Purpose

In accordance with the Regional Internal Audit mandate, on a three-year basis, the Regional Internal Audit Senior Manager will submit to district school board management and to the Audit Committee of the Board of Trustees an internal audit plan for recommendation to their Board of Trustees for approval.

The internal audit plan will be developed based on a prioritization of the internal audit universe using a risk based methodology which engages the Board's senior staff and the Audit Committee. Risks are assessed across the School Board Audit Universe while also considering engagements completed in the prior multi-year audit cycles. The purpose of this memo is to summarize the risk assessment results and proposed engagements.

Proposed Engagements

Based on the surveys and interviews conducted, the following six engagements have been prioritized for consideration for the 2020-2022 multiyear audit plan:

Functional Area	Proposed Engagement	Proposed Audit Scope	
Financial Management and Reporting	Accounts Payable and Expense Audit	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).	RIAT

Planning, Facilities and Operations	Usage of Schools Analysis	Perform analysis to identify optimal use of schools over the summer months. Analyze key data (i.e. cost vs. revenue). Assess current processes and controls and identify opportunities for greater efficiency and cost savings.	RIAT
Human Resources and Payroll	Strategic Workforce Planning - Phase 1	Multiphase engagement to assist the Board with ensuring the right skill sets and staffing resources are in place. Key position review and other analysis as needed (i.e. job description and performance review processes).	RIAT / Outsource
	Strategic Workforce Planning - Phase 2	Phase 2 scope to be determined based on Phase 1 results and recommendations.	RIAT / Outsource
Information Communications and Technology	IT Security Review	Assess the current IT Security environment and provide recommendations for developing an IT Security policy.	Outsource
Corporate Services and Other	Privacy Audit	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.	RIAT / Outsource

Other Potential Engagements

Below are other engagements for consideration for the 2020-2022 multiyear audit plan:

Functional Area	Proposed Engagement	Proposed Audit Scope	
Academic / Financial	School Generated Funds (SGF) Audit	Internal audit engagement to review controls around SGF and areas for process improvement.	RIAT
Planning, Facilities and Operations	Capital Project Communication	Consulting engagement to assist the board with exploring automating capital project status updates to stakeholders (i.e. schools and members of the public). Current processes are manual and time consuming.	Outsource
Human Resources and Payroll	Succession Planning Review	Assess current practices for succession planning (for both Academic and Non-Academic staff) and identify areas for improvement in order to address staffing risks to the board such as loss of	RIAT

		institutional knowledge, hiring and promotion mistakes, and minimizing operational interruptions or other issues for the board).	
Information Communications and Technology	Cloud Strategy Development	Consulting engagement to assess the Board's current usage of cloud based applications and to provide recommendations and best practices to inform a Cloud Strategy	Outsource
Corporate Services and Other	Transportation Audit	Internal audit engagement to review controls at the Board level. These could include overall governance and reporting, practices at the school level, the impact of programming to transportation (including special education), cost allocations etc. Given the joint consortium with TDSB, this engagement is more efficiently done	RIAT

		concurrently with that board.	

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Toronto Catholic District School Board
2020-2022 Risk Assessment Summary
April 2019
CONFIDENTIAL

Summary of Risk Assessment Results

The following charts summarize the results of our surveys and discussions management and staff.

1. Academic
Top issues and challenges identified by Management:
- Overall, the biggest challenge is with resources from a funding perspective to meet the needs of all students. - A number of challenges related to Special Education continue to exist. These include spending over allocations, staffing challenges (i.e. EA's), increasing student needs and parent expectations, some governance challenges with the existing SEAC committee. - Absenteeism is a continued challenge with the current sick leave entitlement, mainly for teaching staff and EA's. EA absenteeism rates are among the highest in the Province. - Although reviews of teachers are done every 5 years, it is difficult to hold teachers accountable and deal with performance issues. - Ensuring staff are attending required professional development is a challenge largely because of absenteeism which results in a shortage of supply teachers for release time. This results in the risk that P.D. is not sufficient to support stronger student achievement. - At the school level, Principal workloads with a variety of administrative and other tasks leaves little time to focus on curriculum and student achievement.

2. Financial and Management Reporting
Top issues and challenges identified by Management:
- The biggest challenge is dealing with the provincial education cuts that impacts the entire board. Many variable costs (teacher supply costs, sick leave, WSIB, union grievances etc.) also exist that are difficult to control. - There are some process improvements that can be made in various areas (i.e. AP, budget reporting, tracking of EPO's is done manually, better analysis of P-card transactions etc.) - The controls and processes related to school generated funds can be enhanced. This includes being able to expand school cash online and being able to better track school generated funds.

