APPENDIX A

OBJECTIVE & SCOPE STATEMENTS – POTENTIAL NEW/ONGOING CFAAST AUDIT ENGAGEMENTS

Potential Corporate Financial Assurance Engagements	Description (Please see Note 1 below)
	PSSD Follow up engagement – as noted on several occasions, APFR requests that CFAAST undertake a follow up to the work previously done on the PSSD process. The current engagement would take into account new processes introduced in relation to the 2016 Report and Lessons Learned.
Ref. #: CFA - 1 Miscellaneous Wrap Up **Type I Engagement**	**Proposed Objectives:** Miscellaneous wrap-up of prior year engagements. (details would be useful) **Preliminary Scope:** N/A # hours? **Key Risks:** Various
Ref. #: CFA - 2 Financial Systems Reliability Audit (SysTrust) - Wrap-up for FY 2016-2017 **Type I Engagement**	**Proposed Objectives:** Wrap-up of OIAD's assessment on system's reliability for OSS and its service partners to support the Public Accounts Chain of Assurance and assess the effectiveness of control for security, availability and process integrity for key corporate systems. **Preliminary Scope:** The scope will include review of key financial systems (IFIS and WIN), business processes and related program areas. The scope will also include identifying linkages relating to financial management and financial reporting. **Key Risks:** Lack of adequate internal controls over key business processes and systems could result in incomplete, inaccurate, untimely and unauthorized processing which could impact the integrity and/or reliability of financial data and ultimately the Public Accounts. *Note: This is a multi-fiscal year commitment for the Division.*
Ref. #: CFA - 3 OIAD Modernization Initiatives and Quality Assurance **Type I Engagement**	**Proposed Objectives:** To support as required OIAD Modernization Initiatives and related OIAD QA process. **Preliminary Scope:** Work will focus on continuous improvement of internal processes within OIAD, including ongoing efforts to ensure compliance with IIA standards, OIAD's strategic plan, and compliance with OIAD CPA Pre-Approved Program (PAP) reporting to CPA Ontario and centralized Co-op recruitment process. **Key Risks:** Lack of integrated processes could result in inefficiencies and inconsistencies in meeting OIAD, IIA and CPA Ontario standards.

Note 1: The statements regarding the engagement objectives, scope and risks are preliminary in nature and are for discussion purposes. These may be revised pending stakeholders consultations and further developed when engagement commences.

Commented [npp1]: Key to be added (as previously discussed).

CFAAST
Will appreciate your help with this ie to flesh out the scope and objectives for the follow-up work . Pervious dialogue / work related more along the lines of lessons learned.

Commented [PD(2]: This is to accommodate a few engagements that commenced in FY 16/17 and will be finalised in FY 17/18

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OBJECTIVE & SCOPE STATEMENTS – POTENTIAL NEW/ONGOING CFAAST AUDIT ENGAGEMENTS

Potential Corporate Financial Assurance Engagements	Description (Please see Note 1 below)
Ref. #: CFA – 4 New Auditing Standards and/or Processes Advisory Support (i.e. MRL) **Type I Engagement**	**Proposed Objectives:** To provide advisory and collaborative support services to ministries as relates to emerging auditing standards and practices (i.e. Management Representation Letter, follow-ups, etc). **Preliminary Scope:** The scope of the engagement will include providing advisory services to senior management to assist with greater understanding of the requirements of new / emerging auditing standards (i.e. CASE 3001 related to Management Representation Letter) and support ministries' readiness with timely implementation of these standards. **Key Risks:** A lack of adequate, relevant and reliable processes to support the sign-off could result in delays in providing management representation letter.
Ref. #: CFA – 5 OAGO Audit Support and Coordination **Type II / III Engagement**	**Proposed Objectives:** To support the Office of the Auditor General of Ontario (OAGO), ministries and corporate stakeholders, as required, with the annual Public Accounts audit. **Preliminary Scope:** # hours? The scope will include responding to information requested by OAGO as part of OAGO's reliance on OIAD work, as appropriate (e.g. Financial System Reliability Audit (SysTrust)). The scope may also include OIAD providing resources to supplement OAGO staff in completing audit engagements. **Key Risks:** Lack of adequate OAGO support and reliance on OIAD audits could result in insufficient information / resources needed for completing and meeting OAGO's information requests in timely manner.
Ref. #: CFA– 6 Financial Systems Reliability Audit (SysTrust) - OSS and Service Partners for FY 2017-18 **Type I Engagement**	**Proposed Objectives:** To provide an assessment on system's reliability for OSS and its service partners to support the Public Accounts Chain of Assurance and assess the effectiveness of control activities for security, availability and process integrity for key corporate systems. **Preliminary Scope:** The scope will include review of key financial systems (IFIS and WIN), business processes and related program areas leveraging the Trust Service Principles. Scope of work to also include discussions and advice on go-forward strategies as it relates to control assurance with respect to IFIS and WIN. CFAAST will lead in planning and managing the engagement, and coordinate with GCSAST as appropriate. **Key Risks:** Lack of adequate internal controls over key business processes and systems could result in incomplete, inaccurate, untimely and unauthorized processing which could impact the integrity and/or reliability of financial data and ultimately the Public Accounts. *Note: This is a multi-fiscal year commitment for the Division.*

