

AGENDA

Audit Committee Meeting

Tuesday, February 4, 2025, 4:30 p.m.

Boardroom, Catholic Education Centre

Mission: Disciples of Christ, nurturing mind, body, and soul to the fullness of life.

Vision: Changing the world through Catholic education.

	Pages
A. Routine Matters	
1. Call to Order and Attendance	
2. Opening Prayer	3
3. Land Acknowledgment	
4. Election of the Chair of the Audit Committee In Accordance with By-Laws - Executive Superintendent Cherepacha	
5. Election of the Vice-Chair of the Audit Committee In Accordance with By-Laws	
6. Approval of Agenda	
7. Declaration of Interest	
a. Ontario Regulation 361/10 14. (1) requires every member of an audit committee to submit a written declaration to the chair of the committee, when first appointed, and at the start of each fiscal year, to declare whether they have a conflict of interest.	
8. Approval of the Minutes of the Audit Committee Meeting, November 12, 2024	4
a. Business Arising from the Committee Minutes	
B. Proposed Terms of Reference 2025 - Executive Superintendent Cherepacha	8
C. Awards and Presentations	
D. Delegations	
E. Reports from Committee/Administration for Receipt	
F. Reports from Committee/Administration Requiring Action	
1. Appointment of External Auditors - Executive Superintendent Cherepacha	12
2. Regional Internal Auditors Team (RIAT) Update and Annual Report - Paula Hatt, Senior Manager RIAT	14
3. Regional Internal Audit Team (RIAT) Audit Plan for 2024-2025 and 2025-2026 - Paula Hatt, Senior Manager, RIAT	32

- G. Additional Business**
 - 1. Notices of Motion
- H. Questions Asked by Committee Members**
- I. Declared Interest Items**
- J. In Camera Session**
See In Camera Agenda
- K. Report from In Camera**
- L. Future Meetings**
May 13, 2025
- M. Adjournment**

Audit Committee Meeting February 4, 2025

February: Love

In the name of the Father, and the Son and the Holy Spirit. Amen.

Loving God,

 bless us and guide us.

 Let us see your vision more clearly.

 Let us open ourselves to your loving.

 Let us practice those virtues you have taught us.

 Although we are different,

 teach us to live in harmony with each other.

 Teach us to be gifts to our world.

 May our community bless other communities with your love.

 We make this prayer in the name of Jesus the true vine.

 Amen.

In the name of the Father, and the Son and the Holy Spirit. Amen.

MINUTES

Audit Committee Meeting

**Tuesday, November 12, 2024, 4:30 p.m.
Boardroom, Catholic Education Centre**

Trustees:	Bruno Iannicca	Chair
	Thomas Thomas	Vice-Chair
	Anisha Thomas	Trustee
	John Boots	External Audit Committee Member
	Laura Prestia	External Audit Committee Member
Staff:	Marianne Mazzorato, Ed.D.	Director of Education, Secretary to the Board
	Daniel Del Bianco	Associate Director, Corporate Services
	Julie Cherepacha	Executive Superintendent, Finance, Chief Financial Officer and Treasurer
	Scott Keys	Superintendent, Financial Services
	Carrie Salemi	General Manager, Financial Services
	Kevin Sun	Internal Auditor
	Reynard Balatbat	Senior Auditor
Recorder:	Cindy Child	Board and Committee Information Officer

A. Routine Matters

1. Call to Order and Attendance

Vice-Chair Thomas Thomas called the meeting to order at 4:30 p.m.

2. Opening Prayer

Vice-Chair Thomas Thomas led the Opening Prayer.

3. Land Acknowledgment - Vice-Chair Thomas Thomas

4. Approval of Agenda

Moved by Laura Prestia

THAT THE AGENDA BE APPROVED.

CARRIED

5. Declaration of Interest – Nil

6. Approval of the Minutes of the Audit Committee Meeting, September 10, 2024

Moved by Laura Prestia

THAT THE MINUTES OF THE AUDIT COMMITTEE MEETING, SEPTEMBER 10, 2024, BE APPROVED.

CARRIED

a. Business Arising from the Committee Minutes - Nil

B. Awards and Presentations - Nil

C. Delegations - Nil

D. Reports from Committee/Administration for Receipt - Nil

E. Reports from Committee/Administration Requiring Action

1. Consolidated Financial Statements for the Year Ended August 31, 2024

Superintendent Keys thanked Manager Ezra Cyrus, General Manager Carrie Salemi and their team for their efforts in preparing the documents for the financial statements, notes, and other yearend requirements.

Superintendent Keys summarized the report. He then turned the presentation over to Marcus Sconci, Lead Partner and Mohammad Soleman, Engagement Manager of BDO Canada LLP. They thanked the team, appreciated the collaboration, and highlighted the leadership of the management team.

1. External Member Laura Prestia: Can staff explain the labour provisions in the statement of operations?

Superintendent Keys: This is the amount we have yet to pay as a result of Bill 124.

2. External Member Laura Prestia: Are the School Generated Funds restricted in their use?

Superintendent Keys: They can only be accessed by the school for their use, they may not be used in the operations of the school board.

Chair Bruno Iannicca arrived at 4:46 p.m.

3. External Member John Boots: Is it correct that under the actuarial assumptions the *Wage and Salary Escalation* is at 2.0%, the *Insurance and Health Care Cost Escalation* is at 5.0% and that the *Discount on accrued benefit obligation* of 3.8% is a weighted average?

Superintendent Keys: That is correct.

4. External Member John Boots: In note 18c. there are two housekeeping items related to grammar. Superintendent Keys: Noted. The corrections will be made.

5. External Member John Boots: As well, the final sentence has no verb.

Executive Superintendent Cherepacha: It is the continuation of referencing the price.

6. External Member Laura Prestia: Under note 7, where is WSIB located in the financial details?

Superintendent Keys: This would be in the statement of operations by object and in note 12 through various categories.

7. External Member John Boots: Regarding the internal control matters, is there a management response?

Superintendent Keys: We are currently assessing the impact, as mentioned by Manager Mohammad Soleman, there are mitigating controls to lower the risk.

8. Trustee Bruno Iannicca: Following External Member John Boots' last question, when will we have the opportunity to address the internal control matters?

Executive Superintendent Cherepacha: As Partner Marcus Sconci and Manager Mohammed Soleman have indicated, these are recommended findings; they are not deficiencies in operations. These are not new to us, for example, password settings should be set as difficult, with a special character, upper and lower case letters, etc. We cannot implement this suggestion because it would be too difficult for our youngest learners.

9. Partner Marcus Sconci: To put this into context, it is common for school boards or businesses to have between 2 and 7 findings. Auditors like things to be perfect, and it is not always possible. These findings are just suggestions, not insufficiencies.

Moved by Bruno Iannicca

THAT THE AUDIT COMMITTEE RECOMMEND THE BOARD OF TRUSTEES APPROVE THE CONSOLIDATED FINANCIAL STATEMENTS AND RELATED INFORMATION OF THE DPCDSB FOR THE YEAR ENDED AUGUST 31, 2024.

CARRIED

F. Additional Business - Nil

1. Notices of Motion

G. Questions Asked by Committee Members

1. External Member Laura Prestia: Can staff explain the Long-Term Disability (LTD) monthly expense?

Executive Superintendent Cherepacha: In the 2023-2024 year we conducted a competitive procurement process and have gone with a premium insured model. The fee is set and will not change throughout the year.

2. External Member Laura Prestia: Is the \$14M one-time reimbursement restricted in its use?

Executive Superintendent Cherepacha: This represents the reserve that was with our previous provider. The reimbursement mitigates our in-year deficit.

3. External Member Laura Prestia: Is the expectation that long term disability (LTD) will decrease?

Executive Superintendent Cherepacha: The original expectation was that overall costs would be lower, however given that salaries have increased significantly with Bill124 remedy and negotiated increases, the premium rate calculated on base salaries has increased. Overall costs are only slightly less than in previous years.

4. External Member Laura Prestia: Regarding the costs associated with Bill 124, does the Ministry of Education (Ministry) funding cover all the increases?

Executive Superintendent Cherepacha: We have not completed all the remedy payments. It appears that the funding was sufficient. When complete, we will do a financial reconciliation for the Ministry.

