



Operational Review Guide for Ontario District School Boards

**October 2009
(Third Edition)**



reach every student



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Introduction

The Ontario Ministry of Education (“the Ministry”) is conducting operational reviews of the 72 district school boards across the province. The initiative supports Ministry goals, and will heighten confidence and support for public education by increasing system effectiveness, efficiency, transparency and responsiveness.

This document is the third edition of the Operational Review Guide and defines the common process, scope, and supporting tool set for the operational reviews.

The Operational Review is focused on the review of a school board’s operations in four functional areas: governance and school board administration; human resource management and school staffing/allocation; financial management; school operations and facilities management. The purpose of the reviews is to assess the extent to which boards have implemented the leading practices set out in this guide. The review also provides, where appropriate, recommendations on opportunities for improvement.

All operational reviews will recognize each board’s unique context and characteristics to:

- Strengthen management capacity in boards, with recommendations that support improvement in non-academic operations
- Highlight existing successful business practices used by the boards, to the sector and to school board communities
- Leverage “best practices” across the education sector
- Provide support and assistance to ensure that boards are financially healthy, well-managed, and positioned to direct optimum levels of resources to support student success
- Provide the Ministry with important input on board capacity and capabilities, for the ongoing development of policy and funding mechanisms.

Over the course of the reviews and follow-up assessments, the Ministry has identified opportunities to support continual improvement in the effectiveness and efficiency of non-academic operations of each board. The reviews will also highlight exemplary practices supported by processes that can be replicated, and refine best practices to reflect improvements.

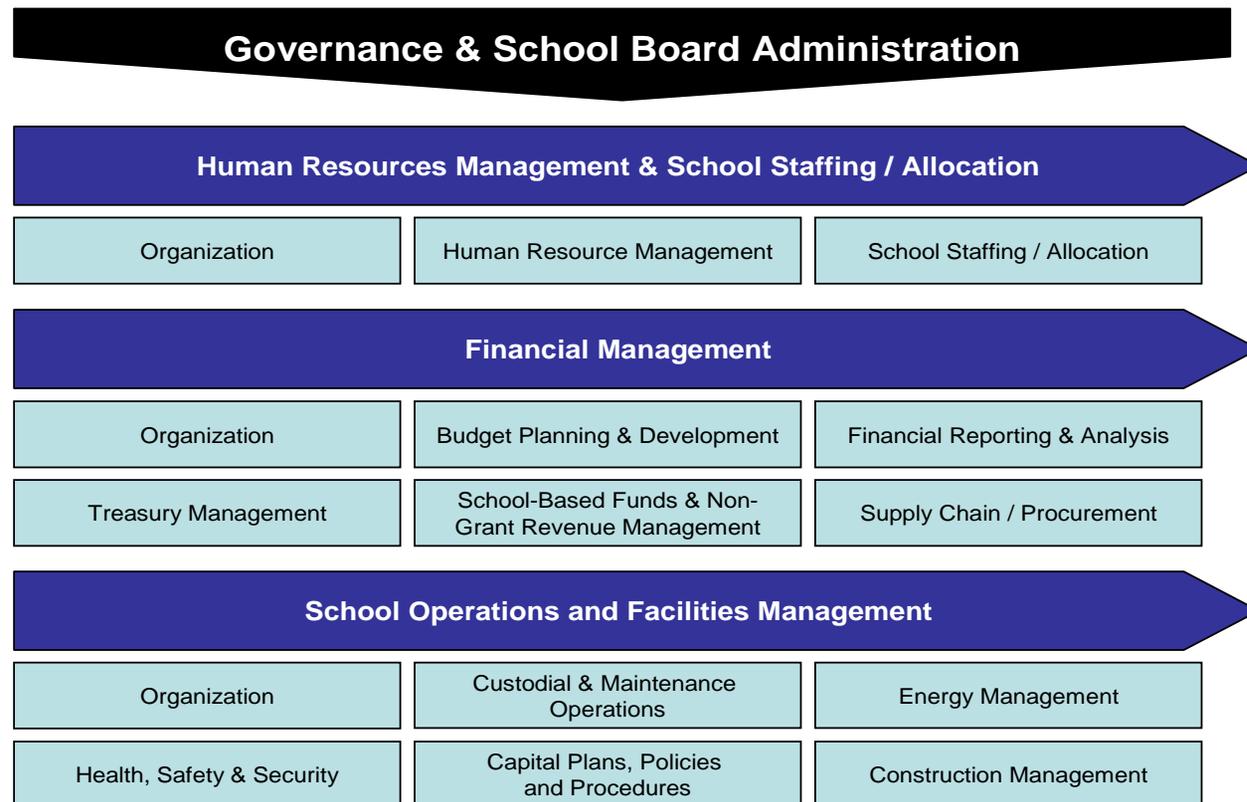
By identifying opportunities for continual improvement, the reviews assure the public that school boards are administratively and operationally aligned to support the Ministry’s highest priority: **student achievement**. The Operational Review initiative will also contribute directly to increasing confidence and support for public education.

