit Rates</i>	20

Introduction

As part of the 2019/20 regional internal audit plan, the Regional Internal Audit Team, Toronto and Area (RIAT) conducted a consulting engagement of leasing and permit data and the usage of schools at the Toronto Catholic District School Board (TCDSB or “the Board”). The engagement fieldwork was conducted in April - June 2020.

Engagement Objectives and Scope

The overall objectives of the consulting engagement were to:

- Analyze permit and leasing data for the 2018/19 school year in order to identify key data points and provide observations to the Board for further consideration.
- Analyze the use of schools over the summer months.
- Assess current processes and controls and identify opportunities for greater efficiency and cost savings.

The scope of the engagement was mainly limited to analysis of leasing and permit data. In addition to analytical procedures, the engagement approach also included interviews with management and a review of key documents (see Appendix A for the list of individuals interviewed and Appendix B for a list of documents reviewed). Analytical testing covered the 2018/19 school year, but also included samples from the 2019/20 school year. We conducted minimal testing of controls as the scope of this engagement was considered more consulting in nature. The analysis was at a high level to assess leasing and permit processes. The following areas were excluded from the scope of our review:

- Financial processes and controls related to leasing and permits
- IT systems used to record and manage leases and permits
- The impact of renewal work as it relates to the availability of school space for use
- Compliance with Community, Planning and Partnership policies and ministry Guidelines
- Community Use of School hubs

Background

The TCDSB operates 196 elementary and secondary schools¹. In addition to regular classroom instruction usage, the Board issues permits and leases. The Development Services Department is responsible for the administration of permit and leasing activities at the Board. Total permit revenue in FY2018/19 was approximately \$3.6 million.

The Board also provides longer term leases for its facilities, including some non-operating schools that are fully leased to external organizations such as private schools. Total leasing revenue in FY2018/19 was approximately \$2.1 million. Although not significant in dollar value revenues to the Board, operationally a large percentage of TCDSB schools are utilized for leasing and permits. These are primarily for childcare (i.e. before and after care), Community Use of Schools², and not-for-profit organizations providing day camps or various other programs (i.e. Scouts, Girl Guides, language programs, etc.). Based on our review, most of the permits are issued at a reduced

¹ <https://www.tcdsb.org/school/Alphabeticalschooldirectory/Pages/default.aspx> (as of May 2019)

² “Community Use of Schools is an initiative that supports access to school space outside of school hours for non-for-profit community groups”. <https://www.tcdsb.org/Board/PlanningandFacilities/permits/Pages/default.aspx>

charge (approximately 70%), and most leases and licences are for childcare (approximately 95%), which are typically charged a lease rate or licence fee on a cost recovery basis.

Conclusion

Overall, there were no significant issues noted. However, some opportunities for improvement were identified. Given that the Board is required by the Ministry of Education to provide childcare spaces, there may be limited opportunities to consolidate the usage of schools (especially for leases and licences). On the permit side, there may be opportunities to review the usage of schools for non-childcare related spaces, keeping in mind the needs of the broader community. We found some opportunities for the Board to further analyze the leasing and permit rates they have established, in order to ensure that sufficient costs are being recovered and that rates are in line with other Boards of similar size. Additionally, the Board should explore additional revenue and partnership opportunities in order to increase revenues and the use of their schools.

We thank Management and staff for their assistance with this engagement.

Limitations on use of Regional Internal Audit Report

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

Observations

The review consisted of the following steps:

1. Obtained Excel data files containing leasing and permit data for the 2018/19 school year.
2. Held discussions with management to review key processes.
3. Utilized data analysis software and Microsoft Excel to analyze data populations obtained in order to provide observations to management for further consideration.

A. Observations from Permit Data Analysis

Key information relating to permits at TCDSB:

- Permits are issued through the Community Use of Schools initiative and are divided into the following three categories:
 1. Category A permits are provided at no charge. These are provided for the use of facilities for the celebration of the Eucharist, Catholic religious services or instruction, and education activities approved by the Director of Education.
 2. Category B permits are provided at reduced charges³. These are provided for:
 - a. The use of facilities for registered charitable organizations.
 - b. Not-For-Profits as funded by Community Use of School from Ministry of Education.
 3. Category C permits are issued at full permit rates⁴. These are available for other parties, including adult groups and organizations of Commercial Enterprise.
- Permits are issued for the school year and also for the summer. Permits during the school year are for the use of school space between 6 pm and 11 pm.
- Permit costs are determined on a cost recovery basis. [See Appendix C for permit rates.]

Permit Revenue Analysis

Permit revenues were as follows:

	FY2018/19	FY2017/18	\$ Change	% Change
Permit Revenue	3,656,409	3,251,763	404,646	12%

- Permit revenues increased by approximately \$400k, or 12%, from FY2017/18 to FY2018/19

As per discussion with Board staff, the key drivers for the increase were increased marketing efforts, changes to when schools can request permits for internal functions to one night a week (compared to any night of the week previously), and increased revenues as a result of a change from a daily rate to an hourly rate.

³ The Board recovers the full permit rate for these permits through a grant from the Ministry.

⁴ Custodial fees are charged on an as-needed basis.

The top five permit holders by dollar value⁵ from 2017 to 2020 were as follows:

- a. The Etobicoke Basketball Association (\$470k)
- b. Jack of Sports (\$379k)
- c. Toronto Central Sport & Social Club (\$378k)
- d. Little Kickers East York (\$236k)
- e. North Toronto Basketball Association (\$161k)

Permit Rate Financial Analysis

- Permit rates are not revised annually. Changes to permit rates are initiated by the Planning Department, with the last revision completed in FY2015/16. Permit Policy BR.05 was approved by the Corporate Affairs, Strategic Planning and Property Committee.
- The Ministry of Education provides funding grants to school boards through the Community Use of Schools (CUS) initiative to allow not-for-profit organizations to use Board facilities at reduced rates. The Ministry funding grants received over the prior two years were as follows:

	FY2018/19	FY2017/18	\$ Change	% Change
CUS GSN - Ministry of Education	1,253,421	1,262,065	(8,644)	-1%

- As per Permit Policy BR.05, a revenue vs. cost analysis was performed to estimate the operating surplus/deficit of permits. Based on the analysis of permit rates prior to the rate revision in 2015, there was a \$3 million deficit (i.e. costs were greater than permit revenues and the CUS grant). This means that the Board was ultimately subsidizing the CUS initiative by approximately \$3 million in FY2015.
- There was a sensitivity analysis performed in FY2016/17 of gym permits to assess the operating surplus/deficit.
- Fixed costs are not included as part of the permit rate.
- See Appendix C for rates for the various categories of permits (i.e. gymnasium, classroom, sports field, etc.).
- The two main components are the base permit rate and supervision fees.
- Although we did not compare all permit rates to TDSB, it appeared that generally permit rates were higher at TDSB (as per their September 1, 2019 Permit Schedule⁶ included in Appendix D). For example, the double gym Category C rate at TDSB was \$78.50 vs. \$60 at TCDSB. Sunday and Holiday rates were \$135 vs. the standard rate of \$60 at TCDSB, as TCDSB has no additional charges for weekends and holidays.

⁵ Excluding Focus on Youth Toronto (FOY) and Priority Schools Initiative (PSI), which are funded by the Ministry of Education.

⁶ https://www.tdsb.on.ca/Portals/0/community/Permits/G02_Permits_Fees%202019-20.pdf

2019 Summer Permit Data Analysis

July 2, 2019 – August 31, 2019:

# of permits*	# of Schools	# of Organizations
1,210	188	395

* Excludes school bus parking and repairs and maintenance related permits

- Overall, there were 1,210 permits issued during the summer months in 2019
- Approximately 96% (188/196) of TCDSB schools had a permit issued during the summer
- There were 395 unique organizations who received permits during this period

There were 14 categories of permit types issued, as follows:

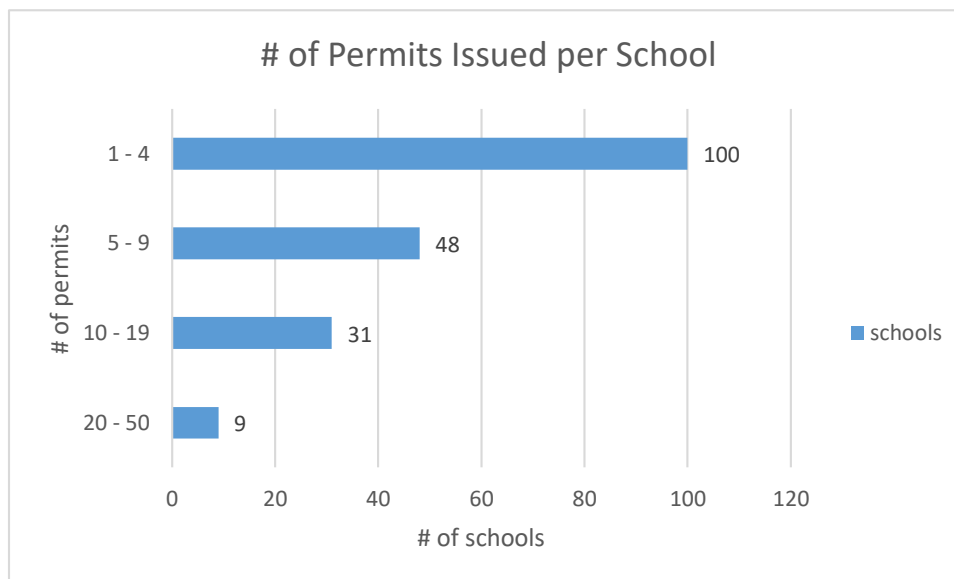
ORGANIZATION CATEGORY	# PERMITS	CATEGORY
NOT FOR PROFIT (CUS)	386	B – reduced charge
Scouts, Guides, Air Cadets, Day Cares, CUS, PSI, FOY, Academic/Language Programs	271	B – reduced charge
REGISTERED CHARITY	171	B – reduced charge
SCHOOL	81	A – no charge
TCDSB - Other Departments	73	A – no charge
OTHERS	64	*
MOVIE SHOOTS	56	C – full charge
CONTINUING ED., SUMMER SCHOOL, ACADEMIC PRGMS.	51	A – no charge
PARKS AND RECREATION	32	C – full charge
COMMUNITY GROUPS	13	B – reduced charge
CONTINUING EDUCATION	4	A – no charge
PARISH ACTIVITIES	4	A – no charge
CATHOLIC MASS	3	A – no charge
NON CATHOLIC SERVICES	1	B – reduced charge
TOTAL	1,210	

*Maintenance and contractor work is included under “Category C” but are only charged a custodial fee, if applicable.

The breakdown of permits by category is as follows:

Category	# of permits	% of total
Category A - No charge	280	23%
Category B - Reduced charge	842	70%
Category C - Full charge	88	7%
Total	1,210	100%

- Based on the above, approximately 23% of permits issued over the summer were at no charge.



