RE: Business Processes

From: "Noor, Khalida (TBS)" <"/o=govon/ou=ontario public sector - iserv ems/cn=recipients/cn=noorkh">
To: "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>
Cc: "Patel, Bharat (TBS)" <bharat.patel3@ontario.ca>, "Sun, Alicia (TBS)" <alicia.sun@ontario.ca>, "Joshi, Aparna (TBS)" <aparna.joshi@ontario.ca>, "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>, "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>, "Donaldson, Mark (MOHLTC)" <mark.donaldson@ontario.ca>
Date: Wed, 26 Jul 2017 15:20:50 -0400

Hi Nadine,

The following processes have been identified to support the preparation of Public Accounts. For each of these processes, please identify the number of controls currently in place to manage the risk.

APFR Business Processes

- **Provision of Advice on Complex Accounting Issues:** OPCD p rovides advice and assessments on matters with accounting policy, consolidation, fiscal, accountability and transparency implications.

- **Pension Accounting Process:** OPCD performs pension accounting activities to prepare and calculate pension expenses for Ontario's pension plans.

- **Consolidated Financial Statements of the Province and other supporting schedules**

  § **Note Disclosure / Schedules:** As part of the annual reporting process, ministries are required to prepare and provide their actual financial results for the fiscal year ended March 31 for inclusion in the consolidated financial statements of the Province. In preparing these financial statements, the Office of the Provincial Controller Division requires supplementary financial information and schedules beyond what is available in IFIS (the OPS financial System). The additional information is required to compile the consolidated results of all ministries and their controlled organizations, as well as to prepare the supporting note disclosures required under public sector accounting standards.

  § **Consolidation Process: The purpose of consolidation is to provide users of the government's financial reports with a full and fair presentation of the government's financial position and activities, which includes the activities of government controlled organizations. The consolidation exercise focuses on capturing the activities of those government organizations that operate outside of the Consolidated Revenue Fund (CRF) but which form part of the Government Reporting Entity (GRE) in accordance with Public Sector Accounting Standards (PSAS). Within the consolidation process there are two sub processes.**

    § **Broader Public Sector (BPS) entities:**

    - **Broader Public Sector organizations and Sector Ministry agencies are reported in the BPS Operating General Ledger and consolidated with the financial statements of the Province of**

Ontario.

- **BPS Reporting of OPCD maintains the Broader Public Sector Operating Ledger and associated Chart of Accounts, processes, instructions, and delivers training.**
- **Sector ministries perform intra-sector balances reconciliation and consolidation**
- **BPS Reporting of OPCD perform inter-sector balances reconciliation and consolidation, elimination, and reclassification.**

§ **Other entities:**

- **As part of the preparation of the Consolidated Financial Statements process, ministries are required to report their actual financial results for the fiscal year-ended March 31. These results are prepared on a consolidated basis and therefore include the financial activities of consolidated organizations. These financial activities are presented as "below the line" consolidation adjustments, and are derived for the most part by the level of transfer payments and other transactions made with the organization, as well as the extent of third party revenues and expenses of the organization.**
- **To ensure all controlled entities are fairly reflected on the provincial books, External Reporting unit of OPCD provides instructions and templates to ministries to enable them to gather the necessary financial information required to perform the consolidation of their controlled organizations.**
- **External Reporting unit conducts consolidation process, including ensuring completeness and accuracy of all required templates.**

- **Miscellaneous / Other Processes:**

§ **Post close journal entries: All Ministries are required to complete the G/L close requirements by the timelines established in the Year End Instructions. Any journal entries that ministries request after the Year End close date are reviewed by OPCD and processed only if the impact is considered material.**

From: Petsche, Nadine (TBS)
Sent: **July-26-17 3:17 PM**
To: **Noor, Khalida (TBS)**
Cc: **Patel, Bharat (TBS); Sun, Alicia (TBS); Joshi, Aparna (TBS); Veinot, Cindy (TBS); Hosick, Sarah (TBS)**
Subject: **RE: Business Processes**
Importance: **High**

Khal,
I'm not sure of the request? Please clarify.
Nadine

From: Noor, Khalida (TBS)
Sent: **July 26, 2017 2:42 PM**
To: **Liscio, Joe (TBS); Petsche, Nadine (TBS); Donaldson, Mark (MOHLTC)**
Cc: **Goralski, Violetta (TBS); Wuschnakowski, Gary (TBS); Hosick, Sarah (TBS)**

Subject: **RE: Business Processes**
Importance: **High**

Hi all

This is a friendly reminder re request below. In the RFS, we have committed to a reply by Fri July 28th . Please let me know if you have any questions.

Thanks
Khal

From: Noor, Khalida (TBS)
Sent: **July-25-17 1:41 PM**
To: **Liscio, Joe (TBS); Petsche, Nadine (TBS); Donaldson, Mark (MOHLTC)**
Cc: **Goralski, Violetta (TBS); Wuschnakowski, Gary (TBS); Hosick, Sarah (TBS)**
Subject: **Business Processes**
Importance: **High**

Hi all,

Request for Services (RFS) was sent out to obtain services on the OPS Internal Control Framework Assessment and Control Design. The RFS primarily focuses on:

Part A : Assessing the OPS Internal Control Framework versus the COSO 2013 Internal Control — Integrated Framework; to effectively establish whether there is alignment between the two Frameworks, and to identify any gaps

Part B : Assessment of Internal Controls over Financial Reporting;

1. **Review the design and implementation of existing and planned financial reporting processes (limited to a test of one sample for each control activity) within the Office of the Provincial Controller Division that support the preparation of the Consolidated Financial Statements.**
2. **Assess these processes to determine the extent to which they are consistent with the principles in the revised Internal Control Framework.**
3. **Identify opportunities for improvement and as necessary document existing and planned processes within OPCD, utilizing developed tools (i.e. Business Process Model Notation, Risk Control Matrix) to support the preparation of the Consolidated Financial Statements.**

We have received the following question: How many controls are in-scope for these business processes?

Please review in-scope processes below for your respective areas and provide an answer by Thursday @12 pm.

Business Processes

The following business processes with OPCD have been identified to be in-scope of this initiative:

Khal

- **Certificate of Assurance: The Certificate of Assurance is an ongoing process that provides annual**

assurance to the Provincial Controller and Office of the Auditor General of Ontario (OAGO) that the government has a strong internal control framework. As a multi-billion dollar organization, the CoA helps evaluate the effectiveness of controls and financial reporting standards, and therefore it is a critical tool used to obtain an unqualified audit opinion on the Consolidated Financial Statements from the OAGO.

Joe

- **Period Close process: Effective fiscal year 2009-10, IFIS Operating General Ledger (OG) period close has been on a complete accrual basis each month. At each period close all necessary accruals and adjustments are prepared and entered in the general ledger to ensure that general ledger account balances are complete and accurate so that the financial position of the Province can be correctly determined at a point in time.**

Nadine / Mark

- **Provision of Advice on Complex Accounting Issues: OPCD p rovides advice and assessments on matters with accounting policy, consolidation, fiscal, accountability and transparency implications.**

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Khal