Operational Review – A Summary of the Review Scope and Approach

Operational Review Summary Scope

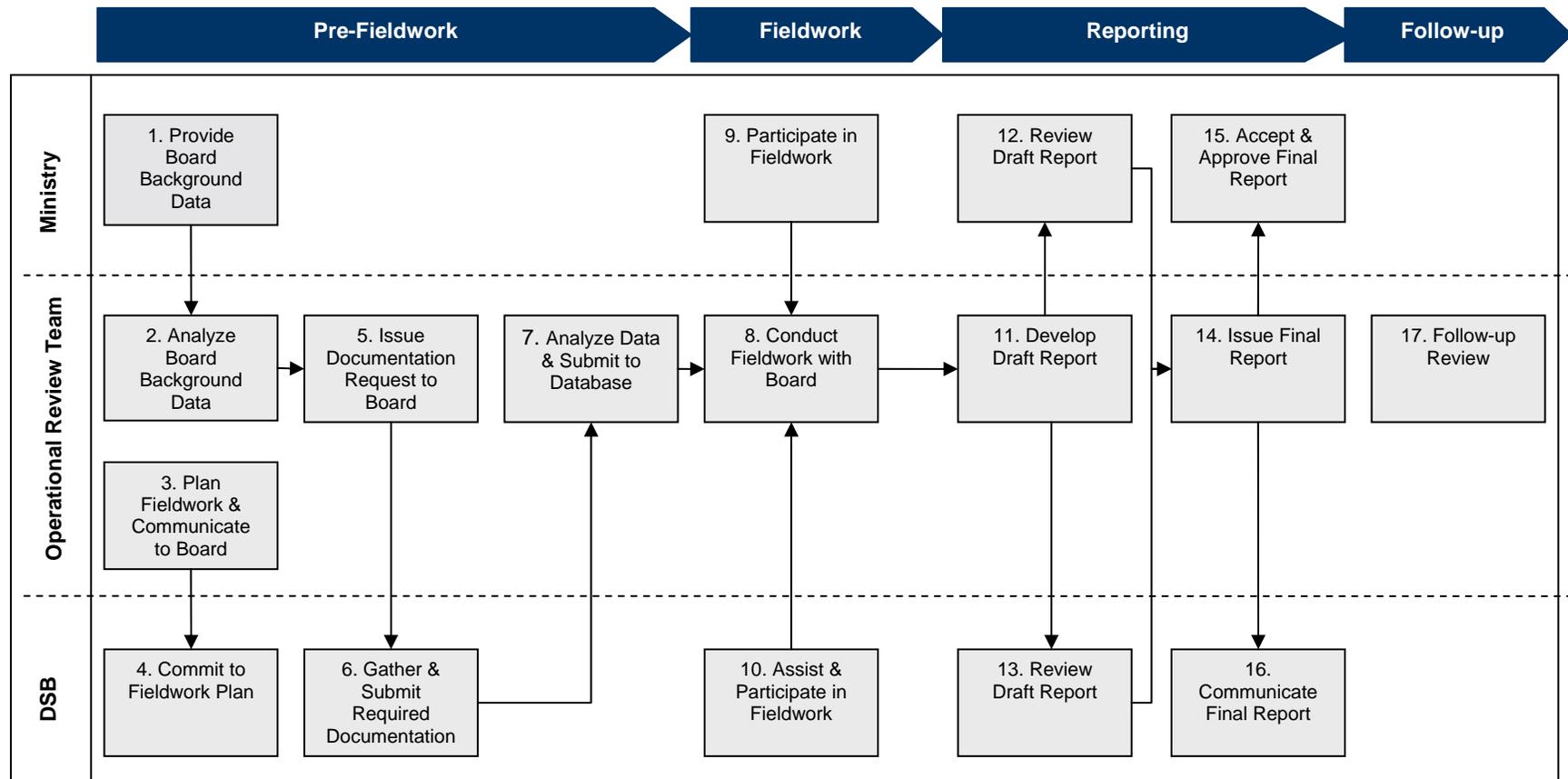
The operational review covers the following functional areas, divided further into key processes as shown below. The processes represent the end-to-end lifecycle of activities performed by boards under each functional area.

Each of the processes will be examined based on its activities and adherence to leading practices, including alignment and support of student achievement strategies.



Operational Review Summary Approach

The high level operational review approach is shown below. On average, the end-to-end process will take up to ten weeks, with four weeks of pre-fieldwork, two weeks of fieldwork, and four weeks for reporting. The schedule will vary depending on the size of the board.



The following table explains each activity in more detail:

Phase	Key Activity	Description
Pre-Fieldwork	Provide School Board Background Data	The Ministry collects and maintains significant quantities of school board data. The Operational Review team has developed a standardized data request for all school boards to provide background data prior to the review.
	Analyze School Board Background Data	Before the start of the fieldwork, the Operational Review team reviews school board background data to understand the financial and operating characteristics. This review identifies specific issues and focus areas.
	Plan Fieldwork and Communicate to School Board	The Ministry and the Operational Review team develop a review schedule that is communicated to school boards before the start of the next review cycle.
	Commit to Fieldwork Plan	Boards are required to commit to the Operational Review schedule. The Ministry and the review team will attempt to accommodate scheduling conflicts.
	Issue Documentation Request to School Board	Before the start of fieldwork, a request for supporting documentation is generated to gather operating and other information for each focus area. The review team uses this information to enhance its understanding of the school board before the start of field work.
	Gather and Submit Required Documentation	Upon receipt of the request for supporting documentation, each board compiles the requested data. School boards have at least three weeks to complete this process prior to the start of the fieldwork.
	Analyze Data and Submit to Database	The review team analyzes the data provided by each board and adds the results to a sector-wide database to compare the results for each school board.
Fieldwork	Conduct Fieldwork with School Board	The fieldwork is conducted for each school board according to the previously agreed upon review cycle. The time required for fieldwork ranges between five and 10 days, based on the size of the school board.
	Participate in Fieldwork	Ministry staff support the review team in the performance of fieldwork, to ensure continuity and knowledge transfer of school board operations.

Phase	Key Activity	Description
	Assist and Participate in Fieldwork	School board staff participate in the fieldwork. The number of participants involved will vary depending on the size of the school board.
Reporting	Develop Draft Report	Based on the results of the fieldwork and data analysis, the operational review team writes a draft report. The draft report contains a synopsis of findings and, where appropriate, recommendations for improvement.
	Review Draft Report (Ministry)	The Ministry reviews the draft report and provides feedback to the review team.
	Review Draft Report (board)	The review team meets with board senior staff to review and obtain feedback.
	Prepare Final Report	The review team incorporates the feedback from the both the Ministry and the school board and prepares a final report.
	Accept and Approve Final Report	The final report is issued to the Ministry for approval and release.
	Communicate Final Report	The Ministry issues a final report to the school board.
Follow-up	Follow-up Review	Eight to 12 months after the release of the final report, the review team conducts a follow-up review to determine the extent the board's adoption and implementation of the recommendations.

1.0 Governance and School Board Administration

Governance and School Board Administration Overview

A school board's governance model and administrative organizational framework make a significant contribution in helping the board of trustees, director, senior administration and community stakeholders support both student achievement strategies and effective board operations.

