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ONTARIO INTERNAL AUDIT COMMITTEE (RESOURCES SECTOR) ORDER-IN-COUNCIL APPOINTMENT OF ALLAN CHESKES *

Prepared for:

Standing Committee on Government Agencies

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INTRODUCTION

This paper has been prepared for Members participating in the Standing Committee's review of the Order-in-Council appointment of Allan Cheskes as a part-time member of the Resources 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.

RESOURCES SECTOR AUDIT COMMITTEE

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

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

[1] Treasury Board Secretariat, Internal Audit Directive.

auditing is intended to bring a systematic and disciplined approach to evaluate and improve governance, accountability and risk management.

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 supported
- 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 Resources 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 Resources 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]

The Resources Sector Audit Committee's portfolio includes

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

- the Ministry of Natural Resources and Forestry
- the Ministry of Environment, Conservation and Parks
- the Ministry of Agriculture, Food and Rural Affairs
- the Ministry of Labour, Training and Skills Development
- the Ministry of Economic Development, Job Creation and Trade

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 Resources 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.

FINANCIAL INFORMATION

Estimated expenditures for the OIAC are $190,000 (estimated) in 2020-21, compared to $75,918 in 2019-20. There were no reported expenditures in 2018.[4]

THE WITNESS

The witness, Allan Cheskes, is seeking appointment as a part-time member.

According to the Office of the Premier, the witness, of Toronto, is a former instructor at Seneca, former partner in Private Management with Deloitte, and a former partner with Mintz & Partners. His community involvement includes serving as past president and on the budget, finance, and audit committee of the Beth Sholom Synagogue.

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?*

[4] Treasury Board Secretariat, "Published Plan and Annual Report 2020-21."