Note 1: The statements regarding the engagement objectives, scope and risks are preliminary in nature and are for discussion purposes. These may be revised pending stakeholders consultations and further developed when engagement commences.

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OBJECTIVE & SCOPE STATEMENTS – POTENTIAL NEW/ONGOING CFAAST AUDIT ENGAGEMENTS

Potential Corporate Financial Assurance Engagements	Description (Please see Note 1 below)
<u>Ref. #</u>: **CFA – 7** Certificate of Assurance Support and Common Themes FY 2016-17 **Type I Engagement**	**Proposed Objectives:** To work collaboratively with and support the Office of the Provincial Controller Division (OPCD) with the annual Certificate of Assurance (CoA) process. **Preliminary Scope:** This will include supporting OPCD's review of CoA documentation submitted by ministries for fiscal year 2017-18, ministries responses to key OPCD follow-up queries, support to ASTs, and identifying the CoA common themes in collaboration with OPCD. **Key Risks:** Inaccurate attestations or unaddressed gaps in the CoA could result in increased financial reporting and fiscal planning risks.
<u>Ref. #</u>: **CFA – 8** Certificate of Assurance Follow-up **Type I / II Engagement**	**Proposed Objectives:** To follow-up and report back in year on the status of management remediation plans for significant CoA exceptions. **Preliminary Scope:** This engagement will focus on assessing the extent to which management has implemented action plans to mitigate risks associated with significant CoA exceptions. CFAAST will leverage AST support for exceptions related to their line ministries. **Key Risks:** Delays in implementing management action plans could result in untimely mitigation of financial management and reporting of risks, ineffective decision making, and possible increase in financial reporting and fiscal planning risks.
<u>Ref. #</u>: **CFA – 9** Entity Level Controls Advice and Support **Type I / II Engagement**	**Proposed Objectives:** To provide assurance and advisory support on the design and operating effectiveness of OPS-wide Entity Level Controls (ELCs) implemented by ministries. **Preliminary Scope:** To provide assurance and advisory support to OPCD and ministries to enhance the design and operating effectiveness of the entity level control processes. **Key Risks:** Lack of adequate entity level controls across the OPS could result in inefficient and ineffective control environment and this could impact the organization's achievement of its business objectives.

Note 1: The statements regarding the engagement objectives, scope and risks are preliminary in nature and are for discussion purposes. These may be revised pending stakeholders consultations and further developed when engagement commences.

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OBJECTIVE & SCOPE STATEMENTS – POTENTIAL NEW/ONGOING CFAAST AUDIT ENGAGEMENTS

