May 18, 2017

Dear Applicant:

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (Our File #: EDU/043/2017)

On May 8, 2017 the Department of Education and Early Childhood Development (EECD) received your request for access to the following records/information:

* "A copy of the following briefing material: Newfoundland and Labrador English School District - Update on Internal Audit Report Recommendations #1"

A decision has been made by the Deputy Minister for the Department of Education and Early Childhood Development to provide access to some of the requested information and the appropriate copies have been enclosed.

Access to the remaining records, and/or information contained within the records, has been refused in accordance with the following exceptions to disclosure, as specified in the Access to Information and Protection of Privacy Act (the Act):

Section 40: Disclosure harmful to personal privacy

(1) The head of a public body shall refuse to disclose personal information to an applicant where the disclosure would be an unreasonable invasion of a third party's personal privacy.

As required by 8(2) of the Act, we have severed information that is unable to be disclosed and have provided you with as much information as possible. In accordance with your request for a copy of the records, the appropriate copies have been enclosed.

The Access to Information and Protection of Privacy Act requires us to provide an advisory response within 10 days of receiving the request. As this request has been completed by day 10, this letter also serves as our Advisory Response.

You may appeal this decision and ask the Information and Privacy Commissioner to review the decision to provide partial access to the requested information, as set out in section 42 of the Act. A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your appeal should identify your concerns with the request and why you are submitting the appeal.

The appeal may be addressed to the Information and Privacy Commissioner as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John's, NL, A1B 3V8
Telephone: (709) 729-6309; Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act.
Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please feel free to contact the undersigned by telephone at 709-729-7425 or by e-mail at AmandaGarland@gov.nf.ca.

Sincerely,

Amanda Garland
Manager of Information Services
ATIPP Coordinator

Enclosure
Title: Newfoundland and Labrador English School District – Update on Internal Audit Report Recommendations #1

Issue: To provide a summary, as requested by the Deputy Minister for the Minister of Education and Early Childhood Development, on Newfoundland and Labrador English School District - Update on Internal Audit Report Recommendations #1 by the Office of the Comptroller General.

Background and Current Status:

- In May 2016, the Office of the Comptroller General (OCG) completed a report Review of Fraud Allegations and Related Internal Controls for Facilities Division as the result of an anonymous tip of fraud at Newfoundland and Labrador English School District (NLESĐ). The tip received by the Provincial Government detailed a certain suspicious use of NLESĐ funds to purchase goods to repair and furnish their homes and cabins. The audit objectives were as follows:
  1. Inquire and report on the allegations of fraud.
  2. Document and assess the District’s business processes and internal controls for the purchasing cycle as it relates to fraud risks.
  3. Review transactions involving specific employees and vendors noted as suspicious.

- A number of findings were identified as noted below:
  o A number of potentially fraudulent transactions involving the suspicious use of NLESĐ funds to purchase goods to repair and furnish their homes and cabins.
  o Lack of basic internal controls around procurement, receipt and payment of goods and services.
  o NLESĐ’s financial system does not allow for proper segregation of duties. The same person can purchase, receive and approve payments which occurred with the suspicious use of NLESĐ funds.
  o Sharing of passwords to expedite purchasing.
  o General lack of management oversight, monitoring and accountability in the Facilities Division.

- In January 2017, the OCG completed a report Newfoundland and Labrador English School District – Update on Internal Audit Report Recommendations #1. The objective of the follow-up was to assess NLESĐ’s status on the recommendations and determine the status of the implementation of the recommendations and/or if alternative action plans are sufficient to address the issues identified.

- Of the 37 action items highlighted in the May report; 21 (57%) have been acted upon with 6 (16%) of these being fully implemented; and 15 (41%) partially implemented. The remaining 16 action items (43%) have either not been acted upon or management has determined current resources to be insufficient to address the issues identified.

- The Office of the Auditor General (OAG) is currently conducting field work on a related review at the NLESĐ.
Analysis:
- NLESD advised they are restricted by their current financial system (SDS) in terms of functionality. The vendor for this system has advised the District that this system will no longer be supported and as such, there is no possibility for system enhancements to address issues identified as part of Office of the Comptroller General’s review. In these cases, it is recommended that the District consider manual business processes to reduce the associated risks until such time as system/resource issues can be addressed.

Action Being Taken:
- Departmental officials are working with NLESD to determine the most appropriate action to address the partially complete or incomplete items.
- The Assistant Deputy Minister (Corporate Services) with the department and the Assistant Director (Finance with NLESD will hold monthly meetings to monitor progress. The Deputy Minister with the department and the Director/CEO of NLESD will join the monthly meeting on a quarterly basis.

Prepared/Approved by: D Stapleton/P Smith/R. Gardiner

Ministerial Approval:

March 31, 2017

BN/17/59