5. Trustee Bruno Iannicca: Is the LTD deficit \$36.4M?

Executive Superintendent Cherepacha: The revised estimated deficit for 2023-2024, reported in December 2023, was reported as \$36.5M. This included LTD, unfunded CPP/EI benefits and an expected deficit in transportation expenses. Current LTD cost is about \$27M, the bulk of the deficit.

H. Declared Interest Items - Nil

I. In Camera Session

Moved by Bruno Iannicca

THAT THE AUDIT COMMITTEE MEETING RESOLVE INTO THE IN CAMERA SESSION.

CARRIED

J. Report from In Camera

Report: Approval of the In Camera Audit Committee Minutes of September 10, 2024, receipt of nine (9) Catholic Elementary School (CES) audit reports: St. Stephen, Sacred Heart, St. Teresa of Calcutta, St. John XXIII, St. Bernadette, St. Christopher, Mary Fix, St. Jerome and St. Margaret of Scotland, and the Audit Status Update Report.

Moved by Thomas Thomas

THAT THE AUDIT COMMITTEE RECEIVE THE CONFIDENTIAL IN CAMERA REPORT.

CARRIED

K. Future Meetings

February 4, 2025

May 13, 2025

L. Adjournment

THAT THE MEETING BE ADJOURNED AT 5:56 P.M.

CARRIED

Audit Committee Meeting
February 4, 2025
AUDIT COMMITTEE PROPOSED TERMS OF REFERENCE 2025
Multi Year Strategic Plan Values: Believe, Excel, Respect, Thrive and Trust

“Let every person be subject to the governing authorities. For there is no authority except from God, and those authorities that exist have been instituted by God.”
(Romans 13:1)

BACKGROUND

The proposed terms of reference for the Audit Committee is presented annually at the first meeting of the committee following the inaugural or organizational meeting of the Board of Trustees. The proposed terms of reference are for consideration and approval.

DISCUSSION

The proposed terms of reference for the Audit Committee for the 2025 year are attached.

THE FOLLOWING RECOMMENDATION IS PROVIDED FOR CONSIDERATION:

- | |
|---|
| <p>1. THAT THE AUDIT COMMITTEE RECOMMEND TO THE BOARD OF TRUSTEES THAT THE AUDIT COMMITTEE PROPOSED TERMS OF REFERENCE 2025 BE APPROVED AND ADOPTED.</p> |
|---|

Prepared by: Julie Cherepacha, Executive Superintendent, Finance, CFO and Treasurer

Submitted by: Marianne Mazzorato, Ed.D., Director of Education

TERMS OF REFERENCE AUDIT COMMITTEE – 2025
(*Ontario Regulation 361/10 of the Education Act - requirements of Audit Committees*)

CHAIR:	TBD
VICE CHAIR:	TBD
BOARD MEMBERS:	Bruno Iannicca, Herman Vilorio, Darryl D’Souza
NON-BOARD MEMBERS:	Laura Prestia John Boots
RESOURCE STAFF:	Associate Director, Corporate Services Associate Director, Instructional Services Internal Auditor Senior Internal Auditor
MONITORING:	Executive Superintendent, Finance, Chief Financial Officer and Treasurer Director of Education

TERM OF OFFICE:

Board Members – two-year term appointed by the Board of Trustees.

Non-Board Members – up to a three-year term as per *Ontario Regulation 361/10 of the Education Act*

DECLARATION OF CONFLICTS:

As described in *Ontario Regulation 361/10 of the Education Act*, every member of the audit committee shall, when appointed to the committee for the first time and at the first meeting in each fiscal year, submit a written declaration to the chair of the committee declaring whether they have a conflict of interest. Also, if a member becomes aware of a conflict after their appointment, they shall immediately disclose the conflict in writing to the chair.

COMPOSITION:

The Audit Committee shall consist of five (5) members comprised of three (3) trustees of the Board and two (2) non-board members of the community. The Board of Trustees will appoint three (3) trustee members to the audit committee for a two-year term. A person who is a non-board member is eligible to be appointed to the audit committee only if they:

- Have accounting, financial management or other relevant business experience that would enable them to understand the accounting and auditing standards applicable to the Board;
- Are not an employee or officer of the Board or of any other board at the time of the appointment;
- Do not have a conflict of interest (does not have a parent, child or spouse who is employed by the Board) at the time of appointment;
- Was identified by the selection committee as identified in *Ontario Regulation 361/10*.

Recruitment for Audit Committee is to align to Board Policy and General Administrative Procedures (GAP).

CHAIR:

In each fiscal year at the first meeting of the audit committee following the inaugural or organizational meeting of the Board of Trustees, the members of the committee shall elect the chair and the vice chair of the committee for the fiscal year from among the members of the committee.

MEETINGS:

The audit committee will meet at least three (3) times in each fiscal year, or at the call of the chair, with authority to convene meetings as circumstances require and in accordance with *Ontario Regulation 361/10 of the Education Act*. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. The committee may hold private meetings with auditors, the entire Board of Trustees and executive council. Meeting agendas will be prepared and provided in advance to committee members as well as the Board of Trustees, along with appropriate briefing materials. Minutes will be prepared and distributed to the Board of Trustees. Minutes will be approved by the Audit Committee and received by the Board of Trustees.

Each member of the audit committee has one vote. In the event of a tie vote, the chair is entitled to cast a second vote.

A majority of the members of the audit committee that includes at least one member who is not a board member constitutes a quorum for meetings of the committee.

MANDATE:

To assist the Board of Trustees in overseeing and objectively assessing the performance of the Board, its management and its auditors and specific responsibilities for the following activities:

- i) oversight of appropriate accounting practices and financial reporting,
- ii) ensuring internal controls are in place to mitigate financial risk,
- iii) the internal and external audit processes,
- iv) the process for monitoring compliance with federal and provincial laws and regulations,
- v) recommend appointment of the external auditor to the Board of Trustees,
- vi) the process for monitoring the Board's policies, procedures, regulations and code of conduct from an audit perspective,
- vii) the establishment and maintenance of lines of communication between the Board of Trustees and its external auditor, senior management, internal auditor and regional internal audit,
- viii) the safeguarding of Board assets,
- ix) the annual and/or multi-year audit plan of the Board,
- x) the audited financial statements of the Board.

DUTIES:

The Audit Committee will,

- (1) Review the annual audited financial statements of the Board prior to reporting to the Board of Trustees, and consider whether they are complete, and consistent with information known to committee members. The committee will make recommendations to the Board of Trustees for the approval of all annual audited financial statements.
- (2) Ensure risk assessment and risk management policies align with internal controls.
- (3) Review the scope of the internal and external auditor's reviews of the Board's internal controls, any significant findings and recommendations by the internal auditors and the responses of the Board's staff to those findings and recommendations.
- (4) Review and receive reports related to the overall effectiveness of the Board's internal controls, including information technology systems security and control.
- (5) Review with senior management, the internal auditors (including RIAT) mandate, activities, staffing, and organizational structure of the internal audit function. The audit committee will make recommendations to the Board of Trustees on the content of the annual audit plan. They will also review whether there are any unjustified restrictions or limitations on the role of the internal auditor.

- (6) Review the external auditors, terms of engagement, fees and proposed audit scope and approach and any non-audit services provided, including coordination of audit effort with internal audit. Review the performance of the external auditor and make recommendations to the Board of Trustees on the appointment or discharge of the external auditor. On an as needed basis, meet separately with the external auditor to discuss any matters that the committee or auditor believe should be discussed privately.
- (7) Review the effectiveness of the Board's internal operating procedures for monitoring compliance with federal and provincial laws and regulations as well as the Board's policies, procedures, regulations and code of conduct. Review the results of management's investigation and follow-up of any instances of noncompliance. Review the findings of any examinations by regulatory agencies, and any auditor observations. Obtain regular updates from management and Board legal counsel regarding compliance matters.
- (8) Receive and review internal audit plan and results of internal audit activities and follow-up on recommendations.
- (9) In accordance with *Ontario Regulation 361/10 of the Education Act*, the audit committee will report to the Board of Trustees on items such as the annual audit plan and summary of work performed by the Board's internal auditor (including RIAT), with a copy submitted to the Ministry of Education. In addition, the committee is required to report to the Board of Trustees on items such as a summary of work performed by the committee, an assessment of the Board's progress in addressing findings and recommendations made by the internal or external auditor and attendance record of committee members.
- (10) Review and assess the adequacy of the audit committee's terms of reference annually, and ensure appropriate disclosure as may be required by law or regulation. Confirm annually that all responsibilities outlined in the terms of reference and *Ontario Regulation 361/10* have been carried out.
- (11) Subject to the approval of the Board of Trustees, obtain legal advice, retain independent accountants or other professionals to advise or assist the committee.
- (12) Report to the Board of Trustees annually, and at any other time that may be required, on the committee's performance of its duties.