Potential Corporate Financial Assurance Engagements	Description (Please see Note 1 below)
<u>Ref. #</u>: **CFA – 10** Internal Control Framework Advice and Support **Type I / II Engagement**	**Proposed Objectives:** To provide continued advisory support to OPCD and ministries related to implementation of the enhanced COSO-based internal control framework (ICF). **Preliminary Scope:** The scope will include advice and support to OPCD, ASTs and line ministries for the continued implementation of effective internal control environments, focusing on the enhanced ICF requirements. **Key Risks:** Lack of adequate internal control frameworks within the organization could result in inefficient and ineffective operations and could impact the organization's achievement of its business objectives. Project risks with respect to the ability to fully implement in fiscal 2017-18, and the need to ensure elements of framework are prioritized and implemented on risk basis over rolling period.
<u>Ref. #</u>: **CFA – 11** Non-Tax Revenue Internal Control Process Review **Type I Engagement**	**Proposed Objectives:** To assess the extent to which ministries' processes and controls for non-tax revenue streams are in place and comply with key governing frameworks (e.g. accounting standards, directives, board minutes etc.). **Preliminary Scope:** The scope will include a review of key processes, related documentation and interviews with ministries personnel for recording of non-tax revenue streams for selected ministries. Considerations would also be given to key corporate directives and guidance (i.e. Internal Control Framework), including alignment with key initiatives underway by FMBM. **Key Risks:** Lack of adequate ministry controls could result in inaccurate accounting and reporting of non-tax revenue. This could lead to incorrect or incomplete financial reporting. Based on 2015/16 Public Accounts, total non-tax revenue for the Province is approximately $9.041 billion. Revenue was highlighted as an area of risk as part of the 2015-16 CoA process and also as part of the 2015-16 Public Accounts SUDS list.

Note 1: The statements regarding the engagement objectives, scope and risks are preliminary in nature and are for discussion purposes. These may be revised pending stakeholders consultations and further developed when engagement commences.

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Objective & Scope Statements – Potential New/Ongoing CFAAST Audit Engagements

Potential Corporate Financial Assurance Engagements	Description (Please see Note 1 below)
<u>Ref. #</u>: CFA – 12 TP Accruals and Recoveries Process Review **Type I / II Engagement**	**Proposed Objectives:** To assess the processes and controls in place for the recording of year-end Transfer Payment (TP) accruals based on governing frameworks (legislations, TP agreements, Policies etc.) and PSAB standards. **Preliminary Scope:** The scope of the engagement will include a review of the processes and related documentation to assess controls in place, focusing on the accuracy, completeness and cut-off of TP accrued at year-end. **Key Risks:** Insufficient basis for the recording of the year-end TP accruals could result in increased financial reporting and fiscal planning risks. In Q4 of fiscal year 2015/16, the ministries accrued approximately $1.771 billion in TP liabilities including $325 million for the Green Initiative Fund (GIF). Issues relating to TPAD have been identified as a CoA Common Theme as part of the 2015-16 CoA process and year end TP Accrual was included in the 2015-16 Public Accounts SUDS list (i.e. GIF).
<u>Ref. #:</u> CFA – 13 Loans Receivable Internal Control Process Review **Type I Engagement**	**Proposed Objectives:** To assess OPS management framework and end-to end processes and controls for loans receivable, including compliance with new governing instruments (legalisation, directives, policies etc.). **Preliminary Scope:** The scope of the engagement will include review of the governing framework and processes/controls for recognizing , recording and reporting of the loans receivables, allowance for doubtful accounts, bad debts expense, and related write offs. The scope will also cover review of related loan agreements, objectives and conditions of loans, including those for conditional grants and similar disbursements where the province has the right to convert a grant into a loan receivable. Controls for classification and validation by ministries of the balances recorded for Public Accounts will also be reviewed. **Key Risks:** Lack of adequate governing frameworks and ministry controls for loans receivable may result in the inconsistent recording and valuation and potential increase of financial reporting and fiscal planning risks. Loans receivable is a high risk area as it has been identified in the 2015-16 Public Accounts SUDS list.

Note 1: The statements regarding the engagement objectives, scope and risks are preliminary in nature and are for discussion purposes. These may be revised pending stakeholders consultations and further developed when engagement commences.