1.1 Governance and School Board Administration

Governance and school board administration processes are reviewed to:

- Understand how the governance model supports operational effectiveness and delineates the division of duties between the board of trustees and the administration
- Assess the development of the annual plan (including the goals/priorities) and actions to engage and communicate with key stakeholders, and the related reporting against the plan
- Assess how policies and related procedures are generated and maintained
- Determine whether staffing levels and organization structures provide for clarity of roles and accountability sufficient to carry out the school board's objectives
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

For the purpose of the Operational Review, governance and school board administration is divided into the following activities:

Activities	Description
Establishment of an Effective Governance Model	The governance model delineates the division of duties between the board of trustees, the director of education, and senior administration. The governance model contributes to and supports the achievement of the board's goals/priorities, including student success strategies and the operational effectiveness of the senior administration and staff.
Development of the Board's Strategic Directions/Plan	Ambitious but realistic multi-year strategic directions/plan is developed and approved by the board for student achievement and board operations. The strategic directions/plan is developed with the input of school board staff and the school community. The director of education and senior staff develop a detailed annual school board operating plan aligned with the Board's strategic directions/plan and reflect "goals and priorities" that are specific, measurable, achievable, relevant and timely. Procedures are in place to monitor, track and report on the progress achieved against the strategic plan, on an annual basis at minimum.
Decision Making Process	The board has established processes to develop and maintain policies and procedures to support student achievement targets and other Ministry goals. Strategies are in place to monitor adherence to policies. Senior administration and the board of trustees have established effective processes to facilitate decision making.
Organizational Structure and Accountability	Senior administration has created and maintains for the school board, clear organizational units, departments and lines of authority to maximize effectiveness and efficiencies. The most efficient structure to provide administrative services (i.e., centralized/shared/decentralized) is in place, to ensure that senior administration takes ownership of student outcomes. Accountability processes and measures are developed. The Organization charts are supplemented with a directory of key staff contact information (i.e., e-mails, phone #s, fax, addresses) and are available on the board's public web site.
Succession and Talent Development	Succession planning is a priority of the board and the director of education, to ensure the continuation of effective senior administration of the board from retirements and resignations of its key managers/administrators.

Activities	Description
Stakeholder Engagement	Community stakeholders (including school councils, students, and parents) are engaged in policy, planning and information sessions and other mechanisms. Clear and accessible lines of communication among the board of trustees, senior administration, staff, and the community are in place.

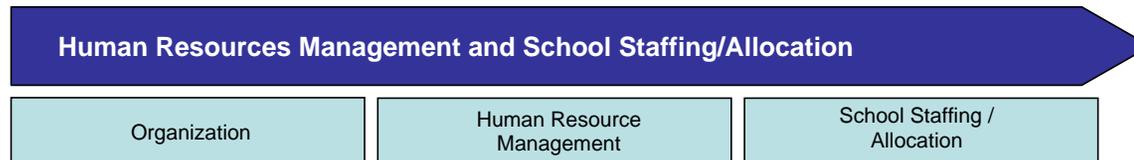
While all reviews acknowledge each board's unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the board. The Review Team will be seeking specific quantitative and qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices related to governance and school board administration are listed in the table below.

Leading Practices - Governance and School Board Administration
Establishment of an Effective Governance Model
The school board's governance model clearly delineates the division of duties and responsibilities between the board of trustees and the director of education to support an effective working relationship.
Development of the Board's Strategic Direction and the Annual Operating Plan
The board of trustees, using a consultative process, develops and communicates a multi-year strategic plan that provides a framework for annual planning.
The director of education and senior administration develop an annual operating plan of their goals/priorities, incorporating both academic and non-academic departments. The plan is aligned with the Board's multi-year strategic plan and has goals that are specific, measurable, achievable, relevant and timely.
The senior administration periodically/annually report to the board of trustees on the status and outcomes of the board strategic plan and annual operating plan.

Decision Making Processes
The board of trustees and senior administration have appropriate processes for decision making to address student achievement targets and operational performance.
The board of trustees and senior administration have appropriate processes for the establishment and regular maintenance of policies and administrative procedures for the efficient and effective operation of the board.
Organizational Structure and Accountability
The organizational structure has clearly defined organizational units that delineate roles and responsibilities, minimize administrative costs and ensure effective and efficient operation.
A departmental organization chart (supplemented with a directory of key staff contact information) is publicly available on the board's website.
Succession and Talent Development
As part of the Ministry's <i>Ontario Leadership Strategy</i> , the director of education, with support from HR, has established a formal Succession and Talent Development Plan to build and sustain leadership capacity.
Stakeholder Engagement
The board of trustees and senior administration proactively engage internal and external stakeholders on a regular basis and through a variety of communication vehicles (e.g., websites, e-mail, memos, town halls, etc.).
Key senior staff from all functional areas are members and participants in sector committees of provincial associations and Ministry workgroups.

2.0 Human Resource Management and School Staffing/Allocation

Human Resource Management Overview



Effective management of human resources ensures an adequate number of qualified staff throughout the organization can perform their prescribed duties. Policies and procedures to develop staff are in place, through performance appraisals, professional development and support services. Staff allocations to schools and classrooms meet the Ministry's class size requirements, and are congruent with the board's collective agreements and allocation models.

2.1 Human Resource Organization

The review of the organization of the HR department assesses:

- Whether appropriate policies and procedures have been established and maintained to support the HR functions and required priorities, and whether they are aligned with the school board's directions
- Whether an annual departmental plan setting out the goals and priorities and their alignment to the board's strategic directions has been established
- Whether the roles and responsibilities of staff support the key functions, activities and practices of HR
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

For the purpose of the Operational Review, the organization of HR is divided into the following activities:

Activities	Description
Development and Reporting of Annual Goals and Priorities	A clear mandate/strategic direction and measurable objectives for the department that provide the framework to develop roles and responsibilities and monitor performance. Departmental goals are aligned with the goals adopted by the board of trustees.
Organization Structure and Accountability	An efficient and appropriately staffed organization structure, including roles, responsibilities and accountabilities that support the mandate of the HR department.
Monitoring and Communication of Policies	Consultation with other departments to develop policies, procedures, and performance measures should take place. A defined set of HR policies and procedures provide guidance to staff on how to perform the department's business processes and inform staff and management on HR management protocols. Management monitors adherence to policy and the use of school board resources.

While all reviews acknowledge each board's unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the board. The Review Team will be seeking specific quantitative and qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices related to HR organization are listed in the table below.

Leading Practices - Human Resource Organization

Development and Reporting of Annual Goals and Priorities

The HR department's goals and priorities are documented in an annual department plan. They are aligned to the annual board operating plan accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified accountability.

Organizational Structure and Accountability

The HR department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available to the public

Senior HR staff have appropriate designations (e.g., Certified Human Resource Professional).

Monitoring and Communication of Policies

HR management has processes in place to monitor HR policy compliance by all staff and management.

HR management builds staff capacity in understanding of HR policies and administrative procedures.

2.2 Human Resource Management

The purpose of reviewing the HR management processes is to assess whether:

- Planning and processes are in place for the recruitment and hiring of the appropriate number of qualified staff to support student achievement targets
- Appropriate processes are in place to promote the personal and professional growth of all staff
- Adequate systems and procedures are in place to manage employee compensation plans, labour relations, employee performance and attendance, and other support services to foster employee satisfaction
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes can be identified.