- As per the above data, 53% of schools issued between 1 – 4 permits during the summer. As per discussion with Board staff, most of these would be Elementary schools for daycare (mandatory in wards that require usage), as they require a permit to operate in the summer.
- Of the 100 schools with 1 – 4 permits, there were 31 schools with only one permit issued. As per Board staff, some of these permits may be to hold schools for renovations.

Finding A1 – Review Current Permit Rates and Cost Recoveries

The last full operating surplus/deficit analysis was performed at the time of the last permit rate change in FY2015/16. There has been some subsequent analysis, but not of sufficient detail to provide the Board with a reasonable understanding of the current operating surplus/deficit. Although permit rates were revised higher in FY2015/16, it has been five years since the last change or in depth analysis. Additionally, the TDSB permit rates are higher than TCDSB's.

Impact: Without a more recent cost analysis, the Board may not have a true picture of the operating deficits being incurred to fund the CUS initiative from the Ministry in order to identify additional cost savings or identify additional permit rate changes.

Recommendation: Given that five years have passed since the prior cost analysis; it is recommended that the Board conduct a refresh analysis to determine if changes are required to TCDSB permit rates. The Board should also determine if more frequent (i.e. annual) revisions to permit rates are required.

Management Response and Action Plan: Staff have proposed revisions to Board Policy with a disclaimer that Permit fees will be evaluated in early 2021. The intent was to implement an increase to Permit Fees to better align with co-terminous Board's, however, the current pandemic has put this motion on hold, temporarily.

Position Responsible: Senior Manager, Community Use of Schools

Target Implementation Date: September 2021

Finding A2 – Conduct Summer Usage Analysis

Based on the data analysis, approximately 50% of schools (100 schools) had only 1 – 4 permits issued over the summer period. Management indicated that most of these permits would be for required child care centres at elementary schools.

Impact: If a large number of schools are only issuing limited numbers of permits over the summer, there may be some opportunities for cost savings by combining some child care spaces into fewer schools.

Recommendation: Although challenges may exist, the Board's Planning Department should review the list of schools opened over the summer months and determine if there are opportunities to consolidate child care spaces so that fewer schools are being opened.

Management Response and Action Plan: *Staff are of the opinion that this recommendation may not be well received by the child care operators and/or school community. In areas where schools are geographically close, it may be feasible, but most child care operators (and clients) rely on the convenience of having child care available within close proximity to their homes or workplace. In spite of these issues, staff will further investigate the plausibility of this recommendation.*

Position Responsible: Senior Manager, Community Use of Schools

Target Implementation Date: TBD

Finding A3 – Review Opportunities to Maximize Permit Revenues

Based on the data analysis, only 7% of permits in the summer were Category C (full permit rates). As per discussion with management, a reason for this is because most of the Category C users during the school year are for gym use. In the summer, these permit holders do not require use of the gym facilities.

Impact: The Board may not be maximizing revenue during the summer if a majority of permits are at reduced or no charge.

Recommendation: The Board should conduct a review to identify if there are opportunities to increase revenue from Category C permit holders.

Management Response and Action Plan: *Staff should be looking at how to promote/maximize the issuance of outdoor field permits during the summer. These permits generate revenue, are less onerous on the operations staff and promote health and well-being in the community. Recognizing that indoor gym use is less desirable in the summer months, outdoor field permits should be the focus. We would also recommend that outdoor field permits are extended well into the fall months since they typically end in late August.*

Position Responsible: Senior Manager, Community Use of Schools

Target Implementation Date: May 2021

B. Leasing/Licence Data Analysis and Observations

Key information relating to leasing and licensing at TCDSB:

- Leases are usually issued on multiyear terms (i.e. 1 – 5 years)
- Licenses are typically issued for a 10-month period.
- The main users of leased space are full service childcare and licenses for before and after school programs.
- As per the Education Act (Ontario Regulation 221/11), school boards are to provide, or ensure operation by a third party, extended day programs for JK/SK and an extended day program for elementary students from Grades 1 – 6.
- The Board leases space on a cost recovery basis. The Ministry does not fund childcare funding and expects Boards to operate childcare on a cost recovery basis.
- TCDSB Policy B.R.01 – “Rental of Surplus School Space and Properties” sets the parameters for the rental of surplus school space and other Board properties. As per Policy B.R.01, not-for-profit child care (in addition to charitable organizations and the Catholic Church), are to be charged an “operating cost recovery rental rate”⁷.
- Licenses for before and after school care are charged a license fee (\$400/year) and a “consumables” fee (\$200/year)
- There are four “non-operating schools” and one non-operating property (956 Islington Ave. that was acquired to expand an adjacent school) that are fully leased out.
- Lease agreements are signed with tenants for all leases, usually on standard lease forms with some exceptions.

Leasing Revenue Analysis

	FY2018/19	FY2017/18	\$ Change	% Change
Leasing Revenue	2,107,080	2,053,000	54,080	3%

- There was no significant change in leasing revenue over the prior year.
- Leases of whole properties represent the majority of the leasing revenue the Board earns

Leasing Revenue – Whole Properties⁸

TENANT	PROPERTY	AMOUNT
University of Toronto Schools	Senhor Santo Cristo (JK-8) - 30 Humbert St.	352,274
Kerr Bros. Limited*	956 Islington Ave.	326,250
JIFEE Canada Inc. (Suon Academy)	St. Gerard Majella - 35 Heavitree Dr.	232,322
Leonardo Da Vinci Academy	Buttonwood - 100 Allanhurst Dr.	212,393
Conseil Scolaire Viamonde	St. Leonard - 100 Ravel Rd.	215,580
TOTAL		1,338,819

⁷ As per Policy B.R.01: The operating cost recovery rate is to include operating and renewal costs per square foot, including custodial, maintenance, utilities, deferred maintenance, administration and insurance.

⁸ Policy B.R.01 (Leasing Rate for Rental of Surplus Schools) does not apply to whole property leases.

**Not a surplus property. Was purchased by TCDSB to redevelop the existing school (Holy Angels) with the adjacent site acquired.*

- As per above, the leasing of whole properties represented approximately 64% of total leasing revenues for FY2018/19.
- The remaining leasing revenue was mostly from childcare leases.

Leasing Rate Financial Analysis

We reviewed the Board's process for establishing leasing rates. The following controls were noted:

- Operating costs are obtained from the School Operations and Maintenance department to calculate average lease operating costs
- The Board conducts an annual review to ensure the operating cost recovery corresponds with their "CPI methodology" (i.e. prior years' rate + CPI change).
- The Board has a methodology for establishing the lease unit rate on an annual basis which is presented to Director's Council for approval.
- The approved leasing rate for FY2018/19 was \$11.20 vs. \$11.34 for TDSB for the same period.

We tested the Board's controls regarding the establishment of leasing unit rates as follows:

- Obtained and reviewed the Board's annual lease unit rate calculation and performed the following procedures:
 - Recalculated the lease unit rate
 - Traced selected operating cost factors to the report received from the School Operations and Maintenance department
 - Reviewed the report to Director's Council for approval of the annual lease rate
 - Selected a sample of five agreements from the FY2018/19 Leasing Revenue schedule and ensured the rate tied to the approved lease unit rate or signed agreement
- Based on the sample of lease agreements tested, we did not note any exceptions. All amounts tied to lease unit rates and a valid lease or licence agreement.
- Although we did not test financial controls, we inquired with Board staff regarding the invoicing and collections process for leasing revenues. We noted that Account Receivable within the Business Services Department is responsible for the receipt of license and lease payments from customers.
- Licence fees are invoiced in August and monitored by the Real Estate database in Development Services. Payment receipts are tracked against the database to ensure outstanding payments are collected.
- The process for leasing revenues differs slightly. Although revenues are tracked by the Real Estate database, the Development Services department does not receive notice of EFT or cheque receipts unless they request this from Business Services. Management noted that they are reviewing current processes to reconcile payment receipts.

# of Agreements	Schools	Tenants/Organizations
323	151	73

- As per above, there were 323 agreements (licences and leases) with 73 tenants across 151 schools. This represents approximately 77% of all TCDSB schools (most are for childcare at elementary schools).

See below for the number of agreements by type:

AGREEMENT TYPE	# of Records
License - School Age Before & After (B&A)	116
License - Full Day Kindergarten (FDK) B&A	95
Lease - Child Care Under City Financial Agreement *	45
License - After School Recreation Centre	29
Lease - Child Care Not Under City Financial Agreement	11
License **	11
Lease	9
Shared Use Agreement - Operating Maintenance Cost Recovery	4
Parking Agreement	2
Lease – EarlyON	1
TOTAL	323

**Childcare provider rent is subsidized by the City of Toronto*

***With third parties such as the City of Toronto, Metrolinx, etc.*

- Most of the lease types are before and after school care or child care. Based on the above chart, we estimate that approximately 95% (307/323) were childcare related.
- Licences are granted through the Leasing Department. When a user requires usage over the summer, they are issued a permit and the revenue is included within permit revenue.

Top Ten Lease Tenants

TENANT	# OF AGREEMENTS
YMCA of Greater Toronto	60
PLASP Child Care Services	43
Learning Enrichment Foundation	27
City of Toronto - ARC Program	18
Dovercourt Boys & Girls Club	13
Network Child Care Services	12
Macaulay Child Development Centre	8
East Scarborough Boys and Girls Club	7
Family Day Care Services	7
North York Little Prints	7
TOP 10 TENANT LEASES	202
Other Leases	121
TOTAL LEASES	323

- The top ten tenants represented 62% of total agreements, with the top three tenants representing 40% of total lease agreements.

- Most of these tenants were before and after school care or childcare providers

2019 Summer Leasing Data Analysis

- A majority of summer-based leases are for full-day child care and other operators who have provisions in their lease to operate for the full year.
- Day camps are typically Before and After School Care providers who offer day camp during the summer (i.e. YMCA). Day camp providers require permits to operate.

Leasing of Outdoor Fields and Partnerships

- We noted some outdoor fields that were built by private companies. The arrangements allow the school board to use the field during the day and the private company to use the field after school and weekends.
- Through the Board's Community Planning and Partnerships, interested organizations are able to submit an application if they are interested in a partnership with the Board for the joint development and use of sports fields⁹.
- To date, the following sports fields at TCDSB schools have been developed by external organizations:
 - Michael Power St. Joseph (Razor Management Inc.) 2019
 - St. Patrick (Razor Management Inc.) 2018
 - Stella Maris (Hudson College) 2020
- The Board does not receive leasing revenue for these fields. As per Management, the benefit to the Board is the use of the fields during school hours with minimal capital investment. The external organizations are responsible for the maintenance of the field throughout the lease term.
- Currently, there are two other potential field partnership opportunities being explored by the Board.
- The fields are not available to the Board for use during the summer months. They receive ten hours of usage outside of the school day during the year at no charge.