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Objective & Scope Statements – Potential New/Ongoing CFAAST Audit Engagements

Potential Corporate Financial Assurance Engagements	Description (Please see Note 1 below)
Ref. #: CFA – 14 Financial Systems Landscape Review - Phase 2 **Type I / II Engagement**	**Proposed Objectives:** Leverage results of phase I to provide advisory support to the newly formed FMBP Steering Committee; and continue to provide ministries with assurance and advisory support as it relates to their governance over key financial systems that interface with IFIS. **Preliminary Scope:** Scope may include interviews, discussion and review of documentation as appropriate. Consideration will also be given to raising awareness/capacity as it relates to the ITGC Toolkit, and supporting EWIT with their related assurance work. **Key Risks:** Inadequate management controls over financial systems result in ineffective IT General Controls and ineffective management of financial assets. Risk of duplication of functionality for ministry financial systems and IFIS.
Ref. #: CFA – 15 Pre-Election Report Support **Type I Engagement**	**Proposed Objectives:** Similar to OIAD's involvement in the 2007 and 2011 PERs, to provide OPS-wide liaison support between the OAGO and the government to facilitate an effective flow of information to help ensure the Pre-Election Report (PER) timelines and objectives are achieved. **Preliminary Scope:** The scope of the engagement will include providing advisory support to MOF/TBS including governance committees, as appropriate; and supporting ongoing communication with the OAGO to help ensure timely information flows to the OAGO. **Key Risks:** Ineffective coordination and failure to provide information on a timely basis to OAGO could result in delays in meeting the OAGO's information needs and legislated PER deadline.

Commented [npp3]: This was the primary focus previously. OTB would have to comment on the governance committee aspect. Not familiar with OIAD playing this role in the past.

Commented [npp4]: Ties to OIAD's past role.

CFAAST.
Proposed wording change accepted and comment on OIAD's past role noted. Also, I believe the OIAD Director from the Finance Audit Service Team was involved in the 2011 PER Core Committee

Note 1: The statements regarding the engagement objectives, scope and risks are preliminary in nature and are for discussion purposes. These may be revised pending stakeholders consultations and further developed when engagement commences.

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Objective & Scope Statements – Potential New/Ongoing CFAAST Audit Engagements

Potential Corporate Financial Assurance Engagements	Description (Please see Note 1 below)
Ref. #: CFA – 16 New Accounting Standards/Financial Policy Readiness Support **Type I Engagement**	**Proposed Objectives:** To provide advisory support to OPCD and/or ministries related to new PSAB standards, or new/refreshed OPS financial management and reporting policies. **Preliminary Scope:** (focus on RPT only) The scope will include advising OPCD with the development of guidance, processes and tools to support the timely implementation of new accounting standards (e.g. Related Party Transactions,.) or financial management and reporting policies/guidelines (i.e. Non-Tax Revenue Policy, TP Financial Management Policy, Designated Purpose Account Policy, etc). The scope may include providing advisory support at selected ministries, and participating in working groups, where appropriate. **Key Risks:** Lack of adequate corporate guidance and ministry controls could result in inaccuracies and potential errors in the Public Accounts and non-compliance with PSAB standards, which may not be identified and resolved in a timely manner. The implementation of new accounting standards/policies have been identified as a high risk area due to the potential impact on the Consolidated Financial Statements, varying levels of complexity in its implementation process, and the consistency in the professional judgment required in some cases.
Ref. #: CFA – 17 Corporate Hyperion Information Reporting Portal Advice and Support **Type I Engagement**	**Proposed Objectives:** To provide continued advisory support service to OPCD for the standardization and automation of consolidation process and related data management tools. **Preliminary Scope:** The scope will include providing continued advice and support to OPCD management on Corporate Hyperion Information Reporting Portal (CHIRP) processes for simulation, data transition/migration, process documentation, and advice on appropriate assurance framework. External expertise may be leveraged to support, as appropriate. **Key Risks:** Lack of robust processes and controls for managing the post-implementation of CHIRP could result in failure to achieve intended objectives, errors in data transfers and delays in preparing the Public Accounts. The Corporate Hyperion Information Reporting Portal will impact all ministries and consolidating entities consistent of approximately 300 organizations.

Commented [npp5]: Do not include FI at this time.

CFAAST
FI deleted. We also review and provide comments on financial management policies. Recent examples include comments provided on collections and write off polices issued by Kent's shop.

Note 1: The statements regarding the engagement objectives, scope and risks are preliminary in nature and are for discussion purposes. These may be revised pending stakeholders consultations and further developed when engagement commences.