Reports to: The Board of Trustees

Audit Committee Meeting
February 4, 2025
APPOINTMENT OF EXTERNAL AUDITORS
Multi Year Strategic Plan Value: Believe, Excel, Respect, Thrive and Trust

*“You shall do no wrong in judgement, in measurement of weight, or capacity.”
(Leviticus 19:35)*

BACKGROUND

Under subsection 253(1) of the Education Act, all school boards are required to appoint an external auditor, who is licensed under the *Public Accounting Act, 2004* for a term not exceeding five (5) years. Further subsection 9. (4)1 of *Ontario Regulation 361/10* of the *Education Act* defines the duties of the audit committee regarding the school board’s external auditor. It states that the audit committee duties include making recommendations to the Board of Trustees on the appointment, replacement or dismissal of the external auditors and on the fee and fee adjustment for the external auditor.

BDO Canada LLP has been the appointed external auditor for the Dufferin-Peel Catholic District School Board (DPCDSB) since March 2020, a five-year period. In accordance with Supply Chain Management policies and procedures, a request for quotes was issued to four (4) pre-qualified audit firms. The pre-qualification process had been completed by the Ontario Education Collaborative Marketplace (OECM) in September 2023.

DISCUSSION

OECM issued a Request for Proposal (RFP) in September 2023 for external audit services. OECM is a Broader Public Sector (BPS), not-for-profit procurement organization, offering a marketplace of competitively sourced and priced products and services through collaborative sourcing agreements. Master agreements were entered into with four (4) providers of external audit services; and include BDO Canada LLP, Deloitte LLP, KPMG LLP, and Marcil Lavallee.

In accordance with Supply Chain Management policies and procedures, a request for quotes was sent to the four pre-qualified audit firms. Using the results of the RFP process conducted by OECM allowed for efficiency in the process of selecting an external audit firm for audit services and to ensure value-for-money for DPCDSB. The quotes received were tailored specifically to the services required by DPCDSB. One of the pre-qualified firms, Marcil Lavallee, declined to provide a quote. The results are included in the chart below.

Audit Services Required	3-Year Audit Service Costs		
	BDO Canada	Deloitte	KPMG
Annual External Audit of Consolidated Financial Statements	\$ 223,475	\$ 214,800	\$ 278,200
Annual SRER Audit of Adult ESL/FSL Language Program	12,590	16,000	12,375
March 31 Consolidation Specified Procedures	31,350	28,700	35,550
Total Costs (excluding taxes)	\$ 277,415	\$ 259,500	\$ 326,125

Deloitte was the lowest quote for services. It was also noted that KPMG was significantly higher than the other two quotes, which seemed to be more in line with each other.

Staff have looked at previous appointments for the firms, as well as qualifications and experience, expertise and staffing, even though these were not components of the quote process. These components had previously been rated in the OECM RFP process.

The low quote for external auditor services comes from Deloitte. Moving to a new external audit firm will cause some delays due to a transitional time frame to understand DPCDSB practices, however, Deloitte has worked with DPCDSB and other school boards as external audit services provider in the past. The transition time is not likely to be an obstacle in meeting submission and/or reporting requirements.

BDO Canada has been the external auditor for DPCDSB for the last five-year period and worked effectively with DPCDSB staff and the audit committee. It is important to share that time was spent by both parties to build the client/auditor relationship and proved successful in managing audit engagements during unprecedented times.

CONCLUSION

This report recommends the appointment of Deloitte LLP, Chartered Professional Accountants, as external auditors for DPCDSB for a three-year term starting with the March 31, 2025, specified procedures report and expiring with the completion of the August 31, 2027, year-end audit. The award would also include two additional option years, that would require approval to enact after the initial three-year term ends.

Total fees for service are expected to be \$259,500 (excluding taxes) over the three-year term for the annual audit of the consolidated financial statements, the specified procedures at March reporting and annual Statement of Revenue and Expenditure Report (SRER) audit of Adult ESL/FSL Language Program.

THE FOLLOWING RECOMMENDATION IS PROVIDED FOR CONSIDERATION:

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|---|
| <p>1. THAT THE AUDIT COMMITTEE RECOMMEND TO THE BOARD OF TRUSTEES THE APPOINTMENT OF DELOITTE LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS EXTERNAL AUDITORS TO DPCDSB FOR THE THREE-YEAR TERM STARTING WITH THE MARCH 31, 2025 SPECIFIED PROCEDURES REPORT AND EXPIRING WITH THE AUGUST 31, 2027 YEAR-END AUDIT.</p> |
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Prepared by: Scott Keys, Superintendent, Financial Services
Julie Cherepacha, Executive Superintendent, Finance, CFO and Treasurer

Submitted by: Julie Cherepacha, Executive Superintendent, Finance, CFO and Treasurer

Audit Committee Meeting
February 4, 2025
REGIONAL INTERNAL AUDIT TEAM (RIAT) UPDATE AND ANNUAL REPORT
Multi Year Strategic Plan Values: Excel, Respect and Trust

"My child, do not forget my teaching, but let your heart keep my commandments; for length of days and years of life and abundant welfare they will give you."

Proverbs 3:1-2

BACKGROUND

The *Regional Internal Audit Team (RIAT)* provides independent, objective assurance and consulting services designed to add value and improve school board operations. RIAT reports functionally to the Audit Committee of the Dufferin-Peel Catholic District School Board (DPCDSB) and administratively to the host school board for the Toronto and Area Region, York Catholic District School Board.

DISCUSSION

The update report prepared by RIAT provides information regarding ongoing engagements with DPCDSB, RIAT activities and the RIAT annual report for 2023-2024.

The last two-year audit plan, covering 2022-2023 and 2023-2024, has been reviewed and a change to the plan is proposed due to work that has been done by DPCDSB that renders the engagement unnecessary. The two-year plan had originally included an IT Asset Management audit as well as an IT Assets Sustainability audit. The objective of the IT Assets Sustainability engagement was to develop a strategy to approach student devices. DPCDSB has recently started the phase-in of the device ratio refresh plan and as a result, the separate engagement is not required.

THE FOLLOWING RECOMMENDATION IS PROVIDED FOR CONSIDERATION:

- | |
|---|
| <p>1. THAT THE AUDIT COMMITTEE RECOMMEND TO THE BOARD OF TRUSTEES THAT THE RIAT TWO-YEAR AUDIT PLAN 2022-23 AND 2023-24 BE AMENDED TO CANCEL THE IT ASSETS: SUSTAINABILITY AUDIT ENGAGEMENT.</p> |
|---|

Prepared by: Paula Hatt, Senior Manager, Regional Internal Audit, Toronto & Area Region

Submitted by: Julie Cherepacha, Executive Superintendent, Finance, CFO and Treasurer



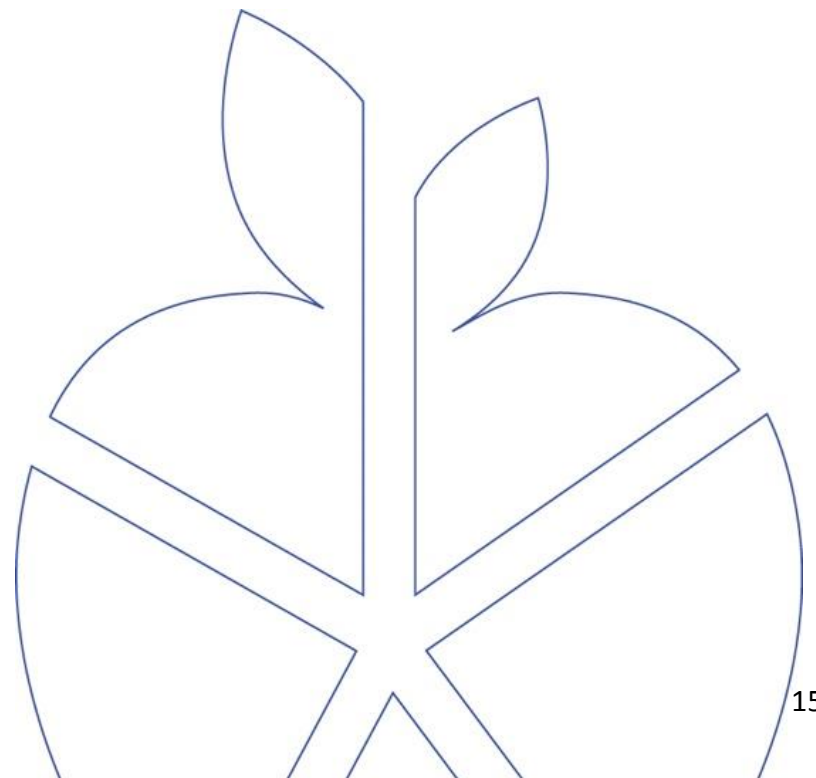
**INTERNAL
AUDIT TEAM**
Toronto and Area Region

