

Appendix A – TDSB Internal Audit Management: Department and Engagement Update

A. TDSB Internal Audit Management

For FY 2019-20, TDSB Internal Audit Management (IAM) was planning on conducting 44 school audits (22 per semester) but were requested to pause due to the on-going labour negotiations and then COVID-19. As of January 2020, of the 22 first semester school internal audits, we completed field work at 16 schools (7 reports issued in final, 3 draft reports issued for Management responses and 6 draft reports to be issued for Management responses) with 6 internal audits being postponed. School audits scheduled for the second semester were not conducted due to school closures.

Results to date are included in Appendix B – 2019-20 School Operational Assurance Report. Once schools reopen, IAM is planning to change its approach and audit one school per Learning Network per year (24 schools) plus follow-up audits. This approach will provide each Superintendent of Education with an additional perspective on school operations within the Learning Network they supervise as well as the opportunity to oversee implementation of best practices.

A number of special requests were also put on hold due to inaccessibility of source documents and will resume once access to facilities is granted.

In the interim, Internal Audit has shifted its focus to remote auditing, including data analysis, virtual auditing (areas where electronic documentation exists) and assisting Senior Leadership with several initiatives, these items are attached as Appendix C – Updated FY2019-20 – 2020-21 TDSB Internal Audit Plan.

B. Items External to TDSB Internal Audit (OAGO, RIAT, Ministry etc.)

Ontario Ombudsman Office

- a. In December 2019, the Office of the Ontario Ombudsman, issued their conclusion with respect to a complaint received regarding TDSB, details to be provided in the Private session.

Office of the Auditor General of Ontario

OAGO IT Value For Money Audit

- In December 2018, the Office of the Auditor General of Ontario issued a Value for Money audit report relating to information technology at the school level. As one of the DSB's sampled, TDSB provided specific action plans to address the findings noted. Internal Audit is working with ITS to manage a steering committee of relevant stakeholders throughout the Board in order for Management to deliver the action plans committed to. TDSB provided an update to the OAGO as to the status of actions plans, including electronic copies of supporting documentation to substantiate actions taken to date.

OAGO Curriculum Value For Money Audit

- In February 2020, TDSB was alerted that the OAGO would be conducting a value-for-money audit of the Ministry of Education on curriculum. The TDSB was selected as one of the school boards being visited, beginning in March 2020. The Associate Director of Leadership, Learning & School Improvement is the OAGO's main contact for this engagement and will provide an update in subsequent Committee meetings.

GTA Regional Internal Audit Team Update:

- The RIAT, had the following engagements conducted for the prior fiscal year (FY2018/19):
 - Professional Development Audit – in reporting phase
- The RIAT has planned the following engagements over the next three fiscal years:
 - Programming & Staff Utilization (Benchmarking) – FY19/20
 - Transportation Audit – FY19/20
 - Construction Management – FY 20/21
 - AP & Expenses – FY 20/21
 - Strategic Work Force, phase 1 – FY21/22
 - Strategic Work Force, phase 2 – FY21/22

TDSB Integrity Commissioner Update:

- The Office of the Integrity Commissioner and IAM have a draft Memorandum of Understanding to address matters that overlap with the two areas of the TDSB to ensure confidentiality is maintained.
- In 2019 some complaints raised issues that were of significance, in the Commissioner's view, none were sufficiently serious to merit referral to the Internal Audit Department.
- The TDSB Integrity Commissioner has provided their annual report which is attached as Appendix D.

C. Committee Requests

- In the last meeting, Committee Members requested additional reporting on School Cash Online as well as Caring & Safe Schools. To address this, the September 2019 School Cash Online reported to Financial, Budget & Enrollment Committee (FBEC) and the latest Caring & Safe School Annual Report (2017-18) have been included as Appendix E and F respectively.
- School Cash Online Key Findings (as of September 2019):
 - Board approved vendor contract in June 2015.
 - Multi-Year implementation plan began in August 2016 and was completed in May 2019 resulting in all schools using the cash-less platform.
 - Efficiencies realized included reduced time to consolidate over 580 Non-Board and 400 School Council financials as well as generating over \$2.2M in HST rebates to date.

