

Ministry of Education

**Operational Review Report
District School Board Ontario North
East**

September 2010

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Executive Summary

This report details the findings and recommendations of the Operational Review of the District School Board Ontario North East (the school board or DSBONE) conducted by the Operational Review Team composed of external consultants from PricewaterhouseCoopers LLP and Ministry of Education staff. The Operational Review was conducted over three days beginning April 6, 2010.

Introduction

The Ministry plans to perform Operational Reviews of the 72 district school boards across the province. The initiative supports Ministry goals and will increase confidence in public education. The Ministry's goal is to enhance management capacity within school boards by encouraging good stewardship of public resources and by the leveraging and sharing of leading practices. By identifying opportunities for continual improvement, school board administration and operations will be aligned to support the government's highest priority: student achievement.

The Operational Review Team reviewed the school board's operations in four functional areas: Governance and School Board Administration; Human Resource Management and School Staffing/Allocation; Financial Management and School Operations and Facilities Management. The purpose of this was to assess the extent to which the school board has implemented the leading practices set out in the "Operational Review Guide for Ontario School Boards". The review also provides, where appropriate, recommendations on opportunities for improvement. Appendix A provides an overview summary of the Operational Review scope and methodology.

The school board's student achievement results at the secondary and elementary levels demonstrate improvement in some areas since 2002-03. However, in all assessed areas, EQAO results remain below the provincial average.

From an operations perspective, the review team found that the school board has adopted many of the leading practices. Noted strengths include a positive working relationship between the Board and school board administration, harmonized hiring practices for all staff groups, and a focus on timely maintenance of school board facilities.

A summary of the findings and recommendations for each of the functional areas reviewed follows. Details can be found in subsequent sections of the report.

Governance and School Board Administration

The school board has adopted many leading practices in governance and school board administration, including:

- The Board's *Governance Policy* provides a statement and administrative regulations which guide its approach to governance.
- The senior management team led the development of a new strategic plan for the school board that addresses the academic and business operations. The new strategic plan 2009-2012 was presented to the Board in October 2009.
- The strategic plan will be reviewed and updated each year. The update of the strategic plan entails the development of an annual operating plan for the school board. The school board also develops an annual District Student Achievement Plan (Board Improvement Plan).
- The school board proactively engages system stakeholders using various mechanisms. The Director and supervisory and executive officers actively participate in many regional and province-wide sector committees and associations, and in a number of Ministry workgroups.

The review team notes that the school board would benefit from expanding its activities in several areas.

The Board has established a policy and administrative regulations on the school board's *Policy Development Process*, which outline the process and responsibilities for preparing policies. The Director of Education is responsible for policy updates, and policies are generally updated on an as-needed basis. While the policy development process states that all school board policy statements should contain a timeline for review, policies which are posted on the school board's website show only the last revision date. The school board has not established a formal cycle for review of policies.

The school board has an up-to-date organizational chart. The chart is not posted on the school board's website. The school board's website provides a directory of senior administration, including general contact information.

The school board has implemented several initiatives to support succession and talent development. The school board's new strategic plan 2009-2012 establishes a key objective of preparing for current and future Board leadership needs, with respect to system and school administration and operational management. The District Principals' Council provides leadership development opportunities for school principals, and management supports principals' participation in professional development opportunities provided outside of the school board. Within the school board administration, there is informal mentoring and support to staff pursuing supervisory officer qualifications. The school board has not established a formal succession and talent development plan for key management positions in both academic and non-academic areas.

Recommendations:

- Management should post the school board's organizational chart on the website.
- The school board should establish a formal policy review schedule to ensure that all policies are reviewed periodically.
- The school board should continue to align its leadership development programs and activities with the Ministry leadership initiatives. It should develop a formal Succession and Talent Development Plan in line with the *Leadership Succession Planning and Talent Development Ministry Expectations and Implementation Continuum*.