RIAT Update for the Audit Committee: February 4, 2025

Dufferin-Peel Catholic District School Board

Prepared by:

Paula Hatt, CPA, CA, CIA, Senior Manager, Regional Internal Audit



The purpose of this report is to provide an update on ongoing engagements from Dufferin-Peel Catholic District School Board’s Regional Internal Audit Plan, as well as other RIAT activities.

Audit Plan Update

Engagement ¹	Year	Report Issuer	Status	Fieldwork Start Date
IT Asset Management	2020-21	RIAT	Not Started	Spring 2025
Succession Planning for Critical Positions	2023-24	RIAT	Fieldwork	October 2024
IT Assets: Sustainability	2023-24	RIAT	Proposed Cancellation	N/A

Further details, including engagement objective, are included below:

IT Asset Management – RIAT will assess the key controls surrounding management of IT assets at the school level (e.g., computers and tablets for staff and students) including controls surrounding approval, purchasing, deployment, retirement and recording/monitoring of these assets.

This previously deferred engagement is now expected to kick off in the spring.

Succession Planning for Critical Positions – The objective of this advisory engagement is to develop a standardized approach to succession planning, that will assist the Board in managing positions that are assessed as critical to maintaining continuity of business operations.

The fieldwork for this engagement is currently underway.

IT Assets: Sustainability – As a compliment to the previously planned IT Asset Management audit, which will focus on managing student devices throughout the asset lifecycle, the objective of this advisory engagement was to develop a strategy to approach student devices at the Board in the future.

Through discussion with management, it was determined that a full engagement is no longer considered necessary in this area due to work already undertaken by the board. The student device refresh strategy will be covered as part of the IT Asset Management audit outlined above.

As a result, RIAT proposes that the separate IT Assets: Sustainability engagement be cancelled and the risk be covered through the IT Asset Management Audit.

This amendment to the RIAT plan, supported by DPCDSB management, requires Audit Committee approval.

¹ Engagements previously reported as complete have been removed.

Other Ongoing Work

RIAT Annual Report:

- To better align with internal audit standards and the regional internal audit charter, RIAT has prepared an Annual Report that has been shared with the Audit Committee of each board served by the Toronto & Area RIAT (see Appendix 1). This report covers the 2023-24 fiscal year and provides information RIAT is required to communicate.

Follow-up Activities:

- RIAT re-circulated the findings register for updates on the implementation of management action plans from previously completed engagements, where necessary. See Appendix 2 for a summary of the updated register.
- A follow-up engagement was completed on the Professional Development – Leadership Audit (original report issued in September 2020).
- Our goal was to update the findings register and complete at least two follow-up engagements for each board in 2024-25. As noted on the register, we have identified additional engagements that are ready to be followed up in order to achieve this goal. These will be undertaken as time permits.

Risk Assessment & Two-Year Audit Plan:

- RIAT has completed the risk assessment and developed the proposed two-year audit plan covering 2024-25 & 2025-26, which will be presented to the Audit Committee for approval.

Appendix 1 - Regional Internal Audit Team (RIAT) Annual Report – 2023-24

Introduction

The Toronto & Area Regional Internal Audit Team (RIAT) provides independent and objective assurance and advisory services to six school boards: (1) Dufferin-Peel Catholic District School Board, (2) Peel District School Board, (3) Toronto Catholic District School Board, (4) Toronto District School Board, (5) York Catholic District School Board and (6) York Region District School Board.

RIAT's work is guided by two main sources:

- The Regional Internal Audit Charter (Charter)
- Mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), including the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics and the *International Standards for the Professional Practice of Internal Auditing* (Standards)². Note that the IIA has issued new, refreshed Global Internal Audit Standards that will come into effect January 9, 2025. RIATs across the province are working to implement these new standards.

In following this guidance, the Toronto & Area RIAT has prepared an Annual Report to the Audit Committee for 2023-24. This report communicates information required by the Charter and/or IPPF (along with other relevant information), including:

- A description of RIAT's mandate and function
- Annual confirmation of RIAT's independence
- Professional development undertaken
- Quality assurance activities undertaken and results of these

Further, it supports the Audit Committee's duties related to internal audit, as outlined in subsection 9(3) of Ontario Regulation 361/10 (Audit Committees)³.

Mandate and Purpose

RIAT's purpose, authority and responsibility are defined in the charter adopted by all RIATs across the province. The charter was presented to the Audit Committee in May 2023 and RIAT has a signed copy in its records (see Appendix 1-A). RIAT is currently revising the charter, as part of the implementation of the new Global Internal Audit Standards. This will be shared with the Audit Committee when available in early 2025.

Subsequent approval of the new charter will be required where there is a change in one or more of the charter's signatories (Audit Committee Chair, Director of Education and/or Senior Manager, Regional Internal Audit).

² Further details on the IPPF and its mandatory elements can be found on the [IIA website](#).

³ [Ontario Regulation 361/10: Audit Committees](#)

As noted in the charter, “the purpose of the regional internal audit team is to provide independent, objective assurance and consulting services designed to add value and improve the district school boards’ operations in the Toronto and Area Region.” This is consistent with the mission of internal audit as per the IIA: “to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.”

RIAT Structure & Staffing

RIAT consists of the:

- Senior Manager, Regional Internal Audit – Paula Hatt, CPA, CA, CIA
- Manager, Regional Internal Audit – Viraj Trivedi, CPA, CA
- Manager, Regional Internal Audit – Judy Selvadurai, CPA, CMA, CIA
- Regional Internal Audit Specialist – Rupam Shah, CPA, CA

There is currently a vacant Regional Internal Audit Specialist position, which will be filled during 2024-25. All staff are appropriately qualified. The managers and specialist report directly to the senior manager.

In addition to the staff noted above, RIAT will co-source or outsource when a specialist or additional capacity is required.

The annual funding provided by the Ministry of Education was sufficient to support the Toronto & Area RIAT’s resource requirements.

Annual Independence Confirmation

In accordance with IIA Standard 1110 (Organizational Independence) and RIAT’s charter, we confirm that RIAT is organizationally independent and free from interference in determining the scope of internal audits, performing work, and communicating results.

To ensure organizational independence, RIAT reports:

- Functionally to each Audit Committee of the six boards in the Toronto and Area Region; and
- Administratively to the Chief Financial Officer of the York Catholic District School Board (the host board).

Professional Development and Memberships

IIA Standard 1230 (Continuing Professional Development) requires internal auditors to enhance knowledge, skills, and other competencies through continuing professional development. In addition, as a requirement of their professional designations, auditors must complete a minimum number of continuing professional development hours annually (including an ethics training requirement). All RIAT staff have confirmed that they met the continuing education requirements of their respective

designations for 2023. Training opportunities undertaken by various RIAT staff in 2023-24 covered a variety of relevant topics, including:

- Artificial Intelligence, including implications for school boards and internal auditors
- AuditBoard internal audit software
- Cyber resilience
- Data analytics
- Environmental, social and corporate governance
- Ethics
- Fraud
- New Global Internal Audit Standards
- Privacy
- Sick leave
- Soft skills

In addition, P. Hatt participated in a panel discussion organized by the IIA Toronto Chapter “Panel Discussion: Strategic Insights into Audit Planning, Risk Assessments and Best Practices in the Public Sector” and provided supplemental training to YRDSB Audit Committee members.

