

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 are focusing on School Cash Online, enrolment audits and student issued devices in the second half of the year. Fulsome in-school audits, including review of operational controls, will resume when emergency orders are lifted, anticipated to be September 2021.

Additional initiatives include participating in training programs aimed at School Administrative Staff to increase awareness of the Internal Audit process including operational and financial controls reviewed during school audits. Internal Audit is also currently assisting a number of business units in compiling data for the RIAT follow-up audits as well as looking to enhance its internal website to better explain school audits, including links to existing procedures and resources as well introducing control self-assessments.

Internal will begin planning for non-school internal audits for the upcoming year in the next two months. We will be using the ERM risk register, once finalized, to drive our annual audit plan and in the interim, request feedback from the Committee as to areas where they would like additional visibility via a questionnaire which will be sent in the coming days.

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

Office of the Auditor General of Ontario

A summary of the IT Value for Money follow-up audit as well as a Curriculum Value for Money Audit reports (issued December 2020) including recommendations, responses and workplan updates was presented in the March 22nd, 2021 Audit Committee Meeting. The 2020-21 annual IT update was submitted to the OAGO on March 31st, 2021.

GTA Regional Internal Audit Team Update:

- The RIAT has planned the following engagements over the next three fiscal years in addition to prior year follow-ups:
 - Benchmarking Engagement – FY19/20 – *Presented June 2021*
 - Transportation Audit – FY19/20 – *Cancelled*
 - AP & Expenses – FY 20/21 – *In reporting phase*
 - Facility Renewal 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
1. 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.
2. 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.
3. 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.
4. 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.
5. School Bank Account Analysis	In lieu of School Operational Audits Reports, given the current environment, Internal Audit will review school banking transactions.	<p>Completed: 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:</p> <ul style="list-style-type: none"> • 7% of schools represent 43% of total non-board funds • 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>
6. 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>Status Update: Engagement initiated and currently analyzing preliminary data received from the Planning and OnSis teams. We have been requested to minimize the requests to Virtual School Administration due to current workload and availability of resources. We are planning on issuing a survey to a sample of Principals to better understand key drivers of any findings.</p>
7. 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>Status Update: Engagement in process with a focus on the second half for FY 2020 and FY2021 disbursements and unreconciled items in the non-board account.</p>
8. 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>Status Update: Engagement initiated with preliminary data being received. Analysis is currently underway. Devices are to be returned to the Students home school by July 2021. IAM will issue a two part report, with part one focusing on the process design and controls (June 2021) and part two focusing on substantive testing of device existence and completeness.</p>