3. Planning, Facilities and Operations
Top issues and challenges identified by Management:
- Overall, the increasing price of land in Toronto and unique sites make it difficult to acquire land for new schools. Current EDC rates are not sufficient with only small increases and will not cover land acquisitions resulting in potential EDC deficits in the future. - Many of the decisions are driven by the Ministry and City and are out of control of the Board. This results in less flexibility and ability for the Board to plan appropriately. These include freezes on EDC rates, the capital priorities process, restrictions on proceeds of disposition, closing of schools, the "highest and best use" price when acquiring land, and challenges with the City of Toronto. - The continued intensification in the City of Toronto (i.e. condos) makes it difficult to acquire land to build traditional schools. Alternatives (such as strata or leases) are very expensive. - For a variety of factors (i.e. extensive consultations, ministry approvals, unique sites etc.) the timeline to build new schools is too long and results in other costs (i.e. transportation). - The process for long term accommodation planning and updates can be improved as there are currently no set refresh dates (i.e. annually) as some boards do. - Construction costs have increased significantly and again Ministry funding is not sufficient for new schools, especially those on unique sites. - The current process for informing stakeholders regarding capital project status is manual and time consuming. - Staffing turnover in the Planning department have presented some challenges. - School renewal plans don't always get communicated to Planning in a timely manner or prior to decisions being made. - Absenteeism of custodial staff continues to be a challenge. - For repairs and maintenance, enhancements to current processes can be made. This includes the

work order management system and the complaints process.
- A better R&M strategy/plan is needed.

4. Human Resources and Payroll
Top issues and challenges identified by Management:
- Overall, staffing and resource constraints across the Board impact HR and additional efforts are needed to address these challenges appropriately in order to ensure the board has the appropriate skills while controlling costs. However, pay equity and some recent legal cases have caused challenges here. - Attracting and retaining talent is an issue given salary constraints (for non-teaching positions) which results in higher turnover and additional costs. - Abenteeism continues to be a challenge, especially teaching staff, EA's and custodial staff. - Currently, a recruiting platform does not exist in the HRIS. - Succession planning is an area where the Board can make improvements in order to ensure that knowledge is transferred and new staff have the right skills.

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5. Information Communications and Technology
Top issues and challenges identified by Management:
- Overall, progress has been made in the IT area. However, a number or risks still exist. Efforts are being made to develop an IT Strategy that aligns with the Boards Multiyear Strategic Plan by the end of 2019. - Common issues include IT Security, resource constraints, continuously changing technology, privacy, the existence of multiple systems, and the decentralized nature of operations. - The Board does not have a dedicated IT security team. There is a need for a Security policy to be implemented. - Privacy Impact Assessments are not being formally completed. Additionally, a data privacy policy does not currency exist. - There are many customized applications being used across the Board. A better process around software development is needed. For example, there are 30 - 40 different applications for the SIS developed over the years. - Access management is also an area where improvements are needed. For example, the onboarding and revoking of employee access to various systems when there are changes in positions etc. There is currently not a common process across the organization.

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6. Corporate Services and Other
Top issues and challenges identified by Management:
- Related to communication, there is a need for more resources for social media monitoring and responding. A formal social media policy does not currently exist. - On the risk management side, a more formal formalized risk assessment process and centralized review could take place. - Records management continues to be an area where a number of challenges exist. These include communication of and understanding across the organization of records management requirements and expectations. The electronic records management environment is rapidly evolving. Departmental compliance with records management requirements is not consistent. - Transportation is an area where the Board spends over their allocation. There are differences between the two boards on how they grant transportation (especially special requests), resulting in a higher number of TCDSB students receiving special consideration even if they do not meet the eligibility requirements. - The process for special education requests for transportation can be improved. Transportation is not involved in the process and only receives routing requests after decisions are made. More involvement by Transportation in operational and programming decisions would help. This is especially true as they own the budget but do not have much control over decisions being made.

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2018-19 Risk Assessment Scores

The following charts present the residual risk ratings for each of the surveys distributed.