Staff continue to be members of the OASBO Internal Audit Committee, the Municipal Internal Auditors Association and the IIA. In addition, some team members held volunteer positions on sector and professional boards and committees as follows:

- P. Hatt was Co-chair of the OASBO Internal Audit Committee (2020 to 2024) and leads the Subcommittee on Implementing Global Internal Audit Standards (2024).
- V. Trivedi was as a Director on the OASBO Board (2020 to 2024) and will be the Vice President for 2024-25. He also sits on the IIA Toronto Public Sector Committee.

Quality Assurance and Improvement Program

Both the charter and IIA Standards require RIAT to report on the quality assurance and improvement program (QAIP), which includes ongoing internal assessments and a periodic external assessment to assess conformance with IIA Standards and the Code of Ethics. The following is an update on RIAT’s progress in these areas:

- Internal Assessments – Quality is assessed internally through ongoing monitoring and review activities, both at the engagement level and overall. In addition, RIAT has completed the annual self-assessment on its conformance with IIA Standards and the Code of Ethics. For the Code of Ethics and the 52 standards, RIAT self-assessed conformance as follows:

- RIAT generally conforms⁴ to the Code of Ethics and 37 standards
- Partially conforms to 7 standards
- Does not conform to 1 standard
- 7 standards are currently not applicable to RIAT

The one standard to which RIAT does not conform is Standard 1312 (External Assessments), as an external assessment has not been completed to date (this is expected to occur in late 2024). However, based on the results of the internal assessment activities, this does not appear to have a significant negative impact on RIAT’s effectiveness. Action plans to address areas of partial/non-conformance are shared in Appendix 1-B. Note that the self-assessment for 2025 will be on the new Global Internal Audit Standards.

- External Assessment – RIAT is currently working on engaging a third party to conduct an external assessment, which will take the form of an independent validation of the self assessment and a readiness assessment for the new Global Internal Audit Standards. The results, recommendations and action plans will be shared with the Audit Committee when available. An external assessment will be conducted every five years thereafter.

RIAT Plan & Activities

The Ministry of Education issued guidance in May 2016, noting that each school board should receive a minimum of two engagements a year from RIAT, in addition to follow-up activities on findings and recommendations from previously issued audit reports. For each board in the region, RIAT prepares a two-year audit plan based on a risk assessment that also considers feedback from management and the Audit Committee. The plan is presented to the Audit Committee for recommendation to the Board of Trustees for approval.

An update is provided at each Audit Committee meeting to communicate the progress toward completing planned engagements, as well as an update on any follow-up activities.

⁴ Definitions:

Generally Conforms - The relevant structures, policies, and procedures of the RIAT, as well as the processes by which they are applied, comply with the requirements of the individual standard or elements of the Code of Ethics in all material respects. There may be significant opportunities for improvement, but these should not represent situations where RIAT has not implemented the *Standards* or the Code of Ethics and has not applied them effectively or has not achieved their stated objectives. General conformance does not require complete or perfect conformance, the ideal situation, or successful practice, etc.

Partially Conforms - RIAT is making good-faith efforts to comply with the requirements of the individual standard or elements of the Code of Ethics, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the *Standards* or the Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond RIAT’s control and may result in recommendations to senior management or the Audit Committee.

Does not Conform – RIAT is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many or all of the objectives of the individual standard or element of the Code of Ethics. These deficiencies will usually have a significantly negative impact on RIAT’s effectiveness and its potential to add value to the organization. These may also represent significant opportunities for improvement, including actions by senior management or the board.

Engagements Completed Across the Region in 2023-24

Twelve engagements were completed by the Toronto & Area Region in 2023-24:

- Audit of Device Distribution to Students during the COVID-19 Pandemic (one board)
- Business Continuity Planning (two boards, outsourced to MNP)
- Benchmarking – Board Administration & Governance Staffing (one board)
- Cyber Security Audit (one board, outsourced to Richter)
- Legislative Compliance Tool (three boards)
- Peer Staffing Comparison: Non-Academic (one board)
- PowerSchool Student Information System Post-Implementation Review (one board, outsourced to KPMG)
- Special Education Financial and Operational Review (one board)
- Succession Planning for Critical Positions (one board)

In addition to the engagements listed above, RIAT has completed several follow-up engagements.

Given the Ministry's annual requirement for two engagements per board, it is expected that at least 12 audit or advisory engagements will be completed across the region in 2024-25. RIAT is also aiming to complete two or more follow-up engagements for each board (depending on how many are ready to be followed-up).

Regional Internal Audit Charter

PURPOSE AND DEFINITION

The purpose of the regional internal audit team is to provide independent, objective assurance and consulting services designed to add value and improve the district school boards' operations in the Toronto and Area Region. It helps the district school boards accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

ROLE

The regional internal audit activity is established by the Ministry of Education through the annual Grants for Student Needs funding. The oversight role of the Audit Committee of the Board of Trustees (Audit Committee) over the regional internal audit activity is established by Regulation 361/10.

PROFESSIONALISM

The regional internal audit activity will adhere to the Institute of Internal Auditors' mandatory guidance including the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the regional internal audit activity's performance.

AUTHORITY

The regional internal audit activity, with strict accountability for confidentiality and the safeguarding of records and information is authorized full, free and unrestricted access to any and all of the district school boards' records, physical properties, and personnel pertinent to carrying out any engagement. All school board employees are requested to assist the regional internal audit team in fulfilling its responsibilities. The regional internal audit team will also have free and unrestricted access to school board leaders and to the Audit Committee.

ORGANIZATION

The internal audit function follows a regional model. The function consists of a Senior Manager, Regional Internal Audit responsible to district school boards in one of the eight regions in the province of Ontario as identified by the Ministry of Education. The Senior Manager, Regional Internal Audit will report functionally to their regional audit committees and administratively are supported by a host school board Senior Business Official. The function is further supported by a regional Coordinating & Steering Committee, consisting of a Senior Business Official from each district school board in the region, that assists in the coordination and implementation of the function and facilitates discussions and action where required. Every effort is made to adequately staff the internal audit function, within available financial resources, in order to perform its audit activities.

The reporting relationship between the Senior Manager, Regional Internal Audit and each Audit Committee will be further demonstrated by each Audit Committee for their Board performing the following functions:

- Approve the regional internal audit charter;
- Recommend for approval the risk based internal audit plan;
- Receive information from the Senior Manager, Regional Internal Audit about the internal audit activity performance to plan and other relevant matters;
- Inquire of the Senior Manager, Regional Internal Audit whether there are resource or scoping limitations; and
- Review annually the performance of the regional internal audit activity and provide the Board of Trustees with their comments regarding the performance of Senior Manager, Regional Internal Audit.

The Senior Manager, Regional Internal Audit will interact directly with the Audit Committee, including in-camera sessions and between Audit Committee meetings as appropriate.

INDEPENDENCE AND OBJECTIVITY

The regional internal audit activity will remain free from interference by any element in the district school board including matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of a necessary independent and objective mental attitude.

Regional internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records or engage in any other activity that may impair judgment.

Regional internal auditors will exhibit the highest standards of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Senior Manager, Regional Internal Audit will confirm to the Audit Committee, at least annually, the organizational independence of the internal audit activity.

RESPONSIBILITY

The scope of work of the regional internal audit team encompasses but is not limited to:

- Evaluating risk exposure relating to the achievement of the district school board's strategic objectives;
- Evaluating the reliability and integrity of information and the means used to identify measure, classify and report information;
- Evaluating the systems which ensure compliance with policies, procedures, applicable laws and regulations which impact the district school board;
- Evaluating whether resources are acquired economically, used efficiently, and are adequately protected;

- Evaluating operations and processes to ascertain whether results are consistent with established objectives and whether processes are functioning as planned;
- Performing consulting and advisory services or assessments of specific operations as requested by the Audit Committee or district school board management as appropriate;
- Evaluating the effectiveness of the district school board's risk management and governance processes;
- Reporting periodically on the regional internal audit performance against plans;
- Reporting significant risk exposures and control issues, including fraud risks and governance issues; and
- Reporting on other matters requested by the Audit Committee.

INTERNAL AUDIT PLAN

Annually, the Senior Manager, Regional Internal Audit will submit to district school board management and to the Audit Committee an internal audit plan for recommendation to their Board of Trustees for approval. If there are any resource limitations or interim changes, these will be communicated.