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OBJECTIVE & SCOPE STATEMENTS – POTENTIAL NEW/ONGOING CFAAST AUDIT ENGAGEMENTS

Potential Corporate Financial Assurance Engagements	Description (Please see Note 1 below)
<u>Ref. #</u>: **CFA – 18** Designated Purpose Account Framework Advisory Support **Type I Engagement**	**Proposed Objectives:** To provide advisory support services to OPCD and other stakeholders on the processes and controls in place for the management of the Designated Purpose Accounts (DPAs). **Preliminary Scope:** The scope of the engagement includes providing advice on the accountability framework that relates to the governance, management, reporting and oversight of the funds in the Designated Purpose Accounts. **Key Risks:** Ineffective accountability may result in lack of transparency with respect to demonstrating the use of the funds in the DPA for its intended purposes. Based on 2015/16 Public Accounts, approximately $4.5 billion has been allocated to the Trillium Trust from the disposition of General Motor shares and Hydro One shares, with risk exposure expanded due to the Cap and Trade initiatives.
<u>Ref. #:</u> **CFA - 19** Enterprise Risk Management Framework Advice and Support **Type I / II Engagement**	**Proposed Objectives:** To provide advisory services to OPCD and ministries to support the implementation of OPS ERM framework in context of broader Internal Control Framework and existing practices. **Preliminary Scope:** The focus will be on advising and supporting key stakeholders and priority OPS initiatives, as well as participating in related working groups, as appropriate. **Key Risks:** Lack of risk management policies, including an ERM framework, may result in inconsistent risk management processes at ministries and lack of key information for decision making.
<u>Ref. #</u>: **CFA – 20** Contaminated Sites Follow-up **Type I Engagement**	**Proposed Objectives:** To follow-up on the implementation status of OIAD and OAGO recommendations made to ministries and central agencies for contaminated sites. **Preliminary Scope:** This engagement will focus on assessing the extent to which management has implemented action plans to address recommendations noted in the audit reports, and rationale for exceptions, if any. Work will include interviews and walkthroughs with ministry stakeholders and review of supporting documents, as appropriate. **Key Risks:** Delays in implementing management action plans could result in lack of adequate financial processes related to changes in accounting policy, which could impact the reliability and accuracy of financial reporting and compliance with PSAB standards. Based on the 2015-16 Public Accounts, approximately $1.792 billion was recorded by the Province as liabilities for contaminated sites.

Note 1: The statements regarding the engagement objectives, scope and risks are preliminary in nature and are for discussion purposes. These may be revised pending stakeholders consultations and further developed when engagement commences.

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Objective & Scope Statements – Potential New/Ongoing CFAAST Audit Engagements

Potential Corporate Financial Assurance Engagements	Description (Please see Note 1 below)
Ref. #: CFA – 21 Realty Chargeback Follow-up **Type I Engagement**	**Proposed Objectives:** To follow-up on the implementation status of OIAD's recommendations on the ministry and central agency controls and processes related to charge-backs for realty/accommodations. **Preliminary Scope:** This engagement will focus on assessing the extent to which management has implemented action plans to address recommendations noted in the audit report, and rationale for exceptions, if any. **Key Risks:** Delays in implementing management action plans could result in ineffective cost controls over service usage and increased risk that the overall charge-back process is not fair, transparent, and consistent with established mandatory government policies.
Ref. #: CFA – 22 Balance Sheet Reconciliation Process Follow-up **Type I Engagement**	**Proposed Objectives:** To follow-up on the implementation status of the recommendations on the ministry and central agency controls and processes for the OIAD Balance Sheet Reconciliation Process Audit. **Preliminary Scope:** This engagement will focus on assessing the extent to which management has implemented action plans to address recommendations noted in the audit report, and rationale for exceptions, if any. **Key Risks:** Delays in implementing management action plans could result in untimely mitigation of financial management and reporting risks, ineffective decision making, and possible increased financial reporting and fiscal planning risks.
Ref. #: CFA – 23 Bad Debts Process Review Follow-up **Type I Engagement**	**Proposed Objectives:** To follow-up on the implementation status of the recommendations on the ministry and central agency controls and processes for the OIAD Bad Debts Process Review. **Preliminary Scope:** This engagement will focus on assessing the extent to which management has implemented action plans to address recommendations noted in the audit report, and rationale for exceptions, if any. **Key Risks:** Delays in implementing management action plans could result in untimely mitigation of financial management and reporting risks, ineffective decision making, and possible increased financial reporting and fiscal planning risks.