Finding B1 – Conduct Market Rate Study for Childcare Providers

There have been no formal reviews of “market rates” that child care operators typically charge and how this compares to TCDSB's leasing rates.

Impact: Given that a majority of leases are for child care spaces, and that the Board is meant to charge on a cost recovery basis, it is important to understand and analyze differences between Board established lease rates and tenant charges to users. This is especially important as although rates are meant to be on a cost recovery basis, based on review of Policy B.R.01 and discussions with Board staff, not all costs are recovered.

Recommendation: Board staff should conduct a more in depth review and report on differences between child care operator rates and lease rates. If rates charged are higher than lease rates established by the Board, there may be opportunities to increase rates in order to ensure that Boards are recovering their costs of providing child care spaces. We recommend that this study is reported to the Director's Council.

⁹ <https://www.tcdsb.org/Board/PlanningandFacilities/Pages/Community-Planning-and-Partnerships.aspx>

Management Response and Action Plan: Staff will begin a review of the Occupancy Costs being charged by coterminous school boards to non-profit/child care operators. This exercise may not change the cost-recovery rate for TCDSB, but it can help provide a benchmark to what the Board can charge to non-profit/child care operators.

Position Responsible: Senior Manager, Real Property and Officer, Development and Analysis

Target Implementation Date: December 2021

Finding B2 – Strengthen Financial Controls for Leasing Revenue

Leasing revenue receipts are handled by the Business Services Department. The Development Services Department does not receive notice of EFT or cheque receipts unless they request this from Business Services. Collections are not reconciled on a regular basis.

Impact: Although leasing revenues are not material, there is a risk that outstanding balances may be missed or not followed up timely as payment receipts are not applied against invoiced amounts. Although Development Services can request receipts as needed, this is not current practice.

Recommendation: The Development Services Department should review the current process and establish additional controls to ensure receipts are reconciled to revenues and any outstanding balances are followed up timely.

Management Response and Action Plan: Currently, we have devised a chart which will be updated monthly and sent to A/R for confirmation of rent payments received. This will allow us to have a better grasp on receivables and any amounts in arrears can be recovered much sooner. The ultimate goal, will be to have every operator on EFT so that rent can be automatically withdrawn from their account.

Position Responsible: Senior Manager, Real Property or Officer, Development and Analysis.

Target Implementation Date: April 2021

Finding B3 – Review Lease Rates and Benchmark with other GTA School Boards

TCDSB lease rates for 2018/19 were slightly lower than those set by TDSB (\$11.20 vs. \$11.34). A report to Director's Council in June 2020 noted that the renewal rate component of the established lease rate includes a "very limited recovery of deferred maintenance costs".

Impact: The Board may not be recovering sufficient costs from third party childcare providers.

Recommendation: After conducting a market rate study for childcare providers (see Finding B.1), the Board should review lease and licence rates charged by other GTA school boards to determine if there are opportunities to adjust rates. A sensitivity analysis should be conducted to understand how any potential rate changes may impact childcare providers. This could include having discussions with third party operators to understand how any rate changes may impact their operations or if there are ways in which the provision of childcare spaces can be improved.

Management Response and Action Plan: *The Child Care Advisory Committee, which has representation from Child Care Operators and meets quarterly, would be a good opportunity to address any rate changes and canvas the potential impacts to the operators. The Early Learning department which is the main point of contact for Child Care Operators could also help conduct a survey where the operators would have an opportunity to comment.*

Position Responsible: *Senior Manager, Real Property or Officer, Development Services and Analysis*

Target Implementation Date: *December 2021*

Appendix A: Individuals Interviewed

- Michael Loberto, Superintendent, Planning and Development Services
- Nicholas D'Urzo, Acting Senior Coordinator, Development Services
- Andre Fullerton, Senior Manager, Community Use of Schools/FOY Coordinator
- Teresa Sanza, Senior Manager, Capital Strategic Budget & Ministry Reporting
- Paul de Cock, Comptroller for Business Services and Finance

Appendix B: List of Key Documents Reviewed

- Leasing Unit Rates – Report to Directors Council (June 2020)
- Report regarding Leasing Unit Rates – Directors Council (June 2018)
- Leasing Rate for Rental of Surplus School Space B.R.01 (2019)
- BR.05 – Permit Policy – Revised Permit Rates and Fee Structure (Oct. 2015)
- Ministry of Education – Community Planning and Partnerships Guideline (March 2015)

Appendix C: TCDSB 2019 Permit Rates

Facility Usage Fees Applicable to Permit Type II:

- (a) The following **HOURLY** user fees will apply:

All facility fees are subject to H.S.T. No. 107-694-119 RT001.

FACILITY	DAYS	CAT. A	CAT. B		CAT. C
			B1	B2	
Gymnasium-Single -Double	Mon-Fri	N/C	\$7.50/hr.*	\$15.00/hr.	\$30/hr. \$60/hr.
	Sat-Sun	N/C	\$7.50/hr.*	\$15.00/hr.	
	Mon-Fri	N/C	\$15/hr.*	\$30/hr.	
	Sat-Sun	N/C	\$15/hr.*	\$30/hr.	
Classrooms		N/C	\$2.50/hr.*	\$5.00/hr.	\$15.00/hr.
Cafeteria	Mon-Fri	N/C	\$20/hr.*	\$40/hr.	\$80.00/hr.
	Sat-Sun	N/C	\$20/hr.*	\$40/hr.	
Theatre/Auditorium	Mon-Fri	N/C	\$35.00/hr.*	\$70.00/hr.	\$250.00/hr. \$150/hr./additional performance Rehearsal rate \$100/hr.
	Sat-Sun	N/C	\$35.00/hr.*	\$70.00/hr. Rehearsal rate	
Fields		N/C	\$10/hr.*	\$12/hr.	\$35/hr.
High Performance Fields	Monday- Sunday	N/C	\$50.00/hr.*	\$50.00/hr.	\$65/hr. (adults) \$100/hr. (commercial)
Parking surcharge (Permit Holders)		N/C	\$0.25* per person per occurrence	\$0.25 per person per occurrence	\$0.50 per person per occurrence
Swimming Pools	Mon-Fri	N/C	\$90/hr.*	\$90/hr.	\$100/hr.
	Sat-Sun	N/C	\$90/hr.*	\$90/hr.	

* Scouts, Guides, and Air Cadet

N/C = no charge

Surcharge of \$100/annum/site will apply for High Performance Fields

NOTE: Permit Rates and Fees are subject to change without notice.

Requests for filming and special event permits are negotiated by the Community Use of Schools Department and are charged a minimum of \$2,500/day.

CUS staff reserves the right to levy additional charges for clean-up and other special circumstances. Permits cancelled with less than ten (10) days' notice **WILL NOT BE REFUNDED.**

Trustees will receive notice of any movie permits in their wards.

Supervision and Cleaner Fees:

All fees are subject to H.S.T. No107-694-119 RT001.

CATEGORY	A	B	C	B & C
	SUPERVISION			CLEANER
Monday - Friday 7:30 a.m. - 11:30 p.m. or such other times when the facilities are normally staffed	N/C	\$21.18/hour	\$32.58/hour	\$35.47/hour
Saturday	N/C	\$21.18/hour	\$32.58/hour	\$35.47/hour
Sunday	N/C	\$28.24/hour	\$43.44/hour	\$47.30/hour
Statutory Holidays	As per Collective Agreement	As per Collective Agreement	As per Collective Agreement	As per Collective Agreement

- (1) The minimum charge is for 3 hours when a CUPE 1280 member has to be called in to cover the permit over and above the regular work week.
- (2) Groups larger than 200 persons must pay for an additional permit supervisor(s).
- (3) Permit supervision rates will not be charged for:
 - (a) The celebration of the Eucharist, Catholic religious services or instruction, and education activities approved by the Director of Education.
 - (b) In recognition of the efforts and support provided by the Catholic School Advisory Councils, facilities will be made available to each council free of charge, on application through the school principal, for two fund raising events during the school year.

Appendix D: TDSB 2019 Permit Rates

Toronto District School Board, Facility Permit Fees

Effective September 1, 2019

Applicable within the stated time of use

All rates are hourly and subject to HST.

Time of Use	Facility	Category (A1)	Category (A2)	Category (B)	Category (C)
School Day Monday to Friday excluding holidays, 6 p.m. to 10 p.m.	Classroom	\$2.76	\$5.64	\$6.89	\$20.13
	Cafeteria (Small)	\$19.30	\$39.53	\$48.21	\$140.88
	Cafeteria (Large)	\$37.20	\$76.26	\$92.99	\$228.80
	Single Gym / Gen. Purpose Rm.	\$9.19	\$18.83	\$22.96	\$39.24
	Double Gym	\$18.37	\$37.67	\$45.92	\$78.50
	Auditorium (Small)	\$16.53	\$33.89	\$41.33	\$237.49
	Auditorium (Large)	\$31.22	\$64.00	\$78.06	\$474.96
	Specialty Room	\$5.52	\$11.31	\$13.77	\$40.24
	Pool (Beverley / Sunny View)	\$100.64	\$100.64	\$100.64	\$100.64
School Break Monday to Friday excluding holidays, 8 a.m. to 5 p.m.	Classroom	\$2.76	\$5.64	\$6.89	\$20.13
	Cafeteria (Small)	\$19.30	\$39.53	\$48.21	\$144.91
	Cafeteria (Large)	\$37.20	\$76.26	\$92.99	\$228.80
	Single Gym / Gen. Purpose Rm.	\$9.19	\$18.83	\$22.96	\$41.27
	Double Gym	\$18.37	\$37.67	\$45.92	\$82.52
	Auditorium (Small)	\$16.53	\$33.89	\$41.33	\$241.53
	Auditorium (Large)	\$31.22	\$64.00	\$78.06	\$479.00
	Specialty Room	\$5.52	\$11.31	\$13.77	\$40.24
	Pool (Beverley / Sunny View)	\$100.64	\$100.64	\$100.64	\$100.64
Saturday 8 a.m. to 6 p.m.	Classroom	\$7.82	\$16.01	\$19.51	\$30.20
	Cafeteria (Small)	\$31.22	\$64.00	\$78.06	\$161.00
	Cafeteria (Large)	\$44.99	\$92.26	\$112.50	\$265.66
	Single Gym / Gen. Purpose Rm.	\$13.77	\$28.23	\$34.44	\$48.31
	Double Gym	\$27.56	\$56.47	\$68.88	\$96.60
	Auditorium (Small)	\$25.25	\$51.78	\$63.13	\$257.62
	Auditorium (Large)	\$36.73	\$75.30	\$91.84	\$495.09
	Specialty Room	\$15.14	\$31.06	\$37.88	\$60.36
	Pool (Beverley / Sunny View)	\$100.64	\$100.64	\$100.64	\$100.64
Sunday & Holiday 8 a.m. to 3 p.m.	Classroom	\$10.56	\$21.65	\$26.40	\$36.24
	Cafeteria (Small)	\$39.96	\$81.89	\$99.88	\$169.05
	Cafeteria (Large)	\$53.73	\$110.15	\$134.33	\$273.73
	Single Gym / Gen. Purpose Rm.	\$31.68	\$64.95	\$79.21	\$95.06
	Double Gym	\$44.99	\$92.26	\$112.50	\$135.01
	Auditorium (Small)	\$34.91	\$71.55	\$87.25	\$265.66
	Auditorium (Large)	\$47.29	\$96.96	\$118.24	\$503.14
	Specialty Room	\$20.67	\$42.37	\$51.66	\$72.45
	Pool (Beverley / Sunny View)	\$100.64	\$100.64	\$100.64	\$100.64
Outdoor Fields Effective January 2020	Ball Diamond/Court	\$2.29	\$4.71	\$5.73	\$24.16
	Field	\$7.82	\$16.01	\$19.51	\$70.44
	Field - Artificial Turf (Small)	\$16.53	\$33.89	\$41.33	\$80.51
	Field - Artificial Turf (Medium)	\$33.07	\$67.77	\$82.66	\$99.20
	Field - Artificial Turf (Premium)	\$135.56	\$165.32	\$165.32	\$198.39

Toronto District School Board, Facility Permit Fees

Fee Categories: (A1) = Highest subsidy (A2) = Partial subsidy (B) = Cost Recovery (C) = Commercial	Refer to details in the Permit Categories document.
---	---

Caretaking Charges

All groups are charged caretaking fees if booking extends beyond the stated timeframes.