The internal audit plan will be developed based on a prioritization of the internal audit universe using a risk based methodology which includes input of district school board management. The Senior Manager, Regional Internal Audit will review and adjust the plan as required in response to changes in the risk profile. Any significant deviation from the approved internal audit plan will be communicated through periodic status reports. The Senior Manager, Regional Internal Audit or any of his or her team may initiate and conduct any other audit or review deemed necessary for potential illegal acts, fraud, abuse, or misuse of funds. Reasonable notice shall be given to appropriate personnel of intent to audit in their areas except when conditions warrant an unannounced audit.

REPORTING AND MONITORING

Opportunities for improving internal control may be identified during audits. A written report will be issued by the Senior Manager, Regional Internal Audit at the conclusion of each audit and will be distributed according to the school board's requirements. (This could include the head of the audited activity or department, the director of education, the Audit Committee and the external auditor of the district school board.)

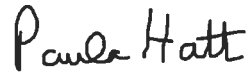
Each report will describe opportunities to strengthen district school board risk, internal control and governance processes and conclude on the adequacy and effectiveness of the processes. The district school board management will provide action plans and timelines to address each opportunity (observation). The regional internal audit team is responsible to perform appropriate follow-up procedures to attest to the completion of action plans. Significant observations will remain in an open issue status until cleared.

If management decides to accept a certain level of risk after considering compensating controls, the remaining risk will be disclosed to the Audit Committee.

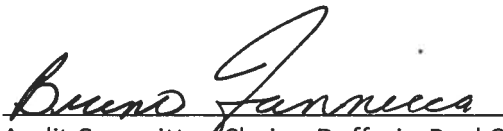
QUALITY ASSURANCE

The regional internal audit team will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity and conformance with the International Standards for the Professional Practice of Internal Auditing.

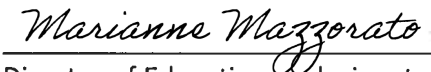
The Senior Manager, Regional Internal Audit will communicate to district school board management and the Audit Committee on the internal audit activity's quality assurance and improvement program, including the results of ongoing internal assessments and external assessments conducted as appropriate, usually on a five-year cycle.



Senior Manager, Regional Internal Audit



Audit Committee Chair – Dufferin-Peel Catholic District School Board



Director of Education of designate – Dufferin-Peel Catholic District School Board

May 17, 2023

Dated

DEFINITION OF SELECTED TERMS

Term	Definition
Add Value	Value is provided by improving opportunities to achieve organizational objectives, identifying operational improvement, and/or reducing risk exposure through both assurance and consulting services.
Advisory/Consulting Services/Review	Advisory and related client service activities, the nature and scope of which are agreed to with the client and which are intended to add value and improve a school board’s governance, risk management and control processes without the regional internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training. These activities can also be described as “review”, interchangeably with “consulting”.
Assurance	An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Results can be relied upon for supporting informed decision making.
Board of Trustees	A legislative body that that has overall responsibility and accountability for the district school board. For purposes of this Charter, this also includes committees that support the Board of Trustees including the Audit Committee.
Compliance	Conformity and adherence to policies, plans, procedures, laws, regulations, contracts or other requirements.
Control Environment	<p>The attitude and actions of the Board of Trustees and district board management regarding the significance of control within the organization. The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The control environment includes the following elements:</p> <ul style="list-style-type: none"> • Integrity and ethical values. • Management’s philosophy and operating style. • Organizational structure. • Assignment of authority and responsibility. • Human resource policies and practices. • Competence of personnel.
Control/Internal Controls	<p>Any action taken by district board management and other parties to enhance risk management and increase the likelihood that established objectives and goals will be achieved. Management plans, organizes and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.</p> <p>The system of management controls (business plans, capturing and analyzing data, performance reporting, code of conduct, etc.) that are implemented within a school board to ensure that assets (human, physical and information)</p>

Term	Definition
	are protected and to provide reasonable assurance that its objectives can be achieved.
Control Processes	The policies, procedures and activities that are part of a control framework, designed to ensure that risks are contained within the risk tolerances established by the risk management process.
Fraud	Any illegal acts characterized by deceit, concealment or violation of trust. These acts are not dependent upon the application of threat of violence or of physical force. Frauds are perpetrated by parties and organizations to obtain money, property or services; to avoid payment or loss of services; or to secure personal or business advantage.
Governance	The combination of processes and structures implemented by the Board of Trustees in order to inform, direct, manage and monitor the activities of the organization toward the achievement of its objectives.
In-camera	A separate discussion between members of the Audit Committee and the Senior Manager, Regional Internal Audit promoting open communication and discussion of any sensitive issues or problems.
Independence	The freedom from conditions that threaten objectivity or the appearance of objectivity. Such threats to objectivity must be managed at the individual auditor, engagement, functional and organizational levels.
Objectivity	An unbiased mental attitude that allows regional internal auditors to perform engagements in such a manner that they have an honest belief in their work product and that no significant quality compromises are made. Objectivity requires regional internal auditors to not subordinate their judgment on audit matters to that of others.
Risk	Effect of uncertainty on objectives or outcomes.
Risk Management	A structured and disciplined approach aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the risks an organization faces. Overall, it is about choices made under conditions of uncertainty, balanced by acceptable levels of risk.

Appendix 1-B - RIAT Quality Assurance & Improvement Program - Action Plans Resulting from Self-Assessment
As required to bring RIAT into conformance with standards (where RIAT has partial conformance or does not conform)
September 1, 2024

#	Standard	Conformance Level	Action Plan	Target Implementation Date
To Bring RIAT into Conformance				
1	1000 – Purpose, Authority, and Responsibility	Partially conforms	Action plan from prior year is in progress, with target implementation date revised. At each board, the charter must be signed by the Audit Committee Chair and the Director of Education (or designate). Three of the six charters have been signed (DPCDSB, YCDSB, YRDSB). RIAT to obtain signed charters from the remaining three boards (PDSB, TCDSB, TDSB). Note: Charter will be updated to reflect new IIA standards and presented to Audit Committees in early 2025.	December 31, 2024 to receive all signed charters.
2	1300 – Quality Assurance and Improvement Program (QAIP) 1310 – Requirements of the QAIP 1312 – External Assessments 1320 – Reporting on the QAIP	Partially conforms Partially conforms Does not conform Partially conforms	Action plan from prior year is in progress, with target implementation date revised. Completion of a detailed self-assessment, as per the IIA's Quality Assessment Manual (i.e. collecting documentation to support the annual self-assessment), and external validation of this self-assessment by an independent third party. Results from the external assessment will be communicated to each Audit Committee and senior management at the meeting following completion.	Initial external assessment to be completed by December 31, 2024 (and every five years thereafter). Results to be communicated to each Audit Committee by June 30, 2025.
3	2330 – Documenting Information	Partially conforms	Action plan from prior year is in progress, with target implementation date revised. Senior Manager is in the process of developing records retention requirements for RIAT (including disposal of records no longer within the retention period), which will be implemented once developed. Requirements will align with any procedures developed by York Catholic DSB and other RIATs will be consulted for their approach.	Strategy to be formalized and implemented by December 31, 2024 (including disposal of any old records, as required).
4	2500 – Monitoring Progress	Partially conforms	Action plan from prior year is in progress. Updated for current year, including revised target implementation date. The Senior Manager will direct Managers to ensure findings registers have been implemented for each board and updated to the current year. In addition, for 2024-25, the Senior Manager will direct Managers to ensure that at least two follow-up engagements are completed for each board in the region.	All findings registers to be updated by December 31, 2024. A summary of the register to be shared with each Audit Committee and at least two follow-up engagements per board to be completed by June 30, 2025.

#	Standard	Conformance Level	Action Plan	Target Implementation Date
Completed Plans from Prior Year				
	2010 – Planning	Partially conforms	At the outset of the second year of the two-year RIAT plan, RIAT will reconfirm the engagements selected with management and the Audit Committees. This will help to demonstrate the consideration of new/emerging risks and that input from management and the Audit Committee was considered.	Completed through presentation of the RIAT annual reports for 2022-23, in September and November 2024.
	2110 – Governance	Generally conforms	<p>RIAT will create audit tests to specifically evaluate the ethics-related objectives, programs, and activities at each board through adding procedures for each audit to determine how appropriate ethics and values are promoted.</p> <p>In addition, RIAT will create audit tests to assess IT governance at each board at the engagement level, adding procedures to determine whether the area under audit is adequately supported by IT.</p>	Relevant steps have been created and are required to be included in the program for all audits.