For the purpose of the Operational Review, HR management is divided into the following activities:

Activities	Description
Staff Recruitment/Hiring	Developing goals and planning for recruitment such as coordinating job fairs and assisting in attracting new staff. Recruitment policies and procedures are reviewed annually to ensure their effectiveness. Hiring policies and administrative procedures for different staff groups are documented and harmonized.
Labour Relations	Managing collective agreement bargaining, handling grievances and providing legal support to schools as needed.
Employee Performance Evaluation Processes	Managing employee professional development and performance by implementing effective performance evaluation processes for all staff.
Attendance Management Processes/Programs	Development of policies and procedures for attendance management, including the means to maximize staff utilization and maintain acceptable attendance. Management periodically reports of the outcomes of the process/programs.
Management of HR and Payroll Data	Management of personnel records, processes, and control of data entry, systems updates, and database maintenance. Ability to report FTEs by function, department and program (budgeted versus actual). Continual maintenance of the board's pay equity plans. Management of the employee data and parameters for paying staff.
Management of School Board's Employee Benefit Plans	Management of compensation, benefits, employee recognition programs; maintain culture of trust; stress management and work/life balance.
Monitoring Staff Satisfaction	Managing employee commitment, including developing and analyzing employee satisfaction surveys, to support of professional development, training, and career development.

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Leading Practices - Human Resource Management

Staff Recruitment/Hiring

Recruitment policies and administrative procedures are reviewed annually, and are aligned with staff planning to support student achievement.

The hiring policies and procedures for the respective staff groups are harmonized and shared with managers throughout the school board.

Labour Relations

HR management and the board of trustees have established labour/management committees.

HR management has established policies and procedures to minimize grievances.

Employee Performance Evaluation Processes

HR management has policies and procedures for an employee evaluation/performance system for all staff.

HR management maintains and communicates formal disciplinary policies and procedures for all staff.

The HR department actively supports the professional development activities of the school board.

Attendance Management Processes/Programs
The school board maintains appropriate processes and systems to monitor staff attendance on a timely basis.
Attendance management processes/programs exist that include employee supportive policies and procedures to minimize the cost of absenteeism.
Management periodically reports on the effectiveness of the attendance management processes/programs to senior management and the board.
Management of HR and Payroll Data
Payroll processing is segregated from employee data records and changes to data are adequately controlled.
HR records are current, including the formal tracking of teacher qualifications and experience.
HR management has implemented an approved pay equity plan, which is reviewed periodically and amended as necessary.
Management of School Board's Employee Benefit Plans
HR management periodically conducts independent compliance audits of the board's insurance carrier to ensure adherence to benefit plan's terms and conditions.
Employee data is automatically synchronized between the board and external carriers (i.e., OTPP, OMERS and the board's benefit provider(s)).
Policies and procedures ensure the board's benefit plans are managed appropriately.
Monitoring Staff Satisfaction
Confidential staff satisfaction surveys are performed periodically.
Confidential exit interviews are performed for all staff who resign, take early retirement or transfer.

2.3 School Staffing/Allocation

The purpose of reviewing school staffing/allocation processes is to:

- Assess whether accurate and efficient processes are in place to forecast and plan for staffing needs to support student achievement target strategies
- Ensure that staff optimization allocation processes are in place, supported by an effective attendance management system
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

For the purpose of the Operational Review, school staffing/allocation is divided into the following activities:

Activities	Description
Processes for Annual Staff Planning and Allocation	<p>The forecasting and planning of school board staffing needs is based on Ministry funding and class-size standards, including new curriculum/program needs, plans and requests submitted by schools and other school board departments (e.g., maintenance and custodial), succession planning, and alignment of staffing with collective agreements.</p> <p>Establishment and approval of allocation plan and models for teachers and support staff that are aligned with student achievement target strategies.</p>
Monitoring and Reporting on Staff Allocation	<p>Monitoring and adjustment of instructional and non-instructional resources across the school board; establish utilization models for specialized resources (social workers, physical education, consultants, etc.).</p>

While all reviews acknowledge each school board's unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the board. The Review Team will be seeking specific quantitative and qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices related to school staffing/allocation are listed in the table below.

Leading Practices - School Staffing/Allocation

Processes for Annual Staff Planning and Allocation

The school board's policies and procedures govern the development of an annual staffing plan and allocation process that reflects the priorities of the Board and Ministry initiatives.

The staff allocation process monitors adherence to key Ministry and board policy parameters, such as: class size, prep time, collective agreement requirements and other board directions.

Monitoring and Reporting on Staff Allocation

Systems are in place and accessible by both HR and Finance staff to establish and track an approved level of staff.

Management periodically reports on the actual allocation of staff, compared to the original approved allocation plan and budget (FTEs by function, department and program, actual versus budget).

Procedures are in place to enable adjustment of staff allocations for school based staff, if estimates for enrolment and funding change after budget approval.

Management's plan for providing student support services and staffing is based on student-needs analysis.

3.0 Financial Management

Financial Management Overview



The financial management of the school board ensures the efficient and effective use of fiscal resources. Financial management ensures that the annual budget is developed within the Ministry's allocation and aligned with student achievement targets. It also ensures that appropriate financial policies and procedures are in place to manage resources. Financial and related business processes contribute to an appropriate level of transparency in the allocation and use of the budget to the various departments. They also ensure that the reporting of results to the board of trustees and other school board stakeholders reflects the approved goals and priorities for student achievement.

3.1 Finance Organization

The purpose of reviewing the organization of the finance department is to assess:

- The establishment of policies and procedures to support the key finance functions, activities and required business priorities and their alignment with student achievement targets
- Finance department support of the overall goals, priorities and accountability measures established by the school board
- The efficiency and effectiveness of the departmental structure and its support of the roles and responsibilities for key functions, activities and practices
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

For the purpose of the Operational Review, the organization of the finance department is divided into the following activities:

Activities	Description
Development and Reporting of Annual Goals and Priorities	A clear mandate/strategic direction, and measurable objectives for the department that provide the framework to develop roles and responsibilities and monitor performance. Departmental goals are aligned with the goals adopted by the board of trustees.
Organization Structure and Accountability	An efficient and appropriately-staffed organization structure, including roles, responsibilities and accountabilities that support the mandate of the finance department.
Monitoring and Communication of Policies	Consultation with stakeholders to develop policies, procedures, and performance measures. A defined set of finance policies and procedures that provide guidance to staff on how to perform the department's business processes, as well as inform staff and management on financial management protocols. Management monitors the adherence to policy and the use of school board resources.