Human Resources Management and School Staffing/Allocation

The HR department has implemented a number of the leading practices:

- The HR department provides informal training for school principals on specific topics related to the HR policies and procedures.
- The school board's open communication with the unions is the result of both formal and informal practices. To address collective bargaining issues, the school board has established negotiations committees for all bargaining units.
- The school board has established a hiring policy, administrative regulations and operational procedures which help ensure consistent approaches to staffing.
- The department actively supports the professional development of HR staff and other staff groups, when appropriate.
- The school board has established a policy and operational procedures on attendance management in its *Attendance Management Plan*. The school board also has the *Disability Support – Early Intervention, Accommodations and Return to Work* program, available to all employees. Management has implemented *Absence Reporting Procedures* and the *Disability Support Program* (with procedures) and is currently working to implement an attendance support program based on a model program developed by an external consultant.
- 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.

The review team notes that the school board would benefit from expanding its activities in several areas.

Key annual priorities of the HR department are set out in the school board's annual operating plan. However, there is no formal annual departmental operating plan for the HR department.

The structure of the HR department is identified in the school board's organization chart. The organization chart is not posted on the school board's website. The school board's website lists the Superintendent Human Resources as a member of the senior administrative team. Management should consider providing contact details of other key HR department staff on the school board's website.

HR staff members are qualified as per job specifications, based on their experience and qualifications. There are some aspects of HR work where formal HR training and designations/certifications could add value to the department.

The school board has established a performance appraisal process for teachers, education assistants and Child and Youth Workers. The school board has not established a performance appraisal process for all staff groups. Management is currently working to establish a performance appraisal process for custodial staff and school secretaries.

The school board is self-insured for its employee health benefits plans. The costs of benefit plans for all staff groups with the exception of CUPE (custodial/maintenance) are fixed on a per FTE basis and independent of plan usage. For the CUPE staff group, however, benefit costs are dependent on plan usage. The school board has not conducted usage compliance audits for the CUPE benefits plan.

Management has not conducted confidential staff satisfaction surveys to obtain feedback on the priorities of the school board or general attitudes. Exit interviews are not performed.

Each year, the school board follows standard practices for staff planning and allocation. Management sends out memos and templates to each elementary school, to prepare enrolment projections based on established parameters. The allocation of secondary teachers is determined using the formula based on the Average Daily Enrolment (ADE) and enrolment projections submitted by principals. However, the school board has not established formal policies and procedures that guide the annual staff allocation process.

Recommendations:

- The HR department's annual planning should build on the key priorities identified in the school board's strategic plan to create an annual departmental operating plan. The plan should reflect specific and measurable targets and indicators, and assign responsibilities and timelines for key activities.

- Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the HR department and lines of reporting.
- The HR department should continue developing formal procedures for performance appraisal of all staff groups at the school board.
- Management should continue implementing a comprehensive attendance support program and developing a way to assess and report on the effectiveness of the attendance support process/programs to senior administration and the Board.
- The school board should finalize the review of pay equity plans for all staff groups.
- Management should conduct independent compliance audits of the school board's insurance carrier for the CUPE benefits plan to ensure adherence to the plan's terms and conditions.
- Management should conduct periodic and confidential staff surveys, to improve communication with staff and provide input for professional development plans and HR policy.
- Management should also conduct exit interviews with all staff leaving the school board to obtain input for HR policy, as well as process and program improvement. Management should consider developing formal policies and/or procedures for conducting exit interviews.
- Management should document policies and procedures which govern the development of an annual staffing plan and allocation process.

Financial Management

The Finance department has implemented many of the leading practices:

- The Finance department provides formal and informal training to staff on various finance-related procedures and processes.
- The annual budget development process is transparent, clearly communicated and incorporates input from all key stakeholders.
- Management has adopted an integrated (at school board and school level) approach to enrolment forecasting that drives the budget process.

- The school board's cash management activities are consolidated with a single financial institution.
- The school board has negotiated favourable interest rates on the current account, and due to the currently favourable rates is not currently undertaking short-term investments. The school board regularly reviews its relationships with the existing bank, and compares financial terms with other school boards.
- To ensure business continuity, management has established a formal disaster recovery plan, with input from the information technology and finance department. The plan contains procedures for the school board's financial system.
- The school board has established a policy and administrative regulations on management of school funds. The school board has also adopted guidelines for school-generated funds developed by the Finance Committee of the Ontario Association of School Business Officials.
- Management has established processes for monitoring projects funded with EPO grants, including reporting requirements.
- The Finance department is responsible for monitoring compliance with purchasing policy and procedures.
- The Finance department has established policy and administrative guidelines for the commercial card (purchasing card) program.
- The school board has established formal procedures for invoice/requisition payment, which outlines a three-way match process.
- The school board uses Electronic Funds Transfers (EFTs) for many of its vendors, and encourages all new vendors establish an EFT arrangement with the school board.