Dufferin-Peel Catholic District School Board

Appendix 2 - Current Status of Findings on Completed Engagements

Presented to the Audit Committee in February 2025

Plan Year	Report Date	Engagement Name	# of Findings	Current Status of Management Action Plan					RIAT Comments
				Mgmt. Update O/S	In Progress	Mgmt. Assumes Risk	Closed - Mgmt. Assertion	Closed - RIAT Validated	
2011 - 12	Mar-14	Broader Public Sector Procurement Compliance Review	5	0	0	0	2	3	Ready for follow-up, as time permits.
2016 - 17	Mar-17	Health and safety	4	0	0	0	4	0	Ready for follow-up, as time permits
2017 - 18	Jun-18	International Languages Elementary (Con Ed)	6	0	0	1	5	0	Ready for follow-up, as time permits
2019 - 20	May-22	Cyber Security	4	0	3	1	0	0	For the in-progress findings, revised target dates were provided (August to November 2025).
2020 - 21	Sep-22	Privacy	3	3	0	0	0	0	
2021 - 22	Sep-22	Records Management	6	6	0	0	0	0	
2021 - 22	Apr-23	Labour Relations	2	2	0	0	0	0	
Total			30	11	3	2	11	3	

Definitions:

Management Update Outstanding: To date, management has not provided an update on the status of findings from this engagement. RIAT will share this information with the Audit Committee when available.

In Progress: The target implementation date of management's action plan has been reached. Progress has been made toward implementation, but the action plan is not fully implemented. A further update will be requested in 2025-26.

Management Assumes Risk: Management has indicated that the action plan will not be implemented, due to factors such as budgetary constraints. Further details will be shared in the follow-up report.

Closed - Management Assertion: Management provided RIAT with an update indicating that the action plan has been implemented (or that other action was taken to mitigate the risk). Once all action plans for the engagement have been implemented, RIAT will schedule a follow-up to verify the action taken (i.e. confirm that findings are closed).

Closed - RIAT Validated: Through a previously completed follow-up engagement, RIAT has confirmed that the action plan was implemented or that other action was taken to mitigate the risk. The finding is considered to be closed, with no further follow-up required.

Note: Engagements are removed from the table once RIAT has completed a follow-up and confirmed that all findings are closed.

Audit Committee Meeting
February 4, 2025
REGIONAL INTERNAL AUDIT TEAM (RIAT) AUDIT PLAN 2024-2025 AND 2025-2026
Multi Year Strategic Plan Values: Excel, Respect and Trust

" But understand this: if the owner of the house had known in what part of the night the thief was coming, he would have stayed awake and would not have let his house be broken into. Therefore you also must be ready, for the Son of Man is coming at an unexpected hour."

Matthew 24:43-44

BACKGROUND

The *Regional Internal Audit Team (RIAT)* provides independent, objective assurance and consulting services designed to add value and improve school board operations. RIAT reports functionally to the Audit Committee of the Dufferin-Peel Catholic District School Board (DPCDSB) and administratively to the host school board for the Toronto and Area Region, York Catholic District School Board.

RIAT is required to provide two audit or consulting engagements annually to each of the six school boards within the Toronto and Area Region. The report attached identifies the engagements proposed for the fiscal years 2024-2025 and 2025-2026.

DISCUSSION

RIAT uses a risk-based approach to planning and selecting process areas for audit engagements. The proposed 2024-2025 and 2025–2026 Audit Plan is attached for the Audit Committee.

THE FOLLOWING RECOMMENDATION IS PROVIDED FOR CONSIDERATION:

- | | |
|------------------|---|
| <p>1.</p> | <p>THAT THE AUDIT COMMITTEE RECOMMEND THAT THE BOARD OF TRUSTEES APPROVE THE REGIONAL INTERNAL AUDIT TEAM (RIAT) AUDIT PLAN FOR 2024-2025 AND 2025-2026.</p> |
|------------------|---|

Prepared by: Viraj Trivedi, Manager, Regional Internal Audit, Toronto & Area Region
Paula Hatt, Senior Manager, Regional Internal Audit, Toronto & Area Region

Submitted by: Julie Cherepacha, Executive Superintendent, Finance, CFO and Treasurer



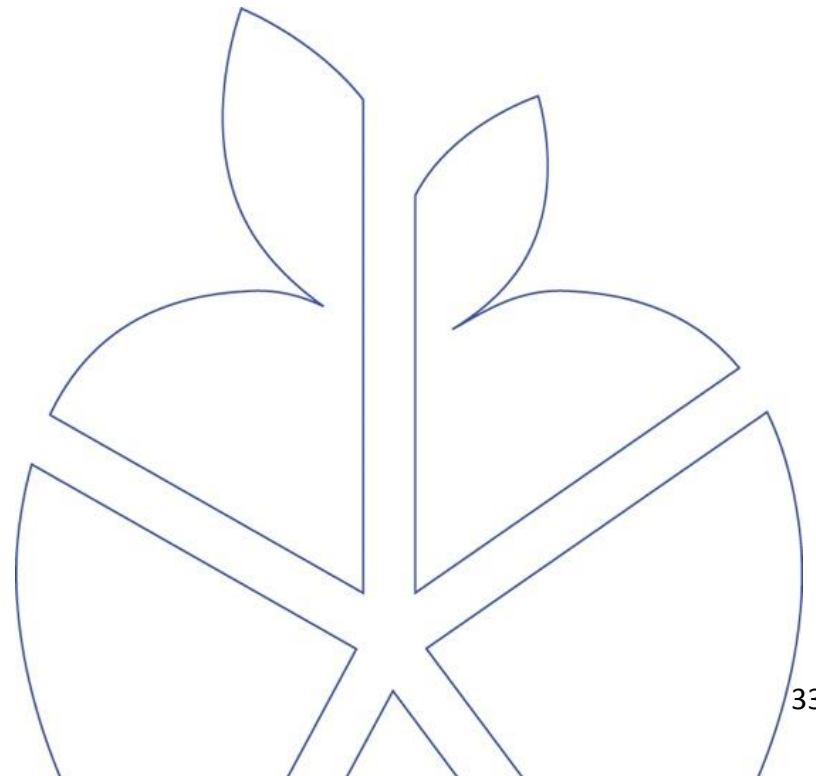
**INTERNAL
AUDIT TEAM**
Toronto and Area Region

Risk Assessment and Regional Internal Audit Plan: 2024-25 & 2025-26

Dufferin-Peel Catholic District School Board

Prepared by:

Paula Hatt, CPA, CA, CIA, Senior Manager, Regional Internal Audit



The purpose of this report is to present the proposed Two-Year Regional Internal Audit Plan (2024-25 & 2025-26) to the Dufferin-Peel Catholic District School Board's (DPCDSB) Audit Committee for approval.

Background

The Toronto & Area Regional Internal Audit Team (RIAT) provides independent and objective assurance and advisory services to six school boards in the GTA: (1) Dufferin-Peel Catholic District School Board, (2) Peel District School Board, (3) Toronto Catholic District School Board, (4) Toronto District School Board, (5) York Catholic District School Board and (6) York Region District School Board.

As required by the Ministry of Education, RIAT's mandate is to complete two assurance (internal audit) or advisory (consulting) engagements annually for each school board in the region (or one comprehensive engagement that covers multiple areas/risks), in addition to follow-up activities. Selection of engagements is based on risks across the organization and consideration of where value can be added, while also considering audit coverage from previous years. Risk is defined as the possibility of an event occurring that will impact achievement of board strategies and objectives.

Regional Internal Audit Risk Assessment

Following the requirements of the Regional Internal Audit Charter and Internal Audit Standards, the process of selecting engagements for the proposed plan included a risk assessment as follows:

- Questionnaires were distributed to the head of each process in the School Board Audit Universe. Information obtained included consideration of risk factors and rating of inherent risk (the risk of an event occurring in the absence of controls, as calculated through an assessment of impact and likelihood), management's assessment of the control environment, as well as management's top risks or issues for the area.
- A meeting was held with the Executive Superintendent of Finance, Chief Financial Officer and Treasurer to review the results of the risk assessment and discuss potential engagements identified based on these results.

Refer to Appendix A for more details regarding the risk assessment methodology and definitions. Appendix B contains the results of the risk assessment completed by DPCDSB management.