Note 1: The statements regarding the engagement objectives, scope and risks are preliminary in nature and are for discussion purposes. These may be revised pending stakeholders consultations and further developed when engagement commences.

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OBJECTIVE & SCOPE STATEMENTS – POTENTIAL NEW/ONGOING CFAAST AUDIT ENGAGEMENTS

Potential Corporate Financial Assurance Engagements	Description (Please see Note 1 below)
Ref. #: CFA – 24 Pre-Authorized Payment Process Follow-up **Type I Engagement**	**Proposed Objectives:** To follow-up on the implementation status of the recommendations on the ministry and central agency controls and processes related to the pre-authorized payment process. **Preliminary Scope:** This engagement will focus on assessing the extent to which management has implemented action plans to address recommendations noted in the audit report, and rationale for exceptions, if any. **Key Risks:** Delays in implementing management action plans could result in lack of effective internal control relating to the pre-authorized payment process.
Ref. #: CFA – 25 Ad-Hoc and Special Requests **Type I Engagement**	**Proposed Objectives:** To provide advice to OPS stakeholders in key risk areas related to financial reporting matters in transformation and other priority initiatives (such as Queens Park Reconstruction Project, Climate Change, IT transformation, etc.). **Preliminary Scope:** The scope of these engagements will be planned based on the nature of the request and associated risks. The scope will also involve OIAD's participation in related working groups to provide advice and support to corporate stakeholders as appropriate. Focus will be on poverty reduction strategy, climate change strategy, business growth initiatives, Queens Park Reconstruction Project, etc. Consideration will also be given to other emerging initiatives and supporting ministries, where appropriate. **Key Risks:** Various urgent and high priority items might arise due to unforeseen circumstances. Without addressing these risks, there could be potential material impacts on the Public Accounts and financial management / reporting. Inadequate management of key transformation initiatives could lead to the inability to achieve key government commitments and negative public perception.
Ref. #: CFA - 26 OPS Working Group (FCC, FBMC) / Steering Committee Participation **Type I / II / III Engagement**	**Proposed Objectives:** Participation on various working groups and steering committees relating to financial management and reporting processes. **Preliminary Scope:** Focus will be on providing audit updates on key financial management and reporting risks, common themes and lessons learned to key stakeholder groups including the Financial Controllers Committee, Finance Business Management Council and CAO Forums. **Key Risks:** Lack of appropriate awareness and understanding of key corporate financial management and reporting risks could result in ineffective decisions around financial processes and controls.

Note 1: The statements regarding the engagement objectives, scope and risks are preliminary in nature and are for discussion purposes. These may be revised pending stakeholders consultations and further developed when engagement commences.

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OBJECTIVE & SCOPE STATEMENTS – POTENTIAL NEW/ONGOING CFAAST AUDIT ENGAGEMENTS

Potential Corporate Financial Assurance Engagements	Description (Please see Note 1 below)
Ref. #: CFA – 27 Audit Plan Preparation and Audit Committee **Type I / II / III Engagement**	**Proposed Objectives:** To identify the emerging and high audit priorities in preparation of the 2017-18 audit plan for CFAAST including the objective, scope and risks. **Preliminary Scope:** The scope will involve ASTs' participation to provide feedback on the applicability of the audit engagements. **Key Risks:** Inadequate development of the audit plan could lead to ineffective use of internal resources, inability to address key government priorities and increased risk of misstatement in Public Accounts.

These are preliminary statements regarding Engagement Objectives and Scope. Final Scope and Objectives will be developed at the time the engagement commences.

Note 1: The statements regarding the engagement objectives, scope and risks are preliminary in nature and are for discussion purposes. These may be revised pending stakeholders consultations and further developed when engagement commences.

