



REPORT TO

AUDIT COMMITTEE

ENTERPRISE RISK MANAGEMENT FRAMEWORK REVIEW 2019-20

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

Psalm 37:4

Created, Draft	First Tabling	Review
January 23, 2020	January 29, 2020	Click here to enter a date.
P. De Cock, Comptroller of Business Services & Finance		
INFORMATION REPORT		

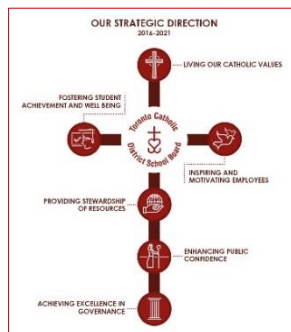
Vision:

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.



Rory McGuckin
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A. EXECUTIVE SUMMARY

This report provides the Audit Committee with an update concerning the top five emerging risks identified by the Enterprise Risk Management (ERM) Framework Tool and the impact of identified mitigating strategies to reduce the residual risks.

Business Services staff applied the new ERM Framework to the Toronto Catholic District School Board environment by surveying all senior staff and identified the top five emerging risks facing the Toronto Catholic District School Board.

The cumulative staff time required to prepare this report was 10 hours.

B. PURPOSE

1. This report responds to a request through an approved motion at the Audit Committee to regularly review the TCDSB's risk universe and add this item to the Audit Committee's Annual Checklist.

C. BACKGROUND

1. The Audit Committee received an inquiry from an Audit Committee member regarding Regulatory Environment Dashboards, and the Audit Committee approved a motion requesting staff to develop an Enterprise Risk Management Framework and identify the top five priority areas and risks to the TCDSB.

D. EVIDENCE/RESEARCH/ANALYSIS

1. ***TCDSB Business Services staff developed a TCDSB specific ERM Dashboard for emerging risks.*** This framework is designed to communicate to the Audit Committee the existence or emergence of environmental and/or organizational risks. This framework measures the inherent risk, assesses the mitigating internal controls, and calculates the remaining risk for which mitigating strategies are required. Appendix A provides the complete listing of risks.
2. ***The aggregate survey results identified the top five emerging risks.*** The emerging risks were assessed based on a wide range of risk factors. The

resulting aggregation of survey results eliminates the individual biases from individual perspectives, and consequently provides a higher-level systemic perspective. The top five emerging risks based on their relative aggregate inherent risk factor scores appear in the table below:

EMERGING RISKS by Sum of INHERENT RISK (0 - 10)	
RISK DESCRIPTION	Total
Staff Absenteeism	5.8
GSN Reductions	5.3
Special Education Supports for Students with Needs	5.0
Collective Agreement Negotiations	4.9
Viability of Attendance Management Systems	4.8

6. ***Internal Controls mitigate the inherent risks leaving a remaining Residual Risk.*** Senior Staff assessed the internal controls for each emerging risk based on a scoring rubric. The extent to which these internal controls reduce and/or mitigate the inherent risk leaves a balance of risk often referred to as the residual risk. The top five emerging risks by the aggregate score of their residual risk appear in the table below.

EMERGING RISKS by Sum of RESIDUAL RISK (0 - 10)	
RISK DESCRIPTION	Total
Staff Absenteeism	3.6
GSN Reductions	3.1
Special Education Supports for Students with Needs	2.8
Collective Agreement Negotiations	2.7
Regular Instructional Day International Languages Program	2.7

7. ***Future versions of the ERM will expand the analysis into Information Technology & Systems.*** Risk Management are currently engaging IT staff to define the risks, and develop risk-scoring rubrics in order to conduct a broad survey.
8. ***Staff Absenteeism remains the top risk.*** Staff absenteeism continues to increase year-over-year and the increasing fill rates for occasional teachers negatively impacts upon the TCDSB's financial condition. TCDSB staff in the Sick Leave and Disability Management Department are continuing to monitor

and follow-up cases of prolonged and/or patterned absenteeism. Despite these efforts to return employees to work, the overall absenteeism rate rises.

- 9. *Grants for Student Needs (GSN) Reductions negatively affect Service Levels.*** Recent Ministry of Education announcements reversed service level reductions for students in Secondary School programs, i.e. Secondary Class Sizes. In October 2019, the Ministry of Education announced a roll back of secondary class sizes from 28:1 to 25:1. Consequently, there is a reduced need to realign course offerings, and reduce staffing levels by normal retirements.
- 10. *Special Education Supports for Students with Needs face the risk of reduced service levels.*** The Special Services Department will redeploy staff and program resources according to student needs. The issue of staff absenteeism affects the Special Services program area to a greater extent than any other instructional area. The absenteeism rate for the Educational Assistants (EA) employee group is the highest among all employee groups at the TCDSB. The salary gap arising from vacant EA positions will be reallocated to provide supply Contracted Support Workers to provide immediate short-term assistance for students at risk of harm to themselves or others in order to maintain safe learning environments for all students.
- 11. *Collective Agreement Negotiations possess the potential to create additional cost pressures and/or administrative burdens.*** Provincial central table bargaining sessions are underway with TCDSB Senior staff are actively engaged with the Ontario Catholic School Trustees Association (OCSTA) and the Council of Directors of Education (CODE) in order to mitigate any arising risks. The current state of labour disruption activities may require the closure of schools. Normally, the financial impact benefits the Province as the GSNs are clawed back minus any incremental costs directly related to the labour disruption activity. The effect to the TCDSB is largely cost neutral in a financial sense but creates a negative impact upon student achievement.
- 12. *Regular Instructional Day International Languages (IL) Program requires Ministerial approval to continue beyond 2018-19.*** The elimination of the IL Extended Day model and its inclusion into the regular instructional day (300 minutes) requires Ministerial approval for the 2019-20 school year. Ministerial approval continues to remain outstanding. TCDSB trustees and staff continue to advocate for the continuation of the IL program and funding to offset the cost pressure.

E. CONCLUDING STATEMENT

That the Audit Committee receive the report for information.