

## **ONTARIO YOUTH APPRENTICESHIP PROGRAM (OYAP) AUDIT AND ACCOUNTABILITY REQUIREMENTS 2021-2022**

Note to Auditors and other readers: Schedule “H”, the Audit and Accountability Requirements, must be read in conjunction with the Agreement and its other Schedules.

### **1.0 DEFINITIONS**

In this Schedule, the following terms have the following meanings:

- a. **“Capital Assets”** means capital assets (tangible and intangible), are identifiable assets that meet all of the following criteria:
  - i. are held for use in the provision of services, for administrative purposes, for production of goods or for the maintenance, repair, development or construction of other capital assets;
  - ii. have been acquired, constructed or developed with the intention of being used on a continuing basis;
  - iii. are not intended for sale in the ordinary course of operations; and
  - iv. are not held as part of a collection.

Tangible capital assets include land, buildings and equipment.

Intangible capital assets are identifiable non-monetary assets without physical substance.

- b. **“Multi-agreement holder”** means a Recipient that has two or more agreements with the Province within a single region or across more than one region.
- c. **“Project Accounting”** means that, where a Recipient has multiple projects, all costs will be allocated to a specific Project. These costs will then be reconciled with the sources of funding, ensuring accurate accounting. The Recipient may receive funding from multiple sources. For the purpose of Audit and Accountability Requirements, each Project has a separate source of funding. Project Accounting connects Recipient funding with Project activities to effectively track the financial progress of a Project.

### **2.0 FUNDING CATEGORIES**

- a. **Administration Costs**  
Administration Costs include:

- i. office supplies, stationery, printing, telephone, postage costs and travel costs associated with managing the Project and in general administrative operation of the Project.
- ii. staff travel costs within Ontario, where the expenditure represents a reimbursement of actual travel expenses incurred in conducting business related to delivery of OYAP, including food and accommodation.

Notes: Administration Costs allocated to the Project shall not exceed 15% of the Funds.

b. **Salaries/Wages/Benefits Costs**

Salaries/Wages/Benefits Costs include:

i. OYAP Coordinator

Each DSB must have an OYAP Coordinator. The percentage of the coordinator's salary and benefits apportioned to OYAP must align with time spent on OYAP delivery and performance targets. OYAP funds may not be used to supplement salary costs related to other programs/roles (e.g., Specialist High Skills Majors, School College Work Initiative, and cooperative education); and

Note: In order to effectively deliver and administer OYAP, provide information and oversight to DSB staff, and coordinate with the Province's staff, the Province expects OYAP Coordinators to have previous experience and knowledge related to the trades/ apprenticeship. For example, the person may be a journeyperson or tradesperson, may have taught a trade in a co-operative education program, or may have managed co-op or other trade-related programs.

ii. Administrative Support

Note: Total salaries and benefits may be up to 55% of the total budget (including special projects but not special request-transportation).

c. **Professional Development Costs**

Professional Development Costs include:

- i. Events or Conferences

Costs for events and conferences to provide professional development directly related to OYAP for DSB staff, teachers and guidance counsellors, including travel and accommodation.

ii. **Professional Memberships**

Costs for professional memberships or annual dues to associations such as regional OYAP Coordinators' associations.

Note: Professional Development Costs allocated to the Project shall not exceed 10% of the Funds.

d. **Special Project Costs**

Special Project Costs include costs for Special Project for Girls, Special Project for Indigenous Students and Special Project for Community Outreach:

i. **Special Project for Girls**

DSBs may request up to 15% of their base allocation, to a maximum of \$20,000, for activities or events that promote trades in which women are historically under-represented and that support female students engaged in those trades in OYAP. See below for a list of trades.

1. Activities eligible under this may include:

- a. promotion of these trades to girls within schools or the greater community, including events in which girls have an opportunity to learn about these trades and, if possible, meet female journeypersons or apprentices (costs for events include promotion, materials, travel, meals); and
- b. gender awareness training related to careers, with a focus on the trades, to students, teachers, guidance counselors, Parents, and employers who provide placements for Participants.