For Category (C), caretaking fees are charged on all weekends and holidays, for the duration of permit plus opening and closing time.

Rates: \$62.63 per hour on Sundays and holidays
 \$46.75 per hour all other times

Processing Fees: All categories of permits are subject to the following fees.

Application Fee	\$20
Amendment / Cancellation Fee	\$10 per occasion
Dishonoured Payment	\$25 per occasion (plus recovery of financial institution charges)



REPORT TO

AUDIT COMMITTEE

2020-21 FIRST QUARTER FINANCIAL STATUS UPDATE

“Whatsoever thy hand findeth to do, do it with all thy might.”

Ecclesiastes 9:10

Created, Draft	First Tabling	Review
January 19, 2021	January 27, 2021	

L. LePera, Sr. Financial Analyst
 D. Bilenduke, Senior Coordinator of Finance
 P. De Cock, Comptroller of Business Services & Finance

INFORMATION REPORT

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 rooted in the love of Christ. We educate students to grow in grace and knowledge and to lead lives of faith, hope and charity.



Brendan Browne. PhD
 Director of Education

D. Koenig
 Associate Director
 of Academic Affairs

S. Camacho
 Acting, Associate Director
 Facilities, Business and
 Community Development

A. EXECUTIVE SUMMARY

This Financial Update Report as at November 30th 2020 provides a year-to-date look at significant financial activities at the Board.

This is the first update for fiscal 2020-21 using the Revised Estimates approved by the Board of Trustees in December 2020. The Board is on track to generate an in-year deficit of approximately \$42M this year as per the approved 2020-21 Revised Estimates that included additional COVID-19 related expenses. Appendix A provides a more detailed variance summary.

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 Revised Estimates
- Staff Absenteeism
- 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 November 2020 had 62 teaching days and YTD November 2019 had 63 teaching days. On-line learning is a significant factor for the current period and was not a factor for the same period last year. Lastly, the 2020-21 Revised Budget Estimates approved by the Board of Trustees in December 2020

included an in-year deficit of \$42M and a deficit elimination plan for the 2021-22 fiscal/school year. This significant budget increase in various expenditure categories creates extraordinary variance for comparative purposes.

D. EVIDENCE/RESEARCH/ANALYSIS

HIGH LEVEL REVIEW AND RISK ASSESSMENTS OF OPERATING REVISED ESTIMATES

1. *Salary and Benefit expenditures are expected to finish on 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 revised operating expenditure estimates. These expenditures are expected to be on track at this time.

Figure 1: Salary and Benefits Variance / Risk Analysis

	<i>Actual to Revised Estimates (millions)</i>		<i>Risk Assessment</i>
<i>Instructional Salaries</i>	↓	\$17.54 (6.9%)	●
<i>Instructional Benefits</i>	↓	\$7.46 (21.0%)	●
<i>Non-Instructional Salaries</i>	↑	-\$0.23 (-1.2%)	●
<i>Non-Instructional Benefits</i>	↓	\$0.44 (8.3%)	●

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

Salaries for both Instructional and Non-Instructional categories are projected to align with Revised Estimates. The favourability in Benefits, Actuals to the Revised Estimates, is due primarily to timing and is expected to finish on target for the year.

2. ***At an aggregate level, the total of other expenditure categories (besides salary and benefits) are expected to finish on 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 Revised Estimate (millions)</i>		<i>Risk Assessment</i>
<i>Instructional Expense</i>	↓	\$5.03 (37.9%)	●
<i>Transportation Expense</i>	↓	\$0.53 (4.5%)	●
<i>Operations & Maintenance</i>	↓	\$3.79 (32.5%)	●
<i>Other Non- Instructional</i>	↑	-\$0.67 (-53.7%)	●

While Operations & Maintenance is tracking low compared to Revised Estimates, they are considered a low risk because of the timing of expenditures. Transportation costs are expected to come in on target.

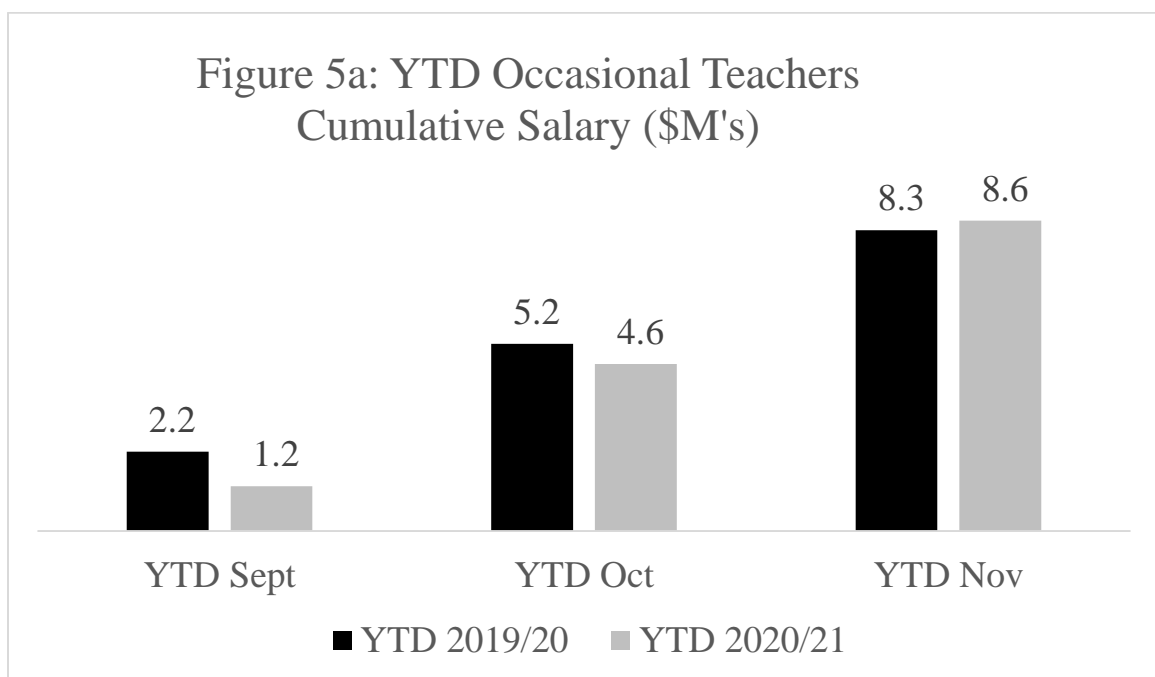
3. ***Grant Revenue from the Province projected to remain unchanged from the 2020-2021 Revised Estimates.*** Grants for Student Needs (GSNs) revenue is expected to remain unchanged and all indications from the current Provincial Government is that they will not be affected in the 2020-21 fiscal year. The ministry has included a GSN Stabilization funding component that is intended to minimize the enrolment losses funded by the GSN's that all boards are experiencing during the COVID-19 pandemic. It is important to note, the GSN Stabilization did not fully offset the GSN reductions (Net Shortfall of \$1.6M) and additional Revenue losses, i.e. International VISA Student Tuition Revenues (\$11.6M), resulted in an overall loss in revenues for the TCDSB.

