

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

A. TDSB Internal Audit Management

The FY2020-21 TDSB Internal Audit Plan was presented to the Audit Committee in the September 2020 meeting, addressing risks presented by the pandemic. Internal Audit continues to work remotely and will be focusing on School Cash Online as well as conducting remote enrolment audits in the second half of the year; fulsome in school audits, including review of operational controls, will resume when emergency orders are lifted.

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

Office of the Auditor General of Ontario

On December 7, 2020 the Office of the Auditor General of Ontario released their 2020 annual report which included a Follow-Up Audit on the IT Value For Value audit conducted in 2018 as well as a Curriculum Value For Money Audit.

A summary of both reports, recommendations, responses and workplan updates will be presented next month in the March 22nd, 2021 Audit Committee Meeting.

GTA Regional Internal Audit Team Update:

- The RIAT, had the following engagements conducted for the prior fiscal year (FY2018/19):
 - Professional Development Audit – *Completed (to be presented at this meeting)*
- The RIAT has planned the following engagements over the next three fiscal years:
 - Benchmarking Engagement – FY19/20 – *in reporting phase*
 - Transportation Audit – FY19/20 – *Cancelled*
 - AP & Expenses – FY 20/21 – *Data gathering phase*
 - Construction Management – FY 20/21 – *Planning phase*
 - Strategic Work Force, phase 1 – FY21/22
 - Strategic Work Force, phase 2 – FY21/22

C. September 2020 to August 2021 TDSB internal audits in process, completed & planned

Engagement	Description	File Status
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>Cancelled:</u> IAM completed the draft report in 2019 and submitted it to Management for responses. Responses were delayed, at first due to changing of vendors and then by COVID-19. As of February 2021, the Board has not yet switched all devices to the new provider as physical installation of a SIM card is required. IAM would like to close this engagement and reinitiate once emergency measures have

		lifted and all mobile devices are switched to the new vendor.
TPH & TDSB Re-Opening Presentation	Given the operational risks associated with operating a public facility during a pandemic, IA worked with TDSB Occupational Health & Safety to summarize controls implemented at the school level.	<u>Completed:</u> Presented to the Committee in December 2020. Presentation summarizes infection prevention and control measures in place, working in conjunction with Toronto Public Health.
One Time Vendor Audit	Engagement focused on “one time vendor” categories including process and controls in place to ensure this class of vendor is being used as intended.	<u>Completed:</u> IAM reviewed one-time trade vendor transactions from September 2018 to February 2020. One-time trade vendor spend accounted for 1.1% of total spend during the period under review. The greatest risk in using One-Time trade vendors is that due diligence procedures are not conducted, which may result in goods / services being delivered to students by vendors who do not meet qualifications, clearances or insurance requirements. It should be noted that in many situations, the transaction with vendors not on approved lists were initiated by the cost centre owner and the good / service was often delivered prior to AP or PS involvement.
FY2019-20 PCard Usage	Management requested a broader scope PCard audit to capture all cardholders for FY2019-20 to help determine if controls are working effectively.	<u>Completed:</u> IAM downloaded and analyzed all 2,052 cardholder statements from September 2019 to August 2020. There has been an overall decrease in PCard usage from \$7.5M in 2017/18 to \$3.5M in 2019/20. School and Facility issued PCards account for over 90% of total PCard spend. IAM noted that some Cardholders did not appear to follow proper procedures or other guidelines outlined in the PCard holder agreement. Management has committed to enhancing existing processes and training to mitigate the risks identified.
School Bank Account Analysis	In lieu of School Operational Audits Reports, given the current environment, Internal Audit will review school banking transactions.	<u>Completed:</u> IAM was provided access to PACE Credit Union transactional information for TDSB affiliated accounts. IAM compiled the data and noted 581 out of 583 schools bank with PACE for their non-board funds. Notable statistics include: <ul style="list-style-type: none"> • 7% of schools represent 43% of total non-board funds

		<ul style="list-style-type: none"> • 70% of schools account for 22% of total non-board funds • TDSB contributed approx. \$400k to student nutrition through school accounts. <p>IAM will be using the data to help inform sample selection for the School Cash Online internal audit scheduled to begin in March 2021.</p>
Enrolment Audit	In lieu of School Operational Audits Reports, given the current environment, Internal Audit will be conducting enrolment audits, specifically focusing on virtual schools.	<p><u>Status Update:</u> Engagement scheduled to begin March 2021.</p>
School Cash Online Review	In lieu of School Operational Audits Reports, given the current environment, Internal Audit will be conducting a review of School Cash Online with a focus on school generated funds and utilization thereof.	<p><u>Status Update:</u> Engagement scheduled to begin March 2021.</p>
Student Issued Device Management Review	In lieu of School Operational Audits Reports, given the current environment, Internal Audit will be reviewing the controls in place for student issued device management.	<p><u>Status Update:</u> Engagement scheduled to begin March 2021.</p>