Proposed Two-Year Regional Internal Audit Plan (2024-25 & 2025-26)

In addition to the results of the board-wide risk assessment, in proposing engagements we also considered the ability of the engagement to provide value to the board, management requests, engagements completed in recent years, engagements conducted by RIAT at other boards in the region (refer to Appendix C) and coverage by DPCDSB's Internal Audit Department (which typically focuses on school generated funds audits).

The proposed Two-Year Regional Internal Audit Plan, covering 2024-25 & 2025-26, is outlined in the table below. The planned engagements, each addressing areas of high inherent risk, are supported by the Executive Council of the DPCDSB.

Process/Area	Engagement	Rationale for Selection	Description
Academic Programming & Delivery Financial Sustainability	Enrolment Audit (2024-25)	<p>The Ministry of Education has not conducted an enrolment audit at DPCDSB in recent years. A RIAT audit would help DPCDSB to address any issues before a ministry audit takes place, as any compliance issues identified in a ministry enrolment audit may cause a negative adjustment to funding.</p> <p>Links to the following 2024-25 Catholic Board Improvement Learning Cycle (CBILC) goals: <i>increase confidence in stewardship of resources and increase operational service quality.</i></p>	<p>To assess whether enrolment reporting is in compliance with the Ministry of Education’s <i>Enrolment Register Instructions for Elementary and Secondary Schools</i>.</p> <p>The audit scope will include testing, at a sample of schools, the recording and reporting of day school student enrolment and attendance around ministry count dates. RIAT will also assess the adequacy and effectiveness of key board-wide controls supporting compliance with the ministry instructions, such as policies and procedures and the communication of these to schools.</p>
Academic Programming and Delivery	Continuing Education (Adult Education and Learning Services) Enrolment Audit (2024-25)	<p>Further to the proposed audit of day school enrolment, management requested RIAT also cover enrolment for Continuing Education.</p> <p>Links to the following 2024/25 CBILC goals: <i>increase confidence in stewardship of</i></p>	<p>The primary objective of this audit is to assess the adequacy and operating effectiveness of key internal controls over Continuing Education enrolment, as related to Adult Education and Learning Services. Specifically, this audit will cover enrolment projection methodologies, whether projections are being met (including explanations where projections are not met) and reporting.</p>

Process/Area	Engagement	Rationale for Selection	Description
		<i>resources and increase operational service quality.</i>	
Resource capacity / allocation Financial Sustainability Academic Programming & Delivery	Special Education Financial and Operational Review (2025-26)	<p>Special Education is an area of significant spend that has ongoing projected operating deficits. A similar engagement conducted at another board was seen as adding value.</p> <p>Links to the following 2024-25 CBILC goals: <i>increase confidence in stewardship of resources, increase operational service quality and elevate organizational effectiveness.</i></p>	<p>This engagement will be a hybrid of assurance and advisory procedures. The objective of the assurance procedures will be to assess the adequacy and effectiveness of key controls over the areas in scope. The advisory procedures will include financial and operational analysis on the areas within scope with the objective of identifying trends and providing insights and recommendations to improve operations/reduce risk. As this engagement is expected to be a significant undertaking, it will be counted as two engagements. RIAT is not proposing a second engagement for Year Two of the plan.</p> <p>The scope may include the following areas (and/or others identified at the time of the engagement):</p> <ul style="list-style-type: none"> - Financial analysis of the Special Education budget. - How the board assesses the effectiveness of its spending on Special Education. - Benchmarking of Special Education metrics with other similar-sized boards (to the extent information can be obtained). - Opportunities for efficiencies and potential costs savings. - Special education backlogs/waitlists.

In-Year Requests

From time to time, in-year requests from management or the Audit Committee for engagements not identified in the audit plan may arise. RIAT will review all requests with consideration of the existing plan and resource availability and present an amended plan to the Audit Committee for review and approval, as appropriate, highlighting any changes to the original plan.

APPENDIX A – Risk Assessment Methodology

The questionnaires provided to management asked respondents to assess the inherent risk (impact x likelihood) and control environment for their respective area. These concepts are explained below.

Inherent Risk:

Inherent risk is the risk considered **in the absence of controls** and is the product of ratings on two dimensions:

- (1) The likelihood of an event occurring
- (2) The extent to which the event would impact the achievement of board objectives

Each of the above dimensions are rated on a scale of one to four, with the results multiplied to arrive at the overall inherent risk score. This is demonstrated in the inherent risk matrix below.

Inherent Risk Matrix					
Likelihood	Likely (4)	4	8	12	16
	Probable (3)	3	6	9	12
	Unlikely (2)	2	4	6	8
	Remote (1)	1	2	3	4
		Low (1)	Moderate (2)	High (3)	Critical (4)
Impact					

Inherent Risk Ratings

Low
Moderate
Moderate-High
High

Management considers a number of factors when assessing likelihood such as complexity, volume/frequency of transactions, extent of recent changes in process or information systems, extent of reliance on automation, need for specialized skills, and the degree of reliance on estimation, valuation and judgment.

Factors that are considered when assessing impact include the significance of the department/business process to the board's overall strategic objectives, potential impact to public image/reputation (reputational risk), dollar value of transactions within the process (financial risk), and the extent to which the process impacts other processes.

Assessment of Controls:

An internal control is an action taken by the board, management or other personnel to manage risk. By implementing one or more controls, the board decreases the risk and increases the chance that goals and objectives will be achieved. The control assessment is an overall rating of the controls in place over an auditable unit. Through the survey, management is asked to rate overall controls on a four-point scale:

Controls Assessment	
4.0	Strong
3.0	Satisfactory
2.0	Opportunities for improvement
1.0	Limited controls or unknown

While criteria are provided, the control rating is based on management’s self-assessment. Therefore, there is a subjective element to assessing controls.

APPENDIX B – Risk Ranked Audit Universe

The results below are based on management’s self-assessment of inherent risk and the control environment.

DPCDSB AUDIT UNIVERSE		2024-25 Risk Assessment	
Functional Area	Process	Inherent Risk	Control Assessment
Strategy and Governance	Risk Management	Moderate-High	Strong
	Policies and Procedures	Low	Strong
	Project Management	Moderate-High	Satisfactory
	Artificial Intelligence	Moderate	Strong
Legal and Compliance	Legislative Compliance	Moderate	Strong
	Privacy	Moderate	Satisfactory
	Ethics, Conduct and Fraud	Moderate	Satisfactory
People	Recruiting & Retention	Moderate-High	Satisfactory
	Succession Planning	Moderate-High	Opportunities for Improvement
	Absenteeism	High	Opportunities for Improvement
	Equity, Diversity & Inclusion - Staff	Moderate	Satisfactory
	Student and staff health, safety and well-being	Moderate	Satisfactory
	Resource capacity/allocation	High	Opportunities for Improvement
	Skill Set	Moderate	Satisfactory
Service Delivery and Operations	Academic Programming & Delivery	High	Opportunities for improvement
	Critical Incident Management	High	Satisfactory
	Capital Planning and Forecasting	High	Strong
	Facility Management & Maintenance	Moderate-High	Satisfactory
	Construction Management	High	Strong
	Transportation	High	Strong
Financial	Financial Sustainability	High	Strong
	Procurement/Purchasing	Moderate	Strong
Technology	Cyber Security	High	Strong
	IT Infrastructure & Resources	High	Strong
	Records & Information Management	**	**

** Survey not completed; an audit was completed in this area in September 2022.

APPENDIX C – Engagements Completed in 2022-23 & 2023-24

Engagements completed at other boards in the Toronto & Area Region:

- Audit of Device Distribution to Students during the COVID-19 Pandemic
- Business Continuity Planning (two boards)
- Cyber Security Audit
- Legislative Compliance Tool (three boards)
- Peer Staffing Comparison: Non-Academic
- PowerSchool Student Information System Post-Implementation Review
- Purchasing Controls Review & Data Analysis
- Special Education Financial and Operational Review
- Succession Planning for Critical Positions (two boards)

Engagements completed at DPCDSB in 2022-23 and 2023-24:

- Privacy Audit (report issued September 2022)
- Records Management Audit (report issued September 2022)
- Managing Labour Relations (report issued April 2023)
- Legislative Compliance (report issued February 2024)
- Benchmarking Engagement – Board Administration & Governance Staffing (report issued May 2024)

Refer to the February 4, 2025 RIAT update for details on engagements that are planned, but not yet completed.