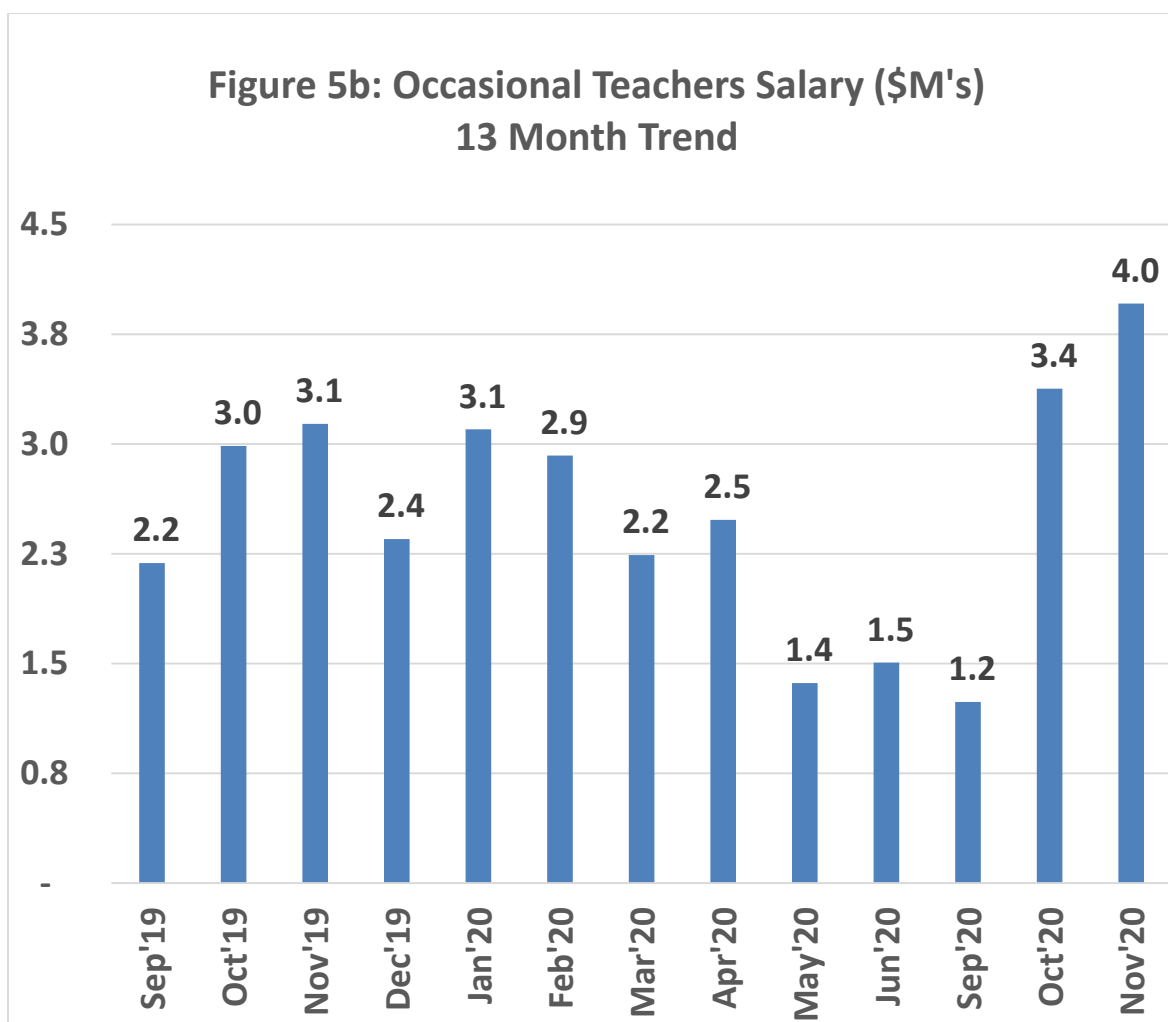
STAFF ABSENTEEISM AND EMPLOYEE FAMILY ASSISTANCE PROGRAM

4. ***Staff Absenteeism Rates and Occasional Fill Rates have increased.*** Recent statistics provide evidence that overall staff absenteeism rates experienced an increase of 3,190 days over the same period, from the prior year. The average absence days per FTE are 6.1 compared to 5.7 in the prior year's first quarter.

** Absence days are inclusive of: Personal/Family Illness Days, Urgent Personal Business Days, Bereavement, Compassionate Leave, Health & Safety Inspections, In Lieu of Planning, Jury Duty/Subpoenaed as Witness, Recoverable, Special Circumstances, Special Permission, Suspension and Teachers' Earned Leave Plan – Partial Paid Days. **

5. ***Staff absenteeism 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. Figure 5b illustrates the 13-month trend in Occasional Teachers salary. The first 3 months of the school year experienced higher levels of salary when compared to prior year. This graph highlights any trends in absenteeism by month, year over year.

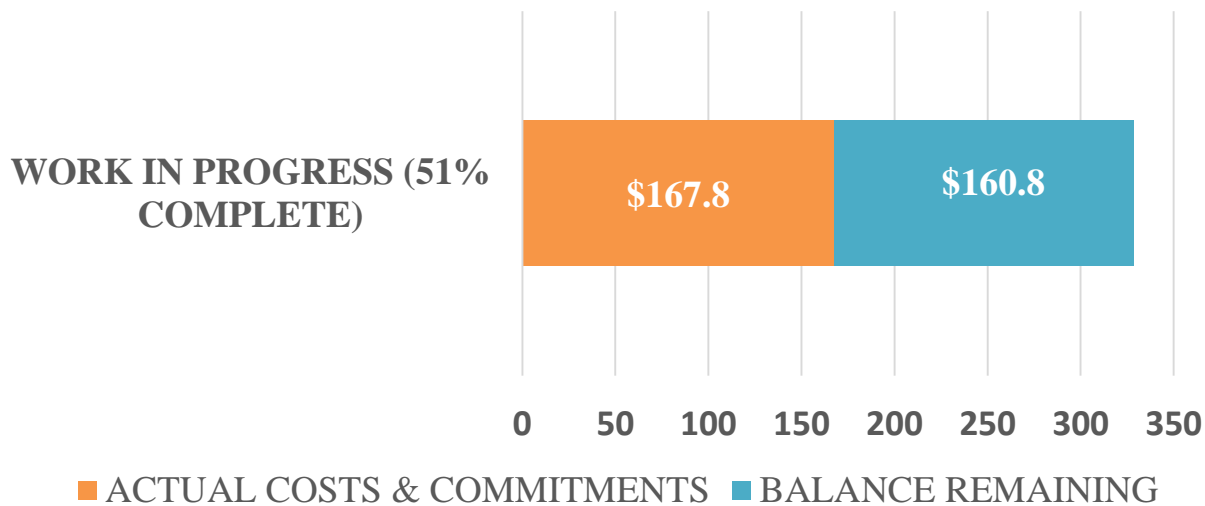




HIGH LEVEL REVIEW OF SCHOOL RENEWAL AND CAPITAL PROJECTS

1. ***The Capital program totals \$329 million.*** The Board received Capital Project funding for 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. **Appendix B** provides more detail regarding the Capital Projects.

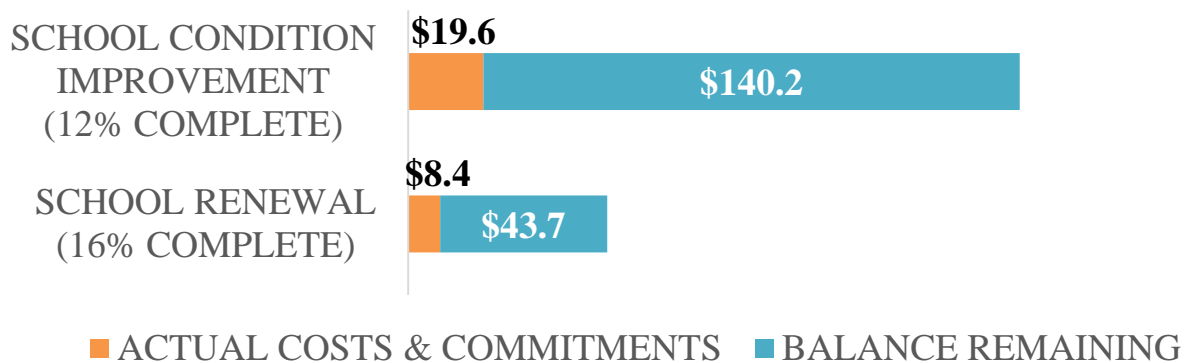
**FIGURE 8: CAPITAL PROJECT SPENDING STATUS
FOR WORK IN PROGRESS (\$M) NEW**



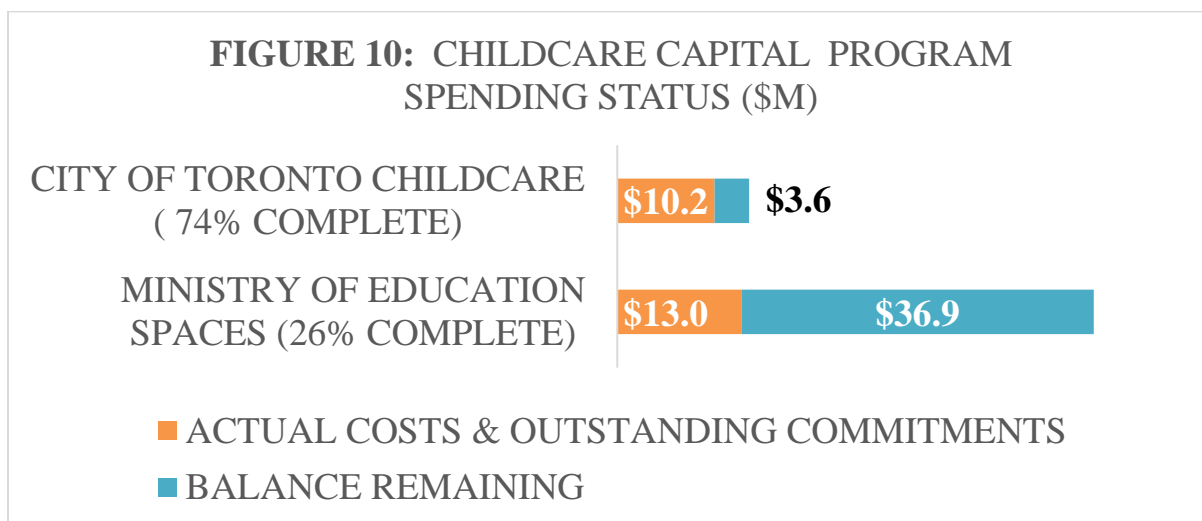
2. *The Renewal Program consists of major building component replacements and site improvements for a total available at September 1, 2020 of \$211.9M with funding of approximately \$183.81M remaining.* The Regular School Renewal Grant, School Improvement Grant and several other grants provide the funding for the School Renewal Program.

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

Figure 9: Renewal Spending Status (\$M's)



3. ***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.



METRICS AND ACCOUNTABILITY

1. ***Negotiated salary and wage increases are not included in actuals.*** The 1% salary increase negotiated with the various unions for September 2019 and September 2020 will not be paid until the conclusion of all local negotiations.
2. ***The overall actual revenues and expenditures are trending in line with the 2020-21 Revised Estimates at per the end of the first quarter as detailed in this report.***

E. CONCLUDING STATEMENT

This report is for the consideration of the Board of Trustees.

OPERATING EXPENDITURES

@ November 30, 2020

'000's	Total Revised Estimate	YTD Revised Estimate	YTD Actual	Variance '000's	Variance %	2020/21 YTD % Spent	2019/20 YTD % Spent
Salaries							
Teachers	571,058	182,503	174,002	8,501	4.7%	30.5%	32.5%
Occasional Teachers	27,504	8,251	8,576	(324)	-3.9%	31.2%	34.2%
Educational Assistants & ECE's	66,141	19,842	16,329	3,513	17.7%	24.7%	29.2%
Principal & VP	40,639	12,192	12,680	(488)	-4.0%	31.2%	33.0%
School Office	19,037	5,711	4,868	843	14.8%	25.6%	28.1%
Continuing Education	17,148	5,144	2,711	2,433	47.3%	15.8%	21.3%
Other Instructional	67,227	20,168	17,106	3,062	15.2%	25.5%	31.4%
Sub Total Instruction	808,754	253,812	236,271	17,541	6.9%	29.2%	31.9%
Administration	17,422	4,356	4,665	(310)	-7.1%	26.8%	24.5%
Transportation	1,115	279	234	45	16.2%	21.0%	25.4%
Operations & Maintenance	49,784	12,446	12,573	(127)	-1.0%	25.3%	27.0%
Other	8,591	2,148	1,983	165	7.7%	23.1%	20.3%
Sub Total Non Instruction	76,912	19,228	19,455	- 227	-1.2%	25.3%	25.7%
Total Salaries	885,666	273,040	255,727	17,313	6.3%	28.9%	31.4%
Benefits							
Teachers	87,193	21,798	15,698	6,100	28.0%	18.0%	19.5%
Occasional Teachers	5,818	1,454	1,590	(135)	-9.3%	27.3%	27.5%
Educational Assistants & ECE's	20,774	5,194	4,867	327	6.3%	23.4%	26.4%
Principal & VP	5,307	1,327	899	428	32.2%	16.9%	20.6%
School Office	5,671	1,418	1,425	(7)	-0.5%	25.1%	28.2%
Continuing Education	2,634	659	578	81	12.3%	21.9%	33.3%
Other Instructional	14,770	3,692	3,022	670	18.2%	20.5%	24.8%
Sub Total Instruction	142,167	35,542	28,078	7,463	21.0%	19.8%	22.0%
Administration	5,213	1,303	1,365	(61)	-4.7%	26.2%	26.4%
Transportation	247	62	59	2	4.0%	24.0%	24.7%
Operations & Maintenance	14,673	3,668	3,417	251	6.8%	23.3%	26.2%
Other	1,338	335	83	251	75.1%	6.2%	1.8%
Sub Total Non Instruction	21,472	5,368	4,925	443	8.3%	22.9%	25.3%
Total Benefits	163,639	40,910	33,003	7,907	19.3%	20.2%	22.4%
Operating Expense							
Instructional Expense	44,308	13,293	8,253	5,039	37.9%	18.6%	35.8%
Transportation Expense	39,359	11,808	11,274	534	4.5%	28.6%	33.6%
Operations & Maintenance Expense	46,767	11,692	7,898	3,794	32.5%	16.9%	19.1%
Other Non Instructional Expense	4,996	1,249	1,920	(671)	-53.7%	38.4%	13.4%
Total Expense	135,431	38,041	29,345	8,696	22.9%	21.7%	28.1%
Grand Total	1,184,735	351,991	318,075	33,916	9.6%	26.9%	29.8%