2. DSBs will report on these outcomes in their interim and final program reports:

- a. details of activities or events and number of people who attended;
- b. number of girls enrolled in OYAP in trades that are historically under-represented by women; and
- c. 2-3 success stories.

Special project activities will focus on the high demand trades in which women are under-represented, listed below, and will include information about the apprenticeship pathway. DSBs may choose to focus on one trade or several.

<b>Trade Code</b>	<b>Trade Name</b>
310S	Automotive Service Technician
450A	Construction Craft Worker
309A	Electrician: Construction and Maintenance
309C	Electrician: Domestic and Rural
403A	General Carpenter
429A	General Machinist
421A	Heavy Duty Equipment Technician
442A	Industrial Electrician
433A	Industrial Mechanic Millwright
306A	Plumber
313A	Refrigeration and Air Conditioning Systems Mechanic
308A	Sheet Metal Worker
310T	Truck and Coach Technician
456A	Welder

Note: Funding in this category may not be moved to other categories.

## **ii. Special Project for Indigenous Students**

DSBs may request up to 15% of their base allocation, to a maximum of \$20,000, for activities or events to promote apprenticeship trades to Indigenous students.

1. Activities eligible under this will meet the following criteria:
  - a. partnership with local Indigenous partners when developing local events to ensure that content is culturally appropriate;
  - b. events will have components of Indigenous culture, for example, language, worldview, ways of learning, or customs;
  - c. where possible, projects will provide opportunities for Indigenous students to engage with Indigenous mentors or elders, and Indigenous apprentices or journeypersons; and
  - d. events will include information about the apprenticeship pathway.

2. DSBs will report on these outcomes in their interim and final project reports:
  - a. details of activities or events and number of Indigenous students who attended; and
  - b. 2-3 success stories.

Note: Funding in this category may not be moved to other categories.

**iii. Special Project for Community Outreach**

DSBs may request up to 10% of their base allocation, to a maximum of \$10,000, for activities or events that to promote OYAP participation and apprenticeship trades to students, Parents, educators or employers.

Activities eligible under this will meet the following criteria:

1. Targeted, have clear goals, and address a gap in existing promotional activities;
2. Locally focussed (school board/ schools and area);
3. Not broad in scope nor duplicate provincial-level promotional initiatives (e.g. ministry skilled trades/ apprenticeship awareness campaigns); and
4. Include a range of grade levels and/ or schools, spanning K-12, informed by local level data, planning and OYAP goals.

Note: Funding in this category may not be moved to other categories.

**e. Support Costs**

Support costs include Program Support Costs and Student Support Costs:

**i. Program Support Costs**

**1. Communications and Marketing Costs**

All communications and marketing costs associated with the program such as advertising (print, radio, web-based, etc.), information or in-service sessions (e.g. EOIS-APPR training), newsletters, websites, etc.

Note: Costs for promotional merchandise (e.g. pens, mugs, t-shirts, etc.) shall not exceed 3% of the total budget.

2. Special Events (Students and Employers)

Costs related to special events such as student and employer recognition events, skills competitions or demonstrations (e.g. Skills Canada-Ontario), workshops and tours, including travel, accommodation, meals and registration or affiliation fees.

Note: Use of OYAP funding to provide financial awards to students is not permitted.

ii. **Student Support Costs**

1. Safety Equipment

Purchase of safety equipment for Participants' use at the work placement site (i.e. only equipment that are required by regulation or by the employer where the employer has set additional health and safety standards, such as personal protective equipment including hard hats, safety glasses and safety boots).

2. Safety Training

Costs for safety training which are directly related to Participants' work placements and related to safety (for the safety of the Participants at the work placement site).

Note: The purchase or lease of equipment for classroom use or special events is not permitted.

3. Transportation

Participants' transportation to and from the work placement site and to and from a provincially funded Level 1 Apprenticeship In-class Training where there is a demonstrable need.

The Recipient will ensure that:

- a. costs are not provided for activities already funded by other government funded programs (e.g. School College Work Initiative);
- b. the most affordable means of transportation (i.e. public transit) are arranged for the Participants, where possible; and

- c. costs are reduced where possible (e.g. provide one-day public transit tickets instead of monthly passes).