While all reviews acknowledge each board's unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the board. The Review Team will be seeking specific quantitative and qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices related to the finance organization are listed in the table below.

Leading Practices - Finance Organization

Development and Reporting of Annual Goals and Priorities

The finance department's goals and priorities are documented in an annual department plan that is aligned to the annual board operating plan accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified accountability.

Organization Structure and Accountability

The finance department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available.

Finance department staff have the appropriate finance/accounting designations and experience.

Monitoring and Communication of Policies

Finance management has processes in place to monitor finance policy compliance by all staff and management.

Management provides scheduled finance policy and procedures awareness, training and skills development sessions.

3.2 Budget Planning and Development

The purpose of reviewing budget planning and development processes is to:

- Understand the linkages between the board of trustees' goals and priorities and the operational budgeting process
- Assess whether sufficient transparency and controls exist in the budget planning and development process
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

For the purpose of the Operational Review, budget planning and development is divided into the following activities:

Activities	Description
Annual Budget Development Process	<p>The collection of data on the school board's operating environment, including current student achievement results, operational performance and external data and ministry goals. The understanding of the operating environment informs the establishment of the coming year's goals and priorities, strategic directions, and potential cost pressures.</p> <p>The key elements of the development process include:</p> <ul style="list-style-type: none"> ▪ Enrolment forecasts are developed at the board level and confirmed/reconciled with school level forecasts. These forecasts and other key variables such as class size, preparation time and board priorities factor into the budget development for staffing requirements and related forecasted expenditures. ▪ The preliminary budget is cross-referenced to prior year budgets. ▪ Required changes are reflected in the new budget to accommodate for over/under spending in the current year and provide for expected new cost pressures. ▪ The systematic roll-up of individual department's revenue and expenditure forecasts, including continuing revenue/costs, new investment expenditures, input from stakeholders, and the linking of new spending to discrete, short-term, measurable performance changes.
Risk Mitigation and Board Approval	<p>Effective communication of budget issues to the board of trustees. Final review and approval of the budget by the board of trustees.</p> <p>Management identifies and documents risks in the assumptions about budgeted and forecasted revenues and expenditures. A sensitivity analysis and the identification of likely risk areas should be highlighted. The analysis may include an assessment of the potential use of reserves and other strategies to address risk areas.</p> <p>The development of mitigation strategies that support board priorities and student outcomes must be part of the planning process to ensure management and staff take ownership of the plan. The process will facilitate effective lines of communication to board staff, board of trustees and stakeholders throughout the year.</p>

While all reviews acknowledge each board's unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the board. The Review Team will be seeking specific quantitative and qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices related to budget planning and development are listed in the table below.

Leading Practices - Budget Planning and Development
Annual Budget Development Process
The annual budget development process is transparent, clearly communicated and incorporates input from all key stakeholders including management (with principals), board of trustees and the community.
Management has adopted an integrated (at school board and school levels) approach to enrolment forecasting that drives the budget process.
Budget development processes account for all required cost and revenue changes.
Staffing costs are compared with similar school boards and the funding model to ensure efficient use of resources.
Risk Mitigation and Board Approval
Management identifies and documents all significant risks during the budget planning process and develops strategies to mitigate the risks of spending beyond authorized/budgeted levels.
The annual budget presented for approval demonstrates that it is linked to the board-approved goals and priorities including student achievement targets. It provides useful and understandable information for all stakeholders.

3.3 Financial Reporting and Analysis

The purpose of reviewing Financial Reporting and Analysis processes is to:

- Assess whether procedures are in place to ensure that management, the board of trustees and the Ministry receive timely, accurate and complete financial information of all board activities
- Identify opportunities to support continual improvement in the effectiveness and efficiencies of all processes.

For the purpose of the Operational Review, financial reporting and analysis is divided into the following activities:

Activities	Description
<p>Integrated System for Variance Analysis and Financial Reporting</p>	<p>The integrity and accuracy of the recording and maintenance of all financial transactions of the school board is essential for reporting and accountability. Internal controls involve the oversight and monitoring of key financial processes, including controls over revenue receipt, payroll and disbursement processes.</p> <p>A defined set of activities is used to ensure all transactions and their resulting financial impact is recorded to support accurate and timely financial reporting.</p>
<p>Interim and Annual Financial Reporting</p>	<p>Management has established appropriate processes and practices to develop interim and annual financial reports to manage and monitor the board budget and to meet the needs of all stakeholders (including board of trustees, management, and schools). Reporting includes interim reports to management and the board of trustees and Ministry of Education reports (e.g., Estimates, Revised Estimates, Financial Statements and Provincial Consolidation) and other compliance reports.</p> <p>Interim financial reporting identifies and comments on the impact of significant variations from budget against appropriate benchmarks and supports the development of go-forward projections.</p>
<p>Audit</p>	<p>Audit activity involves the planning and implementation of internal and external audits of financial information, to obtain an opinion on the validity, accuracy and completeness of the recorded and the reported financial information. Internal audit function and the external audit reports to the board's audit committee and management takes action on all recommendations made. The board has established an audit committee and appointed external members as advisors.</p>

While all reviews acknowledge each board's unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the board. The Review Team will be seeking specific quantitative and qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices related to financial reporting and analysis are listed in the table below.

Leading Practices - Financial Reporting and Analysis
Integrated System for Variance Analysis and Financial Reporting
The school board's integrated financial information system provides useful, timely and accurate information for management and stakeholders.
Interim and Annual Financial Reporting
Interim financial reports provide sufficient detail (including a comparison of actual to budget and to appropriate benchmarks and with appropriate variance explanations) for a clear understanding of the status of the current year's budget and the outlook for the year.
Senior management is held accountable for the integrity of financial reporting through formal sign-off and approval procedures.
Management completes and files all financial reports in accordance with established timelines.
Audit
Management maintains an independent internal audit function.
Internal audit plans are clearly documented. Internal audit report recommendations are followed up and acted upon by management.
The Board has an audit committee with external members as advisors.
The external auditor's planning and annual reports are presented to the Board's audit committee and any recommendations are acted upon by management.