CAPITAL PROJECT

Appendix B

Financial Update at November 30, 2020

	MINISTRY APPROVAL & COSTS		PROGRESS			% Complete
	MINISTRY APPROVED BUDGET	Costs to Date	Outstanding Purchase Order	Costs & Outstanding Purchase Orders ②+③	Balance ①-④	
	①	②	③	④		
Elementary New Schools	167,375,350	70,824,540	3,866,476	74,691,016	92,684,334	45%
Secondary New Schools	96,763,271	30,075,590	5,634,336	35,709,925	61,053,346	37%
Additions - Elementary	64,461,242	56,260,263	1,160,437	57,420,700	7,040,542	89%
	328,599,863	157,160,393	10,661,248	167,821,641	160,778,222	51%

Elementary New Schools
Secondary New Schools
Additions

Twelve (12) Elementary new schools at various stages of completion
Three (3) Secondary new schools at various stages of completion
Sixteen (16) Elementary additions at various stages of completion

SCHOOL RENEWAL AND SCHOOL CONDITION IMPROVEMENT GRANT BALANCE

FUNDS REMAINING

Financial Update at November 30, 2020

	SRG Renewal	SRA Renewal	SCI 70% Restricted 70%	SCI 30% Unrestricted 30%	TOTAL
FUNDING AVAILABLE					
Balance Forward - August 31, 2020 EFIS	31,569,495	1,270,554	56,068,470	51,511,693	140,420,212
Grant - 2020-2021 (Estimates & B16:2020)	17,142,224		33,522,645	14,366,848	65,031,717
Total Grant Available for 2020/2021	48,711,719	1,270,554	89,591,115	65,878,541	205,451,929
Add: Accruals (Deducted from EFIS Bal Fwd)	1,957,278	109,663	4,343,107	55,420	6,465,468
Balance Available September 1, 2020 ①	50,668,997	1,380,217	93,934,222	65,933,961	211,917,397
EXPENDITURES & WORK IN PROGRESS (September 1, 2020 - November 30, 2020)					
Actuals - Completed Work	2,896,615	41,065	2,759,570	49,878	5,747,128
*Open Purchase Orders - Work in Progress	5,193,881	262,022	16,787,959	50,803	22,294,665
EXPENDITURES AND OPEN PURCHASE ORDERS ②	8,090,496	303,087	19,547,528	100,681	28,041,793
BALANCE AT November 30, 2020 ①-②	42,578,501	1,077,129	74,386,694	65,833,280	183,875,604



REPORT TO

AUDIT COMMITTEE

INDEPENDENCE OF EXTERNAL AUDITOR

"Give and it will be given unto you"
Luke 6:38

Created, Draft	First Tabling	Review
December 8, 2020	January 27, 2021	
C. Giambattista, Senior Manager Accounting D. Bilenduke, Senior Coordinator of Finance P. De Cock, Comptroller of Business Services & Finance		
INFORMATION REPORT		

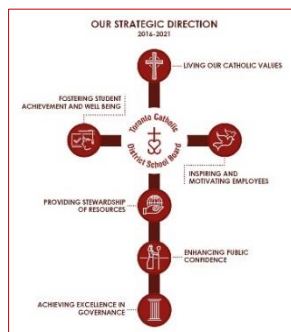
Vision:

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.



Brendan Browne, PhD
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

Deloitte LLP was appointed as the external auditors for the TCDSB commencing with the 2015-2016 fiscal year. The Toronto Catholic District School Board (TCDSB) staff can confirm that during 2019-20 fiscal year, Deloitte LLP has not been engaged for any additional activities in contradiction of the Audit Committee motion on this topic from their meeting on November 13, 2019.

The cumulative staff time required to prepare this report was 4 hours.

B. PURPOSE

This report responds to the Audit Committee's annual request to provide details on the type of non-audit services that External Auditors may perform while not compromising their independence nor exceeding the ratio of audit to non-audit work our external auditors may perform.

C. BACKGROUND

1. ***Rule 204 in the CPA Guide to Canadian Independence Standard provides some guidance.*** The CPA Guide does not include any specific prohibitions against the provision of such consulting services by an auditor, but rather suggests that it should be addressed within the threats and safeguards framework.
2. ***Routine audit services are appropriate.*** Routine Audit services pertain directly to the audit and generally involve providing assistance to the organization on an informal basis as part of the normal, ongoing professional relationship. Routine audit services are typically insignificant in terms of time incurred and generally do not result in a specific project, engagement or formal reporting. Examples of routine activities may include:
 - Providing advice to the organization on technical accounting issues.
 - Providing information or advice on general or routine business matters.
 - Providing information that is readily available to the auditor, such as best business practices or bench marking studies.

3. ***Some non-audit services may remain appropriate with the appropriate safeguards.*** Non-audit services may be performed if safeguards are put in place. Examples of non-audit services may include:
 - Providing internal audit services.
 - Performing enterprise risk management or business risk consulting.
 - Consulting on information technology systems, installation and integration.
 - Providing executive and employee search services.
 - Providing tax compliance services.
 - Providing corporate finance services such as developing strategies or assisting in analysing effects of proposed transactions.
4. ***Some services would directly impair auditor independence and should be prohibited:***
 - Assuming management responsibilities.
 - Making policy or strategy decisions on behalf of management.
 - Taking responsibility for designing, implementing, or monitoring internal controls.
 - Having a financial interest in the audited entity.
 - Bookkeeping and preparing accounting records and financial statements.
 - Payroll Services.
 - Human Resource services.

D. EVIDENCE/RESEARCH/ANALYSIS

1. The TCDSB has paid a fee to Deloitte LLP regarding fiscal 2019-20 for the following audit related services as identified in their contractual agreement:
 - Annual Year-end Audit
 - 7-month Interim Audit
 - Ontario Youth Apprenticeship Program (OYAP)
 - Literacy & Basic Skills (LBS)
2. The TCDSB engaged Deloitte LLP during fiscal 2019-20 for the following audit related services in addition to their contractual agreement:
 - Parenting & Family Literacy (EarlyON) \$6,129.60
 - Adult ESL/FSL \$6,129.60
 - TELLON (cost to be determined)

3. The TCDSB has not engaged Deloitte LLP during the period for any permitted non-audit services as defined by the services listed as point #3 in the Background section above.

E. METRICS AND ACCOUNTABILITY

1. Policy F.M.08 Effective Financial Management and Control of Operations and policy F.P.01 Purchasing Policy will be updated with the following process:
 - i. The Board will tender for Ministry prescribed audit services to be effective for a period of five years with an option for two additional years.
 - ii. The auditor of record will be severely restricted from performing non-audit services for the Board.
 - iii. A sample of permitted non-audit services available to the auditor of record is as follows:
 - Providing internal audit services.
 - Performing enterprise risk management or business risk consulting.
 - Consulting on information technology systems, installation and integration.
 - Providing executive and employee search services.
 - Providing tax compliance services.
 - Providing corporate finance services such as developing strategies or assisting in analysing effects of proposed transactions.
 - Any audit service approved in advance by the Audit Committee
 - iv. The Audit Committee will approve in advance all permitted non-audit services awarded to the Board's auditor of record that exceed \$5,000.
2. On an annual basis, the Board will report all audit and permitted non-audit services rendered by the auditor of record to the Audit Committee. The report will include amounts paid over and above the tendered agreement.

F. CONCLUDING STATEMENT

That the Audit Committee receive the information report.



REPORT TO

AUDIT COMMITTEE

REVIEW AND ASSESSMENT OF TCDSB'S EXTERNAL AUDITORS

“Enter his gates with thanksgiving, and his courts with praise. Give thanks to him, bless his name. For the Lord is good; his steadfast love endures forever, and his faithfulness to all generations.”

Psalms 100:4-5

Created, Draft	First Tabling	Review
November 25, 2020	January 27, 2021	Click here to enter a date

P. De Cock, Comptroller of Business Services & Finance

RECOMMENDATION REPORT

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.



Brendan Browne, PhD
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

The existing 5-year term for the TCDSB's External Auditors, Deloitte LLP, currently engaged by the Toronto Catholic District School Board (TCDSB) is ending August 31, 2021. The existing contract with Deloitte LLP provides the Board with an option to renew the contract for two additional one-year extensions beyond the 5-year term. The Audit Committee members are required to assess the External Auditors and review the options to exercise the option to extend by another year or begin a new Request for Proposals (RFP) exercise.

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

B. PURPOSE

1. The Audit Committee is responsible for reviewing the performance of the external auditors and making recommendations to the Board of Trustees on the appointment, replacement or dismissal of the external auditor, and on the fee and fee adjustment for the external auditors (O. Reg. 361/10 Section (4)1).
2. The existing 5-year term expires August 31st, 2021 and requires a recommendation by the Audit Committee to either retain or replace the existing external auditors.

C. BACKGROUND

1. The existing term of the contract with Deloitte LLP is for a period of five years effective July 11th, 2016 beginning with fiscal period ending August 31st, 2016. The contract with Deloitte LLP contains the option of extending the term for up to two additional one-year periods.
2. The TCDSB is required to indicate its intention to enter into an option year of the Contract by providing written notice to the successful proponent at least ninety (90) days before the renewal date; and the term of the Contract will be reviewed and negotiated for each option year if required.

