Legislative Assembly of Ontario

Assemblée législative de l'Ontario

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ONTARIO INTERNAL AUDIT COMMITTEE (INFORMATION AND INFORMATION TECHNOLOGY SECTOR)* ORDER-IN-COUNCIL APPOINTMENT OF ALIZABETH CALDER

Prepared for:

Standing Committee on
Government Agencies

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* Projects prepared by Legislative Research are designed in accordance with the requirements and instructions of the Committee making the request. The views expressed should not be regarded as those of Legislative Research or of the individual preparing the project.

CONTENTS

INTRODUCTION

This paper has been prepared for Members participating in the Standing Committee's review of the Order-in-Council appointment of Alizabeth Calder as a part-time member of the Information and Information Technology (I & IT) Sector Audit Committee, a sub-committee of the Ontario Internal Audit Committee. It describes the operations of the Committee, presents information about the appointee, and identifies possible lines of questioning.

I & IT SECTOR AUDIT COMMITTEE

<table>
<tr><th>Enabling Statute and Regulation</th><th>Responsible Ministry</th></tr>
<tr><td>Ministry of Government Services Act</td><td>Treasury Board Secretariat</td></tr>
<tr><th>Agency type</th><th>Most Recent Annual Report</th></tr>
<tr><td>Advisory</td><td>n/a</td></tr>
<tr><th colspan="2">Activities</th></tr>
<tr><td colspan="2">The Information and Information Technology (I & IT) Sector Audit Committee is one of nine Sector Audit Committees (sub-committees) under the Ontario Internal Audit Committee (OIAC). Through the OIAC, the I & IT Sector Audit Committee provides advice and recommendations to the President of the Treasury Board on internal and external risks related to government-wide information and information technology services, as well as recommended audits to be included in the annual Audit Plan for the sector.</td></tr>
<tr><th colspan="2">Board Membership</th></tr>
<tr><td>Statutory Number of Members: 5
Number Appointed by Cabinet: 3
Term of Office: Up to 3 years</td><td>Position Remuneration
Part-time members: $400 per diem
Only external members receive remuneration. Internal members (i.e., government staff) are not remunerated.</td></tr>
<tr><th colspan="2">Position Requirements</th></tr>
<tr><td colspan="2">There are four in-person meetings per year, ranging from half to one day in length. Additional meetings may be convened as required.</td></tr>
</table>

BACKGROUND

Internal auditing is an "independent, objective assurance and consulting activity designed to add value and improve the operations" of the Ontario Public Service (OPS), including all ministries and provincial agencies.[1] In particular, internal auditing is intended to bring a systematic and disciplined approach to evaluate and improve governance, accountability and risk management.

[1] Treasury Board Secretariat, Internal Audit Directive.

Internal audit services throughout the OPS are governed by the Internal Audit Directive. All ministries are required to have an internal audit function. The Chief Internal Auditor (Assistant Deputy Minister) is the head of the Ontario Internal Audit Division, which provides assurance, advisory and investigative services to OPS ministries and provincial agencies.

According to the Directive, the key principles underpinning internal audit activities include:

- independence and objectivity
- integrity
- confidentiality
- competence
- risk-based and client-focused
- management support
- continuous improvement
- partnering with the Office of the Provincial Controller Division of Treasury Board Secretariat (TBS) to promote strong governance, accountability and risk management in the OPS

ONTARIO INTERNAL AUDIT COMMITTEE AND ITS SUB-COMMITTEES

The Information and Information Technology (I&IT) Sector Audit Committee is one of nine Sector Audit Committees (sub-committees) under the Ontario Internal Audit Committee (OIAC).

The OIAC is a provincial advisory agency with a mandate to assist in strengthening governance, risk management, and internal control practices of the Ontario government, as well as to provide audit-related advice, recommendations and reports to the President of the Treasury Board. Both the OIAC and its subcommittees include external and internal members.

The OIAC's subcommittees, including the I & IT Sector Audit Committee, have an additional mandate to "provide independent advice and recommendations on the adequacy of the government's risk management, governance and internal control practices related to the sectors, including the adequacy of addressing audit findings, and the effectiveness of the internal audit function."[2] The subcommittees also provide advice and recommendations on sector audits to be included in the annual Audit Plan for the sector (including all applicable ministries), and support Deputy Ministers and senior executives with advice on managing and stewarding public resources.[3]

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[2] Treasury Board Secretariat, "Published Plan and Annual Report 2020-21."
[3] Public Appointments Secretariat, "Ontario Internal Audit Committee - Information and Information Technology Sector Audit Committee."

The I & IT Sector includes government-wide information management and information technology projects, including

- information and infrastructure security
- systems operations
- new systems under development
- systems and information technology project management
- enterprise-wide business continuity planning and disaster preparedness

Recent Developments

In 2018, the Ontario government established an Audit and Accountability Committee as a sub-committee of the Treasury Board to "direct internal audit services to priority areas and embed more scrutiny and discipline at earlier stages in the fiscal process." The I & IT Sector Audit Committee, through the OIAC, supports the Audit and Accountability Committee by reporting on the status and key findings of priority and special audits.

In 2020, the Ontario government filed a civil claim against a former OPS employee who is alleged to have stolen at least $11 million from the Ministry of Education's Support for Families program (which provided one-time funding to parents to help offset costs during the 2020-21 school year). The employee was a director in the Ontario Ministry of Education's iAccess Solutions Branch and led the development of the computer application used for the program. According to media reports, the Ontario government "failed to detect that $11 million had allegedly been stolen from the Support for Families COVID-19 relief fund until being alerted by a bank two months later." [4]

Financial Information

Estimated expenditures for the OIAC are $190,000 (estimated) in 2020-21, compared to $75,918 in 2019-20.[5]

The Witness

The witness, Alizabeth Calder, is seeking appointment as a part-time member.

According to the Office of the Premier, the witness, of Toronto, is an Executive Consultant and Chief Information Officer assignee for Sylvester Inc., and a former Senior Vice-President and Chief Information Officer for Air Miles. Her

[4] Robert Benzie, "Missing $11M in COVID-19 relief aid went unnoticed for months, court documents show," *Toronto Star*, February 8, 2021.
[5] Treasury Board Secretariat, "Published Plan and Annual Report 2020-21."

community involvement includes serving as an adjunct researcher for International Data Corporation (IDC).

POSSIBLE QUESTIONS

1. *What has motivated the witness to seek this appointment?*

2. *What particular contribution does the witness hope to make to the Board?*

3. *Is the witness familiar with the principles of modern internal auditing identified in the Internal Audit Directive?*