3.4 Treasury Management

The purpose of reviewing treasury management processes is to assess:

- Whether processes are in place to ensure the optimal use of cash, investments and borrowings within school board
- Whether sufficient internal controls exist to support cash management, investments and borrowings
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

For the purpose of the Operational Review, treasury management is divided into the following activities:

Activities	Description
<p>Cash and Investment Management</p>	<p>Cash management involves the planning and monitoring of short-term liquid assets, including cash and other short-term receivables. Activities include: the coordination and tracking of daily deposits, forecast and reconciliation of cash position, managing interim excess or deficit balances through investments and borrowings, conducting regular bank reconciliations, and fund disbursements.</p> <p>Other elements of the treasury function include:</p> <ul style="list-style-type: none"> ▪ Banking relationship management, which covers the set-up, evaluation, comparison, and fee negotiation of bank services. ▪ Investment management, which involves the investment of the school board’s excess cash and the use of borrowings to finance interim cash deficiencies, in accordance with the <i>Education Act</i>. ▪ Financial risk management, which relates to the risks associated with the use of reserve funds, and any other financial risk. ▪ Annual or periodic analysis of the adequacy of current and forecasted funding to support the debt services costs associated with the board’s current and forecasted debt commitments.

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Leading Practices - Treasury Management
Cash and Investment Management
Existence of an efficient cash management process to maximize interest income, using short-term investments where appropriate and to ensure that the board’s debt service costs can be met to maturity.
Cash management activities are consolidated with a single financial institution.
Management periodically reports to the board on the performance of the investment activity and the approved investment policy in accordance with the <i>Education Act</i> .
Management periodically compares the school board's banking terms and conditions to those of similar school boards.
Management monitors financial risk related to cash/investment management and has a plan to mitigate associated risks.

3.5 School-Based Funds and Non-Grant Revenue Management

The purpose of reviewing school-based funds and non-grant revenue management processes is to:

- Assess whether procedures are in place to ensure the timely, complete and accurate recording of the different types of school-based funds and non-grant revenue
- Assess whether internal controls exist to support appropriate cash handling and cash management
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

For the purpose of the Operational Review, the school-based funds and non-grant revenue management process is divided into the following activities:

Activities	Description
Management of School-based Funds	Monitoring the use of funds generated by schools (e.g. donations, fees for supplies and text, field trips, etc.) or by school councils (e.g. fundraising events, pizza days, etc.) to ensure that adequate internal controls are in place. This also includes the coordination and annual reporting of all revenues and expenditures of schools and school councils.
Management of Non-Grant Revenue	Policies and administrative procedures support the provision of services for non-grant revenues (e.g. continuing education, community use of schools, student fees, property leases, etc.). Activities include the related forecasting of demand, setting revenue and expenditure targets, and aligning service delivery models, and tracking and reporting results.

While all reviews acknowledge each board's unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the board. The Review Team will be seeking specific quantitative and qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices related to School-based Funds and Non-Grant Revenue Management are listed in the table below.

Leading Practices - School-Based Funds and Non-Grant Revenue Management

Management of School-Based Funds

Management ensures adequate controls are in place to safeguard school-based funds and coordinate the annual reporting of revenues and expenditures from schools and school councils.

Management of Non-Grant Revenue

Management ensures adequate controls are in place to safeguard non-grant revenue and coordinate the annual reporting of revenues and expenditures from all sources.

Board budget identifies revenue and expenditure for each EPO program. Management monitors activity to ensure compliance with terms and conditions.

3.6 Supply Chain/Procurement

The purpose of reviewing the supply chain/procurement processes is to assess:

- Whether supply chain/procurement policies and practices are in place to ensure that the school board acquires goods and services through an open, fair and transparent process
- Whether appropriate internal controls support the procurement and related payment process
- Whether school board processes ensure value for money from all acquired goods and services
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

For the purpose of the Operational Review, supply chain is divided into the following activities:

Activities	Description
Policies and Procedures	The established policies and procedures that govern all aspects of supply chain management, including both planned (recurring) and unplanned (non-recurring/emergency) purchases.
Participation in Group Purchasing Initiatives	Group Purchasing Initiatives (GPI) involve spend on any purchase made through multiple organizations which, includes but is not limited to: Shared Service Organizations (SSO); Group Purchasing Organizations (GPO); and Consortia.
Purchasing Levels of Authority	Appropriate approval thresholds have been established to control the purchase of goods and services. Management monitors and takes appropriate action to ensure compliance with the authority levels.
Policies and Procedures for PCard and Corporate Card Use	Management has developed appropriate policies and procedures to govern the use of PCards and corporate credit cards by management and staff. Training and communication of the procedures is provided to users.
Accounting for Completeness of Purchase/Payment Cycle	<p>The physical receipt of goods and services to ensure the right items and quantity are received by comparing deliveries to orders, addressing and recording overages, shortages, and any damage by item within appropriate tolerances.</p> <p>The recording of the liability associated with the purchase of goods and services.</p> <p>Management has established a commitment accounting process to control spending within budget limits.</p>
Use of Electronic Funds Transfer	Management has established with its suppliers, (where possible) electronic funds transfer arrangements for greater efficiency in its payment cycle.

While all reviews acknowledge each board's unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the board. The Review Team will be seeking specific quantitative and qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices related to procurement are listed in the table below.

Leading Practices – Supply Chain/Procurement

Policies and Procedures

Approved procurement policies and procedures are clearly communicated to staff with purchasing authority and are periodically reviewed and updated.

Approved procurement policies clearly outline circumstances under which the school board will use competitive versus non-competitive procurement methods.

Contract award criteria include elements other than the lowest cost, such as total cost of ownership, value, quality, vendor performance, etc.

Purchasing managers monitor purchasing activities for compliance with the Board's procurement policies and procedures.

Participation in Group Purchasing Initiatives

Management evaluate and develop strategies to increase purchasing power and minimize the cost of goods and services procured.

The school board actively participates in purchasing consortia/cooperatives and/or group buying initiatives.

Purchasing Levels of Authority

Purchasing authorization levels are commensurate to job roles and responsibilities, and are monitored for compliance by a supervisor or department head.

Policies and Procedures for PCard and Corporate Card Use

Policies and procedures for the use of PCards and corporate credit cards are documented and communicated to users through regular training and monitoring.

Accounting for Completeness of Purchase/Payment Cycle

The school board's finance department performs three-way matching (purchase order, receipt/invoice and inspection) before invoices are paid.

Commitment accounting is in place to monitor budget utilization.

Leading Practices – Supply Chain/Procurement

Management has implemented electronic supplier interface for ordering, processing and payment.