D. EVIDENCE/RESEARCH/ANALYSIS

1. The External Auditor's Assessment Form is attached as Appendix A.

2. Each Audit Committee completes the Assessment and forwards the completed form to the attention of the Comptroller of Business Services & Finance for the purpose of compiling the survey results and preparing a report to the next scheduled Audit Committee meeting.
3. It is recommended that the completion and submission of assessment forms be completed within 10 business working days from the date of this Audit Committee.
4. The evaluation of the compiled External Auditor Assessments will help inform the review and decision to retain or replace the existing external auditors.

E. STAFF RECOMMENDATION

That the Audit Committee members complete the External Auditor Assessment and forward the completed assessments to the attention of the Comptroller of Business Services & Finance within 10 business working days.

Audit Committee – Evaluation of External Auditors Performance

Purpose of the Evaluation

Per Ontario Regulation 361/10, the audit committee has the duty to review at least once in each fiscal year the performance of the external auditor. In addition, the evaluation can serve to enhance the development of criteria for future tendering processes of external audit services.

In discharging this responsibility, the audit committee should answer the following series of questions assessing the external auditors and should ask key senior school board management for their comments as well. As with all processes asking for input, the audit committee should consider the different perspectives and motivations of those having input into this evaluation process.

If you are unable to respond to a particular question, please select “N/A”.

Name of Audit Committee Member Completing Evaluation					
Fiscal year					
	Strongly Agree	Agree	Disagree	Strongly Disagree	N/A
Financial Reporting Process / External Audit					
1. The external auditor discussed the audit engagement terms with the audit committee through an annual engagement letter.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The audit committee is satisfied with the planning and conduct of the audit, including the co-ordinated efforts with the internal auditor.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The external auditor informed the audit committee of :					
a) accounting principles & emerging issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) complex / unusual financial transactions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) material judgments and accounting estimates of the school board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) any departures from the accounting principles, where applicable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The external auditor engaged the audit committee on all significant issues arising from the audit such as:					
a) results of the annual external audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) any difficulties encountered in the course of the external auditor's work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) any significant changes the external auditor made to the audit plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) any significant disagreements between the external auditor and management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The external auditor reflected the scope of their audit, as set out in their audit plan, in the final audit report.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The external auditor's report was complete, as it:					
a) identified the title of each statement that	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

APPENDIX A

comprises the financial statements					
	Strongly Agree	Agree	Disagree	Strongly Disagree	N/A
6. (Continued) The external auditor's report was complete, as:					
b) it referenced the summary of accounting policies and notes to the financial statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) it distinguished between responsibilities of management and those of the external auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) it described the scope of the external auditor's examination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) it contained an expression of opinion or an assertion than an opinion could not be expressed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) the opinion indicated that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows in accordance with the appropriate financial framework (could be qualified based on school generated funds)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. The resources were appropriately allocated at different stages of the audit to ensure that the audit was completed within the agreed timelines.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal Controls					
8. The external auditor communicated to the audit committee the extent of their reliance on internal controls in the proposed audit plan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. The external auditor provided constructive observations, implications, and recommendations in areas needing improvement, particularly with respect to the school board's internal control system over financial reporting (through management letter).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Risk Management					
10. The external auditor informed the audit committee of any significant risks of which the audit committee was not previously aware of.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General					
11. The external auditor met with the audit committee when requested.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. The audit committee is satisfied that the external auditor met with the audit committee to discuss any matters that should have been discussed throughout the year.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. The external auditor did not leave significant issues of concern to the audit committee unaddressed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. The audit committee is satisfied that the external auditor remained independent of the school	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

APPENDIX A

board in spite of any audit-related, or non-audit services the auditor provides to the school board.					
	Strongly Agree	Agree	Disagree	Strongly Disagree	N/A
15. The audit committee is satisfied that the external auditor was not unduly influenced by management. (Assessment indicators: the external auditor communicated freely with the audit committee; the external auditor was not reluctant or hesitant to raise issues that would reflect negatively on management)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. From a discussion with management, the audit committee believes that the external audit team members had the experience and possessed the necessary qualifications required of external auditors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. The audit fee was fair and reasonable in relation to what audit committees know about fees charged to other school boards or other similar organizations of comparable size.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Overall, the external auditor met audit committee expectations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Have you received any specific feedback on the external auditor from school board management? If so, please provide details:</p>					
<p>Have you received any specific feedback on the external auditor from internal audit? If so, please provide details:</p>					
<p>Please provide any additional comments on your experience with the external auditors:</p>					



REPORT TO

AUDIT COMMITTEE

AUDIT COMMITTEE SELF-ASSESSMENTS

“Teach me to do your will, for you are my God; may your good Spirit lead me on level ground”
Psalm 143:10

Created, Draft	First Tabling	Review
November 25, 2020	January 27, 2021	Click here to enter a date.
P. De Cock, Comptroller of Business Services & Finance		
INFORMATION REPORT		

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.



Brendan Browne
 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 report provides the Audit Committee with a Self-Assessment and Non-Board Community Member Assessment forms to be completed by both Audit Committee Board-Members and Non-Board-Members.

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

B. PURPOSE

1. This Information Report is an Annual Standing Report on the Rolling Calendar. Each member of the Audit Committee is invited to complete a self-assessment on an annual basis, and concurrently, complete a Non-Board Community Member Assessment.

C. BACKGROUND

1. The Audit Committee during the meeting held on February 10th 2014, received the compilation of the Audit Committee's members self-assessments and passed the motion, "that the Self-Assessment be referred to Board in Private Session with a cover report."
2. The Audit Committee during the meeting held on November 17th 2020 passed a motion, "that the Audit Committee Community Member Assessment be completed on an annual basis and that it be concurrent with the Audit Committee Self-Assessment."

D. EVIDENCE/RESEARCH/ANALYSIS

1. The Audit Committee's Self-Assessment Form appears in Appendix A.
2. The Audit Committee's Non-Board Community Member Assessment Form appears in Appendix B.

E. METRICS AND ACCOUNTABILITY

1. The Audit Committee Board and Non-Board Community Members will continue to complete the Self-Assessments on an ongoing annual basis.

F. CONCLUDING STATEMENT

This report is for the consideration of the Audit Committee.

Audit Committee Self-Assessment

The following questionnaire will assist in the self-assessment of the audit committee's (AC) performance. The questionnaire should take less than 30 minutes to complete. When completing the performance evaluation, you may wish to consider the following process:

- Select a coordinator (perhaps the chair of the AC) and establish a timeline for the process.
- You may consider asking individuals who interact with the audit committee members (Regional Internal Audit Manager, Chair of the Board of Trustees, etc.) to also complete the assessment.
- Ask each audit committee member to complete an evaluation by selecting the appropriate response below.
- Consolidate the results into a summarized document for discussion and review by the committee.

If the answer is "Yes" for some criteria and "No" for others, check the box "No" and include comments for those criteria that were not met below each category.

1. COMPOSITION	Yes	No
<ul style="list-style-type: none"> • Has appropriately qualified members • Has appropriate sector knowledge and diversity of experiences and backgrounds • Demonstrates integrity, credibility, trustworthiness, active participation, an ability to handle conflict constructively, strong interpersonal skills, and the willingness to address issues proactively • Meets all applicable independence and conflict of interest requirements • Participates in continuing education programs for existing members and/or orientation programs for new members 	<input type="checkbox"/>	<input type="checkbox"/>
Comments: <div style="height: 40px;"></div>		

2. PROCESSES AND PROCEDURES	Yes	No
Meetings contain the following: <ul style="list-style-type: none"> • Adequate minutes and report of proceedings to the Board of Trustees • Quorum • Well prepared members • Conducted effectively, with sufficient time spent on significant or emerging issues • Respect the line between oversight and management • Separate (in camera) sessions with management, internal and external auditors as required • Recommendations for the Board of Trustees to adopt and/or approve • Feedback to the Board of Trustees regarding their interactions with senior management, internal audit and external audit 	<input type="checkbox"/>	<input type="checkbox"/>
Meetings are appropriately planned/coordinated due to the following: <ul style="list-style-type: none"> • Preparation of an annual calendar to guide meeting discussions • Agenda and related materials are circulated in advance of meetings • Held with enough frequency to fulfill the audit committee's duties • Encouragement from the audit committee chair for agenda items from board members, management, the internal auditors, and the external auditors • Written materials provided to/and from the audit committee are relevant and concise 	<input type="checkbox"/>	<input type="checkbox"/>
An annual self-assessment is conducted and presented to the Board of Trustees	<input type="checkbox"/>	<input type="checkbox"/>
Comments: <div style="height: 40px;"></div>		

3. UNDERSTANDING OF THE BOARD, INCLUDING RISKS	Yes	No
<ul style="list-style-type: none"> Has general knowledge about operating risks and risk appetite of the Board of Trustees (e.g. Regulatory requirements, Ministry of Education compliance rules, financing and liquidity needs, school board's reputation, senior management's capabilities, fraud control, school board pressures such as "tone at the top") Reviews the process implemented by management to effectively identify and assess significant risks, and assessed the steps taken to control such risks Reviews the Regional Internal Audit Team's risk assessment and understands the identified risks Considers the school board's performance versus that of comparable school boards in a manner that enhances risk oversight (particularly where significant differences are noted) Takes appropriate action (such as requesting and overseeing special investigations) where information was received that would lead you to believe that a fraudulent or unusual activity has taken place 	<input type="checkbox"/>	<input type="checkbox"/>
Comments: 		

4. OVERSIGHT OF FINANCIAL REPORTING PROCESS, INCLUDING INTERNAL CONTROLS	Yes	No
Reviews the financial statements for the following: <ul style="list-style-type: none"> Completeness and accuracy Significant accounting policies followed by the board Quality, appropriateness and transparency of note disclosures Identification of related-party transactions Adjustments to the statements that resulted from the external audit Recommendation to the Board of Trustees for their approval 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Is consulted when management is seeking a second opinion or disagrees with the external auditor on an accounting or auditing matter. In the case of a disagreement, the audit committee leads the parties toward resolution Receives sufficient information to assess and understand management's process for evaluating the school board's system of internal controls (environment, risk assessment, information system, control activities, monitoring) Receives sufficient information to understand the internal control testing conducted by the internal auditors and the external auditors to assess the process for detecting internal control issues or fraud. Any significant deficiencies or material weaknesses that are identified are addressed, reviewed, and monitored by the audit committee Recommends to the Board of Trustees that management takes action to achieve resolution when there are repeat comments from auditors, particularly those related to internal controls Makes inquiries of the external auditors, internal auditors, and management on the depth of experience and sufficiency of the school board's accounting and finance staff 	<input type="checkbox"/>	<input type="checkbox"/>
Comments: 		