Risk Score	
8 – 10	High
6 – 7.9	Moderate – High
4 – 5.9	Moderate
<4	Low

TCDSB AUDIT UNIVERSE		2018-19 Risk Assessment			2016-17 Risk Assessment
Functional Area	**Process**	**Inherent Risk Score**	**Control Assessment**	**Residual Risk Score**	**Residual Risk Score**
Academic	Special Education and Professional Support Services	10.0	3.0	7.0	7.0
	Enrolment	10.0	5.0	5.0	6.0
	Student	9.5	4.0	5.5	6.0

TCDSB AUDIT UNIVERSE		2018-19 Risk Assessment			2016-17 Risk Assessment
Functional Area	**Process**	**Inherent Risk Score**	**Control Assessment**	**Residual Risk Score**	**Residual Risk Score**
	Attendance				
	Monitoring and Reporting Outcomes for Student Achievement and Well-being	8.0	4.0	4.0	4.0
	Suspensions and Expulsions	8.0	4.0	4.0	3.0
	Co-ordinate Student Organizations, Athletics and Extracurriculars	6.5	3.0	3.5	2.0
	Curriculum Delivery and Instruction	10.0	2.0	8.0	6.0

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TCDSB AUDIT UNIVERSE		2018-19 Risk Assessment			2016-17 Risk Assessment
Functional Area	**Process**	**Inherent Risk Score**	**Control Assessment**	**Residual Risk Score**	**Residual Risk Score**
	Professional Development (including non-academic)	9.0	3.0	6.0	3.5
	Continuing and Alternative Education	8.0	4.0	4.0	*
Financial Management and Reporting	Budget Planning, Development and Control	8.5	4.0	4.5	7.0
	Financial and Management Reporting	7.5	5.0	2.5	5.0
	Ministry Reporting	7.0	5.0	2.0	5.0

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TCDSB AUDIT UNIVERSE		2018-19 Risk Assessment			2016-17 Risk Assessment
Functional Area	**Process**	**Inherent Risk Score**	**Control Assessment**	**Residual Risk Score**	**Residual Risk Score**
	Grant and Non-Grant Revenue Management	9.5	5.0	4.5	6.0
	School Generated Funds/Fund Raising	7.0	2.0	5.0	3.0
	Treasury	6.5	4.0	2.5	3.0
	Accounts Payable and Expenses	7.0	5.0	2.0	3.0
	Purchasing Cards	6.5	3.0	3.5	3.0
	Procurement/ Purchasing	7.5	5.0	2.5	*
Planning, Facilities and	Repairs and Maintenance	9.5	3.0	6.5	6.0

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TCDSB AUDIT UNIVERSE		2018-19 Risk Assessment			2016-17 Risk Assessment
Functional Area	**Process**	**Inherent Risk Score**	**Control Assessment**	**Residual Risk Score**	**Residual Risk Score**
Operations	Construction Management	8.0	3.0	5.0	4.0
	Land/Facility Procurement and EDC Bylaws	6.0	4.0	2.0	2.0
	Facility Operations and Custodial Services	7.0	3.0	4.0	2.5
	Forecasting and Capital Planning	8.0	3.0	5.0	3.5
Human Resources and Payroll	Recruiting, Hiring and Retention	10.0	3.0	7.0	7.0
	Teacher Staffing and Allocations	10.0	4.0	6.0	7.0

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TCDSB AUDIT UNIVERSE		2018-19 Risk Assessment			2016-17 Risk Assessment
Functional Area	**Process**	**Inherent Risk Score**	**Control Assessment**	**Residual Risk Score**	**Residual Risk Score**
	Retirements and Terminations	5.0	3.0	2.0	3.0
	Attendance Support	9.0	3.0	6.0	8.0
	Manage Labour Relations	9.5	4.0	5.5	8.0
	Health and Safety	8.0	3.0	5.0	4.5
	Payroll	10.0	5.0	5.0	6.0
	Compensation and Benefits	8.0	3.0	5.0	5.0
Information Technology	Develop IT Strategy	7.0	3.0	4.0	5.0
	Develop and Deploy Applications	6.5	3.0	3.5	5.0

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TCDSB AUDIT UNIVERSE		2018-19 Risk Assessment			2016-17 Risk Assessment
Functional Area	**Process**	**Inherent Risk Score**	**Control Assessment**	**Residual Risk Score**	**Residual Risk Score**
	Network and Application Access Management/IT Security	8.5	3.0	5.5	7.0
	Data Management and Backup	7.5	3.0	4.5	4.5
	Manage Communication Systems	8.5	4.0	4.5	4.0
	IT Asset Management	8.0	3.0	5.0	*
Corporate Services and Other	Transportation	6.5	3.0	3.5	4.0
	Records Management and Privacy	7.5	3.0	4.5	4.0

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TCDSB AUDIT UNIVERSE		2018-19 Risk Assessment			2016-17 Risk Assessment
Functional Area	Process	Inherent Risk Score	Control Assessment	Residual Risk Score	Residual Risk Score
	Risk Management and Governance	6.5	3.0	3.5	4.0
	Communications Community Relations and Public Affairs	8.0	3.0	5.0	*

* The audit universe was standardized for the 2018/19 risk assessment and therefore certain processes were not aligned in the prior risk assessment.