#### 4. Exemption Test Fees

Any applicable fees for writing apprenticeship Exemption Tests by Participants.

#### f. **Special Transportation Costs**

Additional transportation funding for student needs as described in the Transportation category under e.ii.3 Transportation Costs of Program Support Costs above for DSBs with high transportation needs due to geography or lack of public transportation.

Note: Funding in this category may not be moved to other categories.

### 3.0 FINANCIAL CONSIDERATIONS

#### a. **Funds**

The Recipient's use of Funds is also subject to the following limits:

- i. Funds are for the direct delivery of all components of the Project. Costs related to the provision of the Project that would be considered part of a Recipient's day-to-day operations.
- ii. Funds are allocated against an identified level of activity.
- iii. Funds are to be expended by the Project's Expiry Date as set out in Schedule "B" of the Agreement.
- iv. In situations of co-location of the Project with other programs and services, Project Funds will only be used to cover costs directly related to the delivery of the Project; this will be managed by applying Project Accounting principles.
- v. Funds cannot be used for major capital expenditures, such as the purchase or construction of facilities and equipment.
- vi. Funds cannot be used to lease space, purchase or lease non-safety equipment, or purchase equipment for classroom use or for use related to special events. Funding cannot be used to purchase safety equipment which is the responsibility of employers to purchase and make available to their employees or apprentices for use at the work site.
- vii. The Recipient will not transfer Funds between budget lines (as set out in Schedule "D" of the Agreement) unless it obtains the prior

written consent of the Province, but may shift funds within a category (as set out in the Statement of Revenue and Expenditures posted on the EOPG).

- viii. The Recipient should not anticipate additional funds, although the Recipient should discuss any issues with the Province.
- ix. Prior written approval of the Province is required for travel outside Ontario.
- x. Administration Costs recognize costs necessary for operating an organization but not directly associated with the delivery of the Project (for example, a portion of the salaries and benefits of the Executive Director, IT, and financial staff who work for the entire organization calculated according to the portion of their time dedicated to administrative functions that support the Project).
- xi. Funds cannot be used for termination, severance costs and bonuses.

**b. Interest Earned**

The Agreement sets out the requirements on Interest Earned.

If the Recipient fails to identify interest earned in the Estimate of Expenditure Report (EER) and the Statement of Revenue and Expenditure Report (SRER), then the following applies:

- i. The Province will deem interest to have been earned based on the average of unspent Funds reported on the EER and the SRER using the current interest rate charged by the Province of Ontario on accounts receivable. This deemed interest amount will be considered revenue of the Recipient for the purposes of the EER and the SRER; and
- ii. Such failure will be considered an Event of Default in accordance with section A12.1 of the Agreement.

**c. Bank Account**

The Agreement sets out the requirements regarding deposit of the Funds into an interest-bearing account in section A4.4 of the Agreement.

Although maintaining a separate bank account for Funds received from the Province is not a requirement under the Agreement, it is a strongly recommended practice.

**d. Capital Assets**



The Recipient is not required to report capital asset expenditures to the Province. However, the Recipient will maintain a separate record of capital asset expenditures for audit purposes in accordance with section A7.3 of the Agreement.

**e. Disposition of Assets**

The Agreement sets out the requirements on Disposition of Assets.

Any money earned on the disposition of assets will be reported on the SRER (and any other reports specified by the Province) in the period when disposition of the asset occurs.

**f. Deficits**

The Recipient is accountable for managing the Funds and required to remain within its approved site allocations (as set out in Schedule “D” of the Agreement). The Recipient will request prior written approval from the Province for an anticipated over-expenditure. Each request will be individually evaluated. The Recipient will enclose copies of overspending approval documents from the Province with their financial reports (for example, EER or SRER as requested by the Province).

**g. Tax Rebates**

Reporting Province program expenditures net of tax rebates:

The Recipient will report all program expenditures net of any tax rebates or input tax credits.