Use of Electronic Funds Transfer

Management maximizes its use of electronic funds transfer (EFT) for vendor payments.

4.0 School Operations and Facilities Management

School Operations and Facilities Management Overview



Efficient and effective management of the school board's facilities (particularly schools) is an important factor in student achievement. Along with providing a positive learning environment for students, this function sets and meets standards of cleanliness and maintenance, examines opportunities to increase energy efficiency, and addresses the health, safety and security requirements of the school board. Management use cost efficient and effective processes in the design and construction of new facilities.

4.1 Operations and Facilities Organization

The purpose of reviewing the organization of operations and facilities is to assess:

- Whether the board of trustees and management have established policies and procedures that support the key departmental functions and activities, strong internal controls and financial management
- Whether the department supports the overall goals, priorities, and accountability established by the school board in support of student achievement targets and strategies
- The efficiency and effectiveness of the departmental structure and whether roles and responsibilities support the key functions/activities and the required business practices
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

For the purpose of the Operational Review, the organization of operations and facilities is divided into the following activities:

Activities	Description
Development and Reporting of Annual Goals and Priorities.	A clear mandate/strategic direction and measurable objectives for the department that provide the framework to develop roles and responsibilities and monitor performance. Departmental goals are aligned with the goals adopted by the board of trustees.
Organization Structure and Accountability	An efficient and appropriately staffed organization structure, including roles, responsibilities and accountabilities that support the mandate of the operations and facilities department.
Monitoring and Communication of Policies	Consultation with other departments to develop policies, procedures, and performance measures should take place. A defined set of facility and operations policies and procedures provide guidance to staff on how to perform the department's business processes and inform staff and management on facility on School Operations and Facilities management protocols. Management monitors adherence to policy and the use of school board resources.

While all reviews acknowledge each board's unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the board. The Review Team will be seeking specific quantitative and qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices related to the Operations and Facilities Organization are listed in the table below.

Leading Practices - Operations and Facilities Organization

Development and Reporting of Annual Goals and Priorities

The School Operations and Facilities Management department's goals and priorities are documented in an annual department plan. They are aligned to the annual board operating plan accessible by key stakeholders. The plan incorporates measurable targets, specific timelines, and identified accountability.

Organizational Structure and Accountability

The School Operations and Facilities department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available to the public.

Senior operations and facilities staff have appropriate designations (e.g. P.Eng.) and qualifications.

Monitoring and Communication of Policies

Management has processes in place to monitor school operations and facilities management policy compliance by all staff and management.

Management builds staff capacity in understanding of school operations and facilities policies and administrative procedures.

Processes exist to monitor new legislation and regulations and implement necessary changes.

4.2 Custodial and Maintenance Operations

The purpose of reviewing all processes relating to custodial and maintenance operations is to assess:

- Whether custodial and maintenance services are responding effectively and efficiently to maintain an optimized learning environment
- Whether the department has the appropriate organizational structure to effectively manage service delivery
- Whether internal controls effectively manage custodial and maintenance operations and expenditures
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

For the purpose of the Operational Review, custodial and maintenance operations are divided into the following activities:

Activities	Description
The Board's Staffing Model/Allocation Supports the Cleaning Standards and Maintenance Requirements	The board's staff allocation model optimizes the use of staff to meet the board's cleaning standards and maintenance requirements. Management provides ongoing cleaning services and other maintenance services in an efficient and effective manner.
Development of Annual/Multi-Year Maintenance Plan	Condition assessment involves the periodic appraisal and review of key facilities and equipment, including buildings, portables, machinery, and other assets, to support maintenance priorities. Preventative maintenance covers the scheduling and delivery of upkeep and maintenance services, such as minor repairs, renovations, regulatory compliance measures, upgrades and grounds care. Annual and multi-year maintenance plans (say three to five years) support and communicate the planned maintenance of the board's facilities to the board and its stakeholders.
Training to Support Skills Development and Safety	Awareness and training promotes best practices for facilities upkeep, maintenance and safety standards for staff and students, through the training and education of maintenance and custodial staff within each school.
Standardization of Cleaning and Maintenance Supplies	Management has implemented standard equipment where it is practical, to promote greater efficiency in the use of supplies.
Project Management, Monitoring and Support System	Systems and procedures facilitate control of the board's maintenance projects. Systems enable the recording of costs by project, and the ability to evaluate the effectiveness and efficiency of service practices.

While all reviews acknowledge each board's unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the board. The Review Team will be seeking specific quantitative and qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices related to the Custodial and Maintenance Operations are listed in the table below.

Leading Practices - Custodial and Maintenance Operations

The Board's Staffing Model/Allocation Supports the Cleaning Standards and Maintenance Requirements

The school board has adopted cleaning standards for schools and has developed a standard set of processes and tools to monitor, manage, and report on results.

The school board has implemented a formal green clean program as part of its overarching Education Environmental Policy.

Management's custodial/maintenance allocation model optimizes the use of staff and considers various factors (e.g. square footage, portables, gyms, etc).

Development of Annual/Multi-Year Maintenance Plan

Using a consultative process, senior administration develops and communicates a multi-year (three to five years) plan for major maintenance and renewal projects. The Plan addresses the board's preventative and deferred maintenance priorities, optimizes the use of available funding (Annual Renewal Grant and Good Places to Learn funding). The plan is approved by the Board and accessible by the public.

Training to Support Skills Development and Safety

A monitored annual training plan for facilities staff addresses ongoing skill development and emerging regulatory issues.

Standardization of Cleaning and Maintenance Supplies

Management uses an inventory system to track and control major cleaning and maintenance equipment.

Management has defined common standards to ensure efficient procurement of supplies in order to minimize costs, promote energy and operating efficiency, and environmental sustainability.

Project Management, Monitoring and Support Systems

An automated (computerized) work-order system and process records, monitors, and evaluates projects ensuring the effective use of resources.

Senior administration regularly evaluates the overall effectiveness and efficiency of its maintenance and custodial service delivery model.