Out Years Potential Engagements for FY 2018-19 and Beyond

Potential Corporate Financial Assurance Engagements	Description (Please see Note 1 below)
Ref. #: 1 Capital Planning Process – Advisory Support of Key Governance Frameworks that Support Financial Decision Making **Type I** **Engagement**	**Proposed Objectives:** To provide advice and support related to governance mechanisms that support key evidence based financial decision making processes for capital planning. **Preliminary Scope:** The scope of the engagement will focus on advisory support on risk based prioritization models/s to inform key evidence based financial decisions used by ministries and central agencies. **Key Risks:** Lack of evidence based decision making process may impact the ability to demonstrate prudent use of financial resources and effective accountability.
Ref. #: 2 I&IT Chargeback Governance Advisory Support **Type I / II** **Engagement**	**Proposed Objectives:** To provide advice/support with respect to the governance mechanisms for I&IT chargeback models and identify any improvement opportunities in the context of the broader SLAs between ministries and IT Clusters/I&IT. **Preliminary Scope:** Leveraging the results of an earlier related audit, the scope of the engagement will include a review of I&IT chargeback models, interviewing key stakeholders and supporting documents and identifying opportunities to further streamline these models. To be done in conjunction with EWIT. **Key Risks:** Lack of transparent process for the I&IT chargeback model on information provided to the ministries that would enhance the clients' understanding of the costs incurred. The I&IT chargeback has been identified as part of a TBS IT Boulder initiative and may have a material impact on the Consolidated Financial Statements.
Ref. #: 3 GREP Consolidation Internal Control Process Review and Support **Type I / II** **Engagement**	**Proposed Objectives:** To provide advice and support on the internal processes and controls for the GREP consolidation. **Preliminary Scope:** The scope of the engagement will include a review of the current GREP consolidation process and relevant documentation, focusing on opportunities to strengthen current reporting processes and controls. To be considered in conjunction with works of the Culture and Innovation Audit Service Team. **Key Risks:** Inadequate internal control in the consolidation process resulting in errors or increased financial reporting and fiscal planning risks. Based on the 2015/16 Public Accounts, the total asset for GREP is approximately $5.847 billion. GREP consolidation is a high risk area as it has been identified as an exception as part of the 2015-16 CoA reporting process and 2015-16 Public Accounts SUDS list.

Note 1: The statements regarding the engagement objectives, scope and risks are preliminary in nature and are for discussion purposes. These may be revised pending stakeholders consultations and further developed when engagement commences.

	To provide assurance / advisory support on the control design for the Public Accounts consolidation process. The scope may include a review of significant financial reporting processes, related controls and documentation for OPCD, focusing on consolidation process. Efforts may involve leveraging external experts as appropriate
Ref. #:5 Trust Accounts / Special Purpose Accounts Internal Controls Process Review **Type I** **Engagement**	**Proposed Objectives:** To assess the extent to which processes and controls for the management of Non-CRF Trust / Special Purpose Accounts are in place and comply with related governing documents (Legislation, MoU, Directives, Polices). **Preliminary Scope:** The scope will include a review of the processes and related documentation for the governance, management, recording and reporting of trust / special purpose accounts for selected ministries. Considerations would be given to key corporate directives and guidance, including the OPS Internal Control Framework. **Key Risks:** Lack of adequate governing framework and ministry controls could result in inaccurate accounting and reporting of trust / special purpose accounts. This could lead to incorrect or incomplete financial reporting. The total value of trust accounts assets is approximately $55.1 billion (based on seven organizations[1]). Special Purpose Accounts was listed on the 2015-16 Public Accounts SUDS list.
Ref. #: 6 Central Agencies' Review of Financial Analysis to Support TB/MBC Submissions (A) **Type I** **Engagement**	**Proposed Objectives:** To review processes and controls related to central agencies' review of financial analysis provided by ministries to support TB/MBC submissions and identify opportunities to strengthen related business cases, analysis, and key financial considerations. **Preliminary Scope:** Scope will include a sample of central agencies based on risk and materiality of TB/MBC submissions. Consideration will be given to opportunities to strengthen central agency guidance, support and related processes, in the context of supporting strengthened ministry submissions. **Key Risks:** Lack of robust financial analysis and support in TB/MBC submissions could result in failure to achieve intended objectives and inefficient use of government resources.