- Caring & Safe Schools Annual Report Key Findings (2017-18 School Year)
 - Research shows that Black, Indigenous and LGBTQ students, as well as those with special education needs, are overrepresented in suspension and expulsion data, compared to representation in the overall school population.
 - 6,221 suspensions were given to 4,302 students – about 1.74% of TDSB students. The number of suspensions dropped by 15% – 1,085 fewer suspensions – from the previous school year.
 - Students that come from lower socio-economic backgrounds (considered by parent education, family income and family structure) were more likely to be suspended than students from higher socio-economic backgrounds.

D. September 2019 to August 2020 TDSB internal audits in process, completed & planned

Engagement	Description	File Status
Principal and Vice Principal Training	Requested by Academic Leadership to participate in the Committee refreshing P & VP training.	<u>Completed / On-Going:</u> Created a training module with Legal Services and Risk Management as part of VP & P Essential Learnings, to increase risk awareness and also help them understand school audits. Training has now shifted to live online webinars and is in the process of being scheduled.
School Operational Assurance Reports	School level operational audits focus on: <ul style="list-style-type: none"> • Health & Safety including Facility Management; • Financial Controls (Board and Non-Board); • Enrolment Reporting; and • Laptop and Tablet Management; 	<u>19/20 Status Update:</u> 22 schools have been selected for the first semester (began September 23 rd , 2019). As of January 2020, fieldwork for 16 schools has been completed (6 schools were rescheduled due to labour actions). <ul style="list-style-type: none"> • 7 final reports have been issued; • 3 draft report was issued for Management responses; • 6 draft reports to be issued. Semester 2 audits were cancelled due to COVID-19; we are hoping to resume when schools re-open.
Off Peak School PCard Supporting Documentation Review	Purchase Cards (PCards) are issued to certain staff for the procurement of low value items for Board use. This engagement focused on school issued PCard usage during 'off-peak' times, specifically, charges incurred during Spring, Summer and Winter Breaks.	<u>Completed:</u> IAM sampled 252 transactions from 136 Cardholders totaling \$44.5k for the off-peak periods under review. Of the 136 Cardholders, 112 (\$40.8k) responded with copies of supporting documentation, 9 (\$1.9k) provided explanations but could not locate receipts, 3 (\$0.5k) are no longer at the Board and 12 (\$1.3k) did not respond at all. Based

		on the results, no significant errors or anomalies were noted. Management requested that another PCard audit be conducted with a broader scope (full fiscal year) and include all PCard holders and not just school issued PCards.
Mobile Device Usage Monitoring Process Review	With 4,100+ mobile devices being owned by the Board, the review will focus on procedures, monitoring and oversight	<u>Status Update:</u> IAM completed the draft report and has submitted it to Management for responses. Several opportunities for improvement were recommended including consolidation and updating of usage guidelines. Management plans to respond in Summer 2020 after the RFP process for a new provider has been completed and a new vendor contract signed.
One Time Vendor Audit	Engagement will focus on all “one time vendor” categories including process and controls in place to ensure this class of vendor is being used as intended.	<u>Status Update:</u> Fieldwork has been completed and a report is being drafted. Closing meeting held in June 2020 with final report issuance with Management responses are anticipated in Fall 2020.
FY2019-20 PCard Usage	As indicated above Management requested a broader scope PCard audit to capture all cardholders for FY2019-20	<u>Status Update:</u> Downloaded all cardholder statements from September 2019 to May 2020 and in the process of normalizing data to facilitate analysis (approx. 40k lines of data). There has been an overall decrease in PCard usage from \$7.5M in 2017/18 to \$3M in 2019/20 (YTD Mar 2020). School (52%) and Facility (39%) issued PCards account for over 90% of total PCard spend. Fieldwork including follow up with PCard holders is anticipated to be completed in Fall 2020.
Vendor Spend Analysis	As a result a special request, IAM noted a risk indicator relating to a specific set of vendors and large increases in vendor spend year over year. The aim of this engagement is to determine key drivers of the increased spend.	<u>Status Update:</u> IAM is in the process of downloading vendor spend from SAP to begin the analysis. The first phase of this engagement involves identifying anomalous trends while the second phase will attempt to identify key drivers of the increased spend.