4.3 Energy Management

The purpose of reviewing all related energy management processes is to assess:

- Whether adequate planning and communication exist to support the reduction of energy consumption
- Whether school board structure and processes are in place to ensure that energy is procured for the lowest cost
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

For the purpose of the Operational Review, energy management is divided into the following activities:

Activities	Description
Energy Management Plan	<p>Energy management planning includes the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation.</p> <p>The plan identifies areas for potential savings as well as enablers such as capital investment and skills. Energy management includes establishing short-term and long-term opportunities with milestones, roles, responsibilities, and budgets with a process for ensuring community support. Raising awareness and influencing behaviour through various communication strategies and channels to all stakeholders is encouraged.</p>
Tracking and Reporting Energy Conservation	<p>The identification of the structure, process, and frequency for analyzing data and reporting on energy conservation initiatives. Monitoring includes energy audits and capturing energy consumption data for each facility for analysis and planning. Results and conclusions are reported to key stakeholders and incorporated into the next planning cycle.</p>

While all reviews acknowledge each board's unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the board. The Review Team will be seeking specific quantitative and qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices related to energy management are listed in the table below.

Leading Practices - Energy Management

Energy Management Plan

In reference to the *Ontario Green Energy Act, 2009*, senior administration has established a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.

Procurement practices support the objectives and targets of the energy management plan.

Successful conservation initiatives are communicated across all schools and with other school boards.

Tracking and Reporting Energy Conservation

Management provides formal annual reporting on the conservation savings achieved against the plan.

A comprehensive system exists to budget expenditures, track and regulate consumption and identify opportunities for further savings.

Billing for all board facilities is consolidated from each utility.

The Board has established an overarching environmental policy that addresses both environmental education and responsible management practices.

4.4 Health, Safety and Security

The purpose of reviewing all the Health, Safety and Security processes is to assess:

- Whether adequate planning and communication exist to support the provision of a safe teaching and learning environment
- Whether school board structure and processes are in place to implement safety precautions
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

For the purpose of the Operational Review, health, safety and security has the following activity:

Activities	Description
Health, Safety and Security Management	The development of policies and administrative procedures to ensure the health, safety and security of students and staff within schools and throughout the school board.

While all reviews acknowledge each board's unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the board. The Review Team will be seeking specific quantitative and qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices related to health, safety and security are listed in the table below.

Leading Practices - Health, Safety and Security
Health, Safety and Security Management
Develop, implement and monitor an occupational health and safety strategy/plan that reflects the board's occupational health and safety policies and administrative procedures and ensures the school board is in compliance with associated occupational health and safety statutory requirements.
Develop, implement and monitor a security strategy/plan that reflects the board's security and student safety policies and administrative procedures and ensures the board is in compliance with statutory/policy security requirements.
Develop, implement and monitor a health strategy/plan that reflects the board's health policies and procedures and ensures the school board is in compliance with statutory health requirements.

4.5 Capital Plans, Policies and Procedures

The purpose of reviewing capital plans, policies and procedures is to:

- Assess whether school capital assets are being utilized effectively and efficiently
- Assess how well management is planning for future capital requirements, based on enrolment forecasts and the capacity/maintenance issues of the existing asset base, relative to the funding available from the Ministry (i.e. NPP funding)
- Assess whether management is appropriately prioritizing the maintenance and renewal expenditures in light of the available Ministry funding and multi-year capital programs
- Identify appropriate controls and transparency within the current planning process
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

For the purpose of the Operational Review, capital plans, policies, and procedures include the following activities:

Activities	Description
<p>Development of Annual and Multi-Year Capital Plans</p>	<p>The projection of future capital requirements is based on demographics, enrolment, capacity, facility condition and other planning considerations within the framework of the school board capital plan.</p> <p>Key elements of capital planning include:</p> <ul style="list-style-type: none"> ▪ The processes and procedures followed to ensure capital programs are fully funded, and projected capital requirements have funding plans identified. ▪ The process of planning and managing prior capital commitments and debt charges, to ensure the board can continue to fund its existing debt.
<p>On-going Monitoring and Maintenance of Data to Support Capital Planning</p>	<p>The monitoring and planning of school capacity and inventories within the framework of the Student Facilities Inventory System (SFIS).</p> <p>The assessment and monitoring of facility condition and renewal needs within the framework of the ReCAPP system and board policies and procedures.</p> <p>The capital plan must be reviewed annually to ensure that the original assumptions still hold.</p>

While all reviews acknowledge each board's unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the board. The Review Team will be seeking specific quantitative and qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices related to capital plans, policies, and procedures are listed in the table below.

Leading Practices - Capital Plans, Policies and Procedures
Development of Annual and Multi-Year Capital Plans
The school board has an approved annual and multi-year capital plan that includes the related funding plan.
The school board has an approved pupil accommodation review policy.
On-going Monitoring and Maintenance of Data to Support Capital Planning
The school board maintains accurate and up-to-date inventories of school capacity and inventories using SFIS.
An accurate and current assessment of facility conditions is maintained, based on industry standards (using RECAPP methodology).
Capital forecasts and related funding plans are assessed annually and adjusted to meet current needs and changes to original assumptions such as enrolment projections and capital grants.

4.6 Construction Management

The purpose of reviewing all related construction management processes is to assess and identify:

- Whether processes are in place to ensure that school boards complete construction projects on time, on budget and with due regard to economy
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

For the purpose of the Operational Review, construction management is divided into the following activities:

Activities	Description
Cost Effective Practices in the Design and Construction of Facilities	Processes related to the planning, design and construction specifications of additions and new school facilities are in place. Procurement policies and procedures govern the hiring of external contractors to construct the new facilities and to manage/oversee the construction phase.
Monitoring and Reporting on Progress of Construction projects	Monitoring, review, and reporting processes oversee the construction phase and ensure that the project is delivered on time and on budget.
Maintaining Current Approved Professional Service Providers	Senior Administration, in compliance with the board's procurement policy, periodically evaluates and updates the list of professional used in the planning, design and construction process.

While all reviews acknowledge each board's unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the board. The Review Team will be seeking specific quantitative and qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices related to Construction Management are listed in the table below.

Leading Practices - Construction Management

Cost Effective Practices in the Design and Construction of Facilities

Management gives full consideration to the use of all available school space in their local communities before proceeding to build, purchase or lease other spaces.

Management uses cost-effective designs, standard footprints, energy conservation and economical construction practices to minimize construction and future maintenance and operation costs.

In constructing, acquiring, operating and managing school facilities, the school board is guided by the principles outlined in the *Ontario Green Energy Act, 2009*.

Senior administration maintains standard policy and/or procedures to rationalize construction projects, including benchmarking against other school board construction costs and design standards (including coterminous boards).

Monitoring and Reporting on Progress of Construction Projects

An effective management process monitors and controls construction projects and their costs. This includes periodic project status updates and post-construction project evaluation.

Maintaining Current Approved Professional Service Providers

Senior administration periodically evaluates and updates the approved list of contractors, architects and related professionals no less than once every five years.