**h. Sample**

Amount Recipient spent on goods/services		\$100.00
Amount of tax paid (example 13%)	\$13.00	
Less amount of tax rebate claimed (where rebate equals 80%)	<u>-\$10.40</u>	
Amount of tax expenditure		+ \$2.60
Amount reported as Province Project expenditure		<u>\$102.60</u>

**4.0 INSTRUCTIONS FOR REPORTS REQUIRED**

Reports are complete if they are signed by a person with authority to bind the Recipient. Payments will be delayed if complete Reports are not received by identified due dates as directed by and in the form required by the Province.

a. **Estimate of Expenditure Report (EER)**

The Recipient will submit to the Province EER as required for **each site as set out in Schedule “D” and in accordance with Schedule “F”**.

The EER will identify the total expenditure for the defined period for each site using the best information available at the time.

The Province will provide the Recipient with a template for the EER. The Recipient will complete the EER as directed by and in the form required by the Province.

The Province may adjust payments based on the EER received during the year.

b. **Statement of Revenue and Expenditure Report (SRER)**

The Recipient will submit to the Province SRER as required for **each site as set out in Schedule “D” and in accordance with Schedule “F”**.

The SRER is used as the basis for the Province’s annual Reconciliation Report.

The Province will provide the Recipient with a template for the SRER. The Recipient will complete the SRER as directed by and in the form required by the Province.

The SRER will verify that:

- i. Funds have been applied to costs directly related to the Project;
- ii. Shared costs have been properly apportioned to the Project using Project Accounting principles;
- iii. Funds received or expended in prior years for a similar project have not been included;
- iv. Funding and expenditures from other sources have not been included in the Report;
- v. Project reported expenditures are net of tax rebates, credits and refunds referred to in section A4.6 of the Agreement;
- vi. Interest earned on Funds has been credited to the Project;
- vii. Money earned on the disposition of assets has been credited to the Project and maintained in an interest-bearing bank account;
- viii. Funds that were provided to the Recipient before the Recipient’s immediate need for them were placed in an interest-bearing bank account in the name of the Recipient at a Canadian financial institution; and

- ix. Administration Costs allocated to the Project do not exceed 15% of Funds.

**c. Auditor's Report**

The Recipient will obtain an Auditor's Report in accordance with Schedule "F", when the Maximum Funds (set out in Schedule "B" of the Agreement) total \$150,000 or more.

The audit of the SRER will be conducted by an external auditor in accordance with Canadian Generally Accepted Auditing Standards. The auditor should verify, at a minimum, that proper and distinct accounts and records are maintained for program funds/expenditures by each budget line. The Auditor's Report will include an opinion on the SRER.

The Recipient will upload a copy of the full Auditor's Report in EOIS-SP Connect.

Another copy of the full Auditor's Report will be submitted to the Province directly from the auditor.

An Auditor's Report is not required for Recipients who are:

- i. District School Boards or school authorities as defined in the *Education Act, R.S.O. 1990, c. E2*, as amended;
- ii. Universities established in Ontario that receive regular and ongoing operating funds from the government for purposes of post-secondary education;
- iii. Colleges of Applied Arts and Technology as defined in the *Ontario College of Applied Arts and Technology Act, 2002. S.O. 2002, c. 8 Sch. F*, as amended; or
- iv. Municipalities in Ontario as defined by the *Municipal Act, 2001. S.O. 2001, c. 25*, as amended.

**Important Note:** If additional details or corrections are necessary on the SRER, the Recipient's external auditor will verify any revisions in writing. The Province cannot accept unaudited information provided by a Recipient in support of their SRER.

**d. Audited Financial Statements**

The Recipient will submit to the Province complete and unabridged Audited Financial Statements from the most recent available fiscal year. Recipients who are multi EO agreement holders are only required to submit one set of

statements.

The audit of the statements must be conducted by an external auditor in accordance with Canadian Generally Accepted Auditing Standards. Instructions for submitting Audited Financial Statements will be available on the EOPG.

Recipients who are exempted from submitting Auditor's Reports under section 4.0.c. above are not required to submit Audited Financial Statements.