[1] Deposit Insurance Corporation of Ontario, Motor Vehicle Accident Claims Fund, Ontario Pension Board, Pension Benefit Guarantee Fund, Provincial Judges Pension Fund, The Public Guardian and Trustee for the Province of Ontario, and Workplace Safety and Insurance Board)

Note 1: The statements regarding the engagement objectives, scope and risks are preliminary in nature and are for discussion purposes. These may be revised pending stakeholders consultations and further developed when engagement commences.

<u>Ref. #: 7</u> AFP and Recoverable Projects Billing Process Review (non-realty related chargebacks) (A) **Type I** **Engagement**	**Proposed Objectives:** To review processes and controls related to AFP and non-realty related recoverable projects billing to identify opportunities to improve the accuracy, transparency and timeliness of billing. **Preliminary Scope:** Scope will include Infrastructure Ontario and a sample of ministries, selected based on risk and materiality of current AFP and recoverable projects billings. **Key Risks:** Without robust financial processes and controls over AFP and non-realty chargebacks there is a risk for lack of transparency, inefficiency and inconsistency in the chargeback process.
<u>Ref. #: 8</u> Financial Systems Landscape – Phase 3 - Non Automated Interface with IFIS **Type I/II** **Engagement**	**Proposed Objectives:** Leverage results of Phases I and 2, identify the current financial systems at the ministries that are not automated with IFIS and provide a high-level profile of these financial systems, such as total transaction volume and dollar amount. **Preliminary Scope:** Scope may include interviews, discussion and review of documentation as appropriate. Consideration will also be given to the ITGC Toolkit assessments, and supporting EWIT with their related assurance work. **Key Risks:** Inadequate management controls over financial systems result in ineffective IT General Controls and ineffective management of financial assets. Risk of duplication of functionality for ministry financial systems and IFIS.
<u>Ref. #: 9</u> Internal Controls Framework Assurance and Compliance e Support for AST **Type I /II** **Engagement**	**Proposed Objectives:** To provide continued advisory support to ASTs and ministries related to implementation of the enhanced COSO-based internal control framework (ICF). **Preliminary Scope:** The scope will include advice and support to ASTs and line ministries for the continued implementation of effective internal control environments, focusing on the enhanced ICF requirements. **Key Risks:** Lack of adequate internal control frameworks within the organization could result in inefficient and ineffective operations and could impact the organization's achievement of its business objectives. Project risks with respect to the ability to fully implement in fiscal 2017-18, and the need to ensure elements of framework are prioritized and implemented on risk basis over rolling period.

Note 1: The statements regarding the engagement objectives, scope and risks are preliminary in nature and are for discussion purposes. These may be revised pending stakeholders consultations and further developed when engagement commences.

<u>Ref. #: 10</u> Collections Policy Process Review **Type I** **Engagement**	**Proposed Objectives:** To assess the extent to which the ministries' processes and controls are in place relating to the timely collection for outstanding receivables and complies with key governing frameworks. **Preliminary Scope:** The scope of the engagement will include a review of the key processes, documentations and interviews with staff responsible for the collection and write off process for select ministries. Key considerations would be given to relevant corporate directives and guidance. **Key Risks:** Lack of governing framework and ministry controls could result in mismanagement of ministries' receivable portfolio resulting in untimely collection of outstanding funds and incorrect or inaccurate valuation for financial reporting.
<u>Ref. #: 11</u> Capital Assets Internal Controls Process Review Follow-up **Type I** **Engagement**	**Proposed Objectives:** To follow-up on the implementation status of the recommendations on the ministry controls and processes over the acquisition, construction, betterment, impairment, disposal and retirement of tangible capital assets, including related policies and procedures. **Preliminary Scope:** This engagement will focus on assessing the extent to which management has implemented action plans to address recommendations noted in the audit report, and rationale for exceptions, if any. **Key Risks:** Delays in implementing management action plans could result in untimely mitigation of financial management and reporting risks, ineffective decision making, and possible increased financial reporting and fiscal planning risks.

Note 1: The statements regarding the engagement objectives, scope and risks are preliminary in nature and are for discussion purposes. These may be revised pending stakeholders consultations and further developed when engagement commences.