5. OVERSIGHT OF INTERNAL AUDIT AND EXTERNAL AUDIT FUNCTIONS:	Yes	No
Understands the coordination of work between the external and internal auditors and clearly articulates its expectations of each.	<input type="checkbox"/>	<input type="checkbox"/>
INTERNAL AUDIT: <ul style="list-style-type: none"> • Reviews the annual and multi-year internal audit plans and makes recommendations for adjustments when appropriate • Regularly reviews the internal audit function (e.g. independence, the mandate, activities, structure, budget, compliance with IIA standards and staffing) • The internal audit reporting lines established with the audit committee promote an atmosphere where significant issues that might involve management will be brought to the attention of the audit committee • Ensures that there are no unjustified restrictions or limitations on the scope of any internal audit • Reviews significant internal audit findings, management's action plans to address these findings and the status of action plans presented in earlier meetings 	<input type="checkbox"/>	<input type="checkbox"/>
Comments:		
EXTERNAL AUDIT: <ul style="list-style-type: none"> • Reviews the annual external audit plan and provides recommendations, as necessary • Oversees the role of the external auditors from selection to termination and has an effective process to evaluate their independence, qualifications and performance • Reviews management's representation letters to the external auditors, including making inquiries about any difficulties in obtaining them • Reviews significant external audit findings, management's action plans and the status of action plans presented in earlier meetings • Reviews and makes recommendations to the board on the audit fees paid to the external auditors • Reviews other professional services that relate to financial reporting (e.g., consulting, legal, and tax strategy services) provided by outside consultants • Recommends to the Board of Trustees and oversees a policy regarding the permissible (audit and non-audit) services that the external auditors may perform and considers the scope of the non-audit services provided 	<input type="checkbox"/>	<input type="checkbox"/>
Comments:		
6. ETHICS, COMPLIANCE & MONITORING	Yes	No
<ul style="list-style-type: none"> • Reviews the school board's system for monitoring compliance and reviews any action taken by the board to address non-compliance (compliance with regulatory agencies, Ministry of Education, etc.) • Performs an adequate review of any findings of examinations by regulatory agencies or the Ministry of Education • Reviews management's procedures for enforcing the school board's code of conduct • Oversees the school board's whistleblower process and understands the procedures to prohibit retaliation against whistleblowers • Receives sufficient funding to fulfill its objectives and engage external parties for matters requiring external expertise 	<input type="checkbox"/>	<input type="checkbox"/>
Comments:		

Audit Committee Community Members Assessment Form

The following questionnaire will assist in the self-assessment of the audit committee's (AC) Community Members' performance. The questionnaire should take less than 30 minutes to complete. When completing the performance evaluation, you may wish to consider the following process:

- Select a coordinator (perhaps the chair of the AC) and establish a timeline for the process.
- You may consider asking individuals who interact with the Audit Committee's Community Members (Regional Internal Audit Manager, Director of Education, Chief Financial Officer, etc.) to also complete the assessment.
- Ask each audit committee Board Member to complete an evaluation by selecting the appropriate response below.
- Consolidate the results into a summarized document for discussion and review by the committee.

If the answer is "Yes" for some criteria and "No" for others, check the box "No" and include comments for those criteria that were not met below each category.

1. QUALIFICATIONS	Yes	No
<ul style="list-style-type: none"> • Has appropriate sector knowledge and diversity of experiences and backgrounds • Demonstrates integrity, credibility, trustworthiness, active participation, an ability to handle conflict constructively, strong interpersonal skills, and the willingness to address issues proactively • Meets all applicable independence and conflict of interest requirements 	<input type="checkbox"/>	<input type="checkbox"/>
Feedback/Comments: 		

2. UNDERSTAND AND FOLLOW PROCESSES AND PROCEDURES	Yes	No
Community Members understanding the following: <ul style="list-style-type: none"> • Adequate minutes and report of proceedings to the Board of Trustees • Quorum • Well prepared members • Conducted effectively, with sufficient time spent on significant or emerging issues • Respect the line between oversight and management • Separate (in camera) sessions with management, internal and external auditors as required • Contributed recommendations for the Board of Trustees to adopt and/or approve • Feedback to the Board of Trustees regarding their interactions with senior management, internal audit and external audit 	<input type="checkbox"/>	<input type="checkbox"/>
Community Members are appropriately planned/prepared due to the following: <ul style="list-style-type: none"> • Preparation of an annual calendar to guide meeting discussions • Agenda and related materials are circulated in advance of meetings • Held with enough frequency to fulfill the audit committee's duties • Contributed to the audit committee agenda items for review and discussion • Written materials and verbal content provided to/and from the audit committee are relevant and concise 	<input type="checkbox"/>	<input type="checkbox"/>
Feedback/Comments: 		

3. UNDERSTANDING OF THE BOARD, INCLUDING RISKS	Yes	No
<ul style="list-style-type: none"> Has general knowledge about operating risks and risk appetite of the Board of Trustees (e.g. Regulatory requirements, Ministry of Education compliance rules, financing and liquidity needs, school board's reputation, senior management's capabilities, fraud control, school board pressures such as "tone at the top") Reviews the process implemented by management to effectively identify and assess significant risks, and assessed the steps taken to control such risks Reviews the Regional Internal Audit Team's risk assessment and understands the identified risks Considers the school board's performance versus that of comparable school boards in a manner that enhances risk oversight (particularly where significant differences are noted) Takes appropriate action (such as requesting and overseeing special investigations) where information was received that would lead you to believe that a fraudulent or unusual activity has taken place 	<input type="checkbox"/>	<input type="checkbox"/>
Feedback/Comments: 		

4. OVERSIGHT OF FINANCIAL REPORTING PROCESS, INCLUDING INTERNAL CONTROLS	Yes	No
Reviews the financial statements for the following: <ul style="list-style-type: none"> Completeness and accuracy Significant accounting policies followed by the board Quality, appropriateness and transparency of note disclosures Identification of related-party transactions Adjustments to the statements that resulted from the external audit Recommendation to the Board of Trustees for their approval 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Is consulted when management is seeking a second opinion or disagrees with the external auditor on an accounting or auditing matter. In the case of a disagreement, the audit committee leads the parties toward resolution Receives sufficient information to assess and understand management's process for evaluating the school board's system of internal controls (environment, risk assessment, information system, control activities, monitoring) Receives sufficient information to understand the internal control testing conducted by the internal auditors and the external auditors to assess the process for detecting internal control issues or fraud. Any significant deficiencies or material weaknesses that are identified are addressed, reviewed, and monitored by the audit committee Recommends to the Audit Committee that management takes action to achieve resolution when there are repeat comments from auditors, particularly those related to internal controls Makes inquiries of the external auditors, internal auditors, and management on the depth of experience and sufficiency of the school board's accounting and finance staff 	<input type="checkbox"/>	<input type="checkbox"/>
Feedback/Comments: 		

5. OVERSIGHT OF INTERNAL AUDIT AND EXTERNAL AUDIT FUNCTIONS:	Yes	No
Understands the coordination of work between the external and internal auditors and clearly articulates its expectations of each.	<input type="checkbox"/>	<input type="checkbox"/>
INTERNAL AUDIT: <ul style="list-style-type: none"> • Reviews the annual and multi-year internal audit plans and makes recommendations for adjustments when appropriate • Regularly reviews the internal audit function (e.g. independence, the mandate, activities, structure, budget, compliance with IIA standards and staffing) • The internal audit reporting lines established with the audit committee promote an atmosphere where significant issues that might involve management will be brought to the attention of the audit committee • Ensures that there are no unjustified restrictions or limitations on the scope of any internal audit • Reviews significant internal audit findings, management's action plans to address these findings and the status of action plans presented in earlier meetings 	<input type="checkbox"/>	<input type="checkbox"/>
Feedback/Comments:		
EXTERNAL AUDIT: <ul style="list-style-type: none"> • Reviews the annual external audit plan and provides recommendations, as necessary • Oversees the role of the external auditors from selection to termination and has an effective process to evaluate their independence, qualifications and performance • Reviews management's representation letters to the external auditors, including making inquiries about any difficulties in obtaining them • Reviews significant external audit findings, management's action plans and the status of action plans presented in earlier meetings • Reviews and makes recommendations to the board on the audit fees paid to the external auditors • Reviews other professional services that relate to financial reporting (e.g., consulting, legal, and tax strategy services) provided by outside consultants • Recommends to the Audit Committee and oversees a policy regarding the permissible (audit and non-audit) services that the external auditors may perform and considers the scope of the non-audit services provided 	<input type="checkbox"/>	<input type="checkbox"/>
Feedback/Comments:		
6. ETHICS, COMPLIANCE & MONITORING	Yes	No
<ul style="list-style-type: none"> • Reviews the school board's system for monitoring compliance and reviews any action taken by the board to address non-compliance (compliance with regulatory agencies, Ministry of Education, etc.) • Performs an adequate review of any findings of examinations by regulatory agencies or the Ministry of Education • Reviews management's procedures for enforcing the school board's code of conduct • Oversees the school board's whistleblower process and understands the procedures to prohibit retaliation against whistleblowers 	<input type="checkbox"/>	<input type="checkbox"/>
Feedback/Comments:		

Audit Committee Meeting 2021 Annual Agenda / Check List

	Jan	Mar	June	Sep	Nov
Risk Management					
Resourcing (Mix, Skillset, Quantity)					
Reputational Risk	D				
Management Structure Issues					
Enterprise Risk Management	D				
Budget (2021/2022)					
Financial Reporting Process					
MOE Financial Reports	D				
Consolidated Financial Statements					
Internal Audit					
Open Audit Status (% complete, support received)					
Risk Review Summary on Audit Completion					
Future Audit Plan (2 years)					
Internal Controls					
Ministry Operational Review					
Internal Audit recommendations	D				
Compliance Matters					
Legal					
MOE					
Union					
Board Policy Compliance					
External Audit					
Review External Auditors	D				
Scope					
Cost					

D - Discussed

R - Review requested

P - Pending

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

17. Updating of Annual & Pending List of Reports

	Subject	Date Due	Delegated to
a.	Report regarding Schedule of Internal Audits (Annual)	Jan./Feb.	S. Camacho
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	P. Matthews M. Eldridge B. Dourley
c.	Report regarding Whistleblower Metrics	Quarterly	S. Camacho
d.	Report regarding Audit Committee Annual Report to the Board of Trustees (Annual)	Nov.	S. Camacho
e.	Report regarding the Draft Audited Financial Statements (Annual)	Nov.	S. Camacho
f.	Report regarding the Independence of External Auditors	Nov.	S. Camacho
g.	Report regarding the Audit Committee's Self-Assessment (Annual)	Jan./Feb.	S. Camacho
h.	Report regarding the Non-Board Community Members Assessment (Annual)	Jan./Feb.	S. Camacho
i.	Report regarding the External Auditors' Annual Audit Plan (Annual)	Sept.	S. Camacho
j.	Report regarding the Toronto & Area Regional Internal Audit Team Progress Report (Every Meeting)	Every Meeting	P. Hatt