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**2011: SB21**

**MEMORANDUM TO:** Directors of Education

**FROM:** Andrew Davis  
Director  
Financial Analysis and Accountability Branch

**DATE:** June 14, 2011

**SUBJECT:** Executive Office Restraint

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I'm writing to you today to provide further information about the Executive Office Restraint reduction of 10 percent. As announced in the 2011 Budget, all executive offices in certain Broader Public Sector organizations will be required to reduce executive office costs by 10 per cent over two years. After consulting with Council of Ontario Directors of Education (CODE) and Council of Senior Business Officials (COSBO) about the most effective way to monitor compliance, it was agreed that an annual attestation of compliance would be utilized to certify that the requirements have been satisfied.

The Ministry plans to develop a streamlined master attestation that will satisfy this and other similar issues where an attestation is planned. Until then, we've attached a proposed template that will assist you while you are developing this year's budget.

The proposed attestation includes:

- A Financial Summary table to report base costs and reductions achieved,
- A Methodology section for explanation of the cost base.

### **Guidance For Meeting The Executive Office Restraint Requirement**

#### **What's Included**

- The Director of the board and any direct reports. In boards with Associate Directors, the board needs to decide on whether to also include Superintendents that are part of the senior management team but may not report directly to the Director.
- The costs included should be comprehensive (salary/wages, benefits, overhead including supplies, travel, etc.).
- The template includes a methodology section to document your assumptions.

## **Establishing a Base**

- Depending on the decisions above, you will need to go back to the 2010-11 Board Budget and construct the base from which you'll measure compliance.
- It is recommended that the measures contained in the 2011-12 budget that will support your attestation be documented now, as opposed to waiting until Financial Statements to measure the progress against the 10% target.

## **Timing**

- Attestations will be required at the time of submitting your financial statements for 2011-12 and 2012-13.
- For boards that achieve the full 10% in 2011-12, an attestation won't be required the following year.

Please keep in mind that the 10% is not a reduction in grants from the province, but instead is a target to reinvest these funds in other areas within the board. Where the funds are reinvested is at the board's discretion but it should be outside the board administration and governance budget. Further information can be found at [http://www.mgs.gov.on.ca/en/AbtMin2/STDPROD\\_085421.html](http://www.mgs.gov.on.ca/en/AbtMin2/STDPROD_085421.html)

If you have any questions, please contact Jeffrey Lewis at 416-325-0607 or [Jeffrey.lewis@ontario.ca](mailto:Jeffrey.lewis@ontario.ca).



Andrew Davis

c. Senior Business Officials