The review team has noted that the school board would benefit from expanding its activities in several areas.

Key annual priorities of the Finance department are set out in the school board's annual operating plan. There is no formal departmental annual operating plan for the Finance department. Department staff discuss annual goals, priorities, timelines and the reporting cycle informally at the beginning of each year.

The school board's organization clearly shows the structure of the Business, Finance, Property and Transportation departments, and lines of reporting. The organization chart

is not posted on the school board's website. The school board's website provides general contact information and identifies the senior administration team. Management should consider providing contact details of key finance staff on the website.

Management is aware of key areas of fiscal risk for the school board, such as gratuities, tuition fees arrears, and costs associated with absenteeism. Throughout the budget development process, specific budget pressures are identified by management and incorporated into the budget. During the budget development process, management provides an overview of key budget challenges to trustees. However, management does not formally document budget risks and mitigation strategies in a report that summarizes the nature, probability of occurrence, potential impact, and proposed mitigation strategies for the risks.

During the year, the Finance department prepares several financial reports for the Board, using various formats. Management is aware of the Interim Financial Report Committee (IFRC) report and recommendations. However, the format and frequency of the interim financial reports have not been revised to match the IFRC guidelines.

The Assistant to the Director of Education (responsible for Business and Finance) reviews all reports prior to presenting them to the Board. However, there is no formal sign-off of interim financial reports by senior management.

The school board does not always meet the established timelines for financial reports required by the Ministry. Management noted that the Finance department is currently working to improve processes to ensure timely submission of financial reports.

Currently, the Board does not have an audit committee. All audit issues are addressed by the Finance Committee which is composed of all trustees.

The Manager of Audit and Reporting plans and conducts periodic internal audits of schools, focused on school-based funds. However, there is no internal audit function at the school board. Management noted that the school board is awaiting progress in the implementation of the Ministry initiative on regional internal audit services.

The Finance department has not established an investment policy. Management noted that the school board does not have significant investment activity.

The school board has revised its purchasing policy and procedures to align with the Supply Chain Guideline. While the purchasing procedures state that the authority to issue a purchase order in the name of the school board is delegated to the Financial Services Manager, the approval or authorization levels are not specified in the school board's revised purchasing policy and procedures.

The school board has not implemented electronic supplier interface for ordering, processing, and payment.

Recommendations:

- The Finance department's annual planning should build on the key priorities identified in the school board's strategic plan to create an annual departmental operating plan. The plan should reflect specific and measurable targets and indicators, and assign responsibilities and timelines for key activities.
- Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the Finance department and lines of reporting.
- Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels.
- Management should review the recommendations of the Interim Financial Reporting Committee (IFRC) and establish interim financial reporting that incorporates IFRC guidelines on frequency and format of reports. Management should also communicate the IFRC recommendations to the board of trustees, and request trustees' feedback on the recommended format of interim financial reports.
- The school board should establish approval procedures for interim financial statements, and implement a formal sign-off process of these statements by senior management.
- Management should continue improving internal processes to ensure that all financial reports are completed and filed in accordance with established timelines.
- Management should proceed with its intention to establish an internal audit function, giving consideration to the emerging Ministry direction to establish regional models for internal audit across the school board sector.
- Once the school board establishes an internal audit function, it should ensure any internal audit plans are clearly documented and that internal audit report recommendations are acted upon by management.

- Management should consider establishing an audit committee that includes external advisors in accordance with emerging Ministry direction.
- The school board should establish a formal investment policy and procedures. Management should periodically report to the Board on the performance of the investment activity in accordance with the investment policy.
- Management should revisit the school board's purchasing policy and procedures to clearly indicate the purchasing levels of authority as recommended in the Supply Chain Guideline. These levels of authority should be commensurate with job roles and responsibilities, and purchases should be monitored for compliance with the established authorization levels.
- Management should continue identifying opportunities for implementation of the electronic supplier interface for ordering, processing and payment.

School Operations and Facilities Management

The Building Services department has implemented many leading practices:

- The Building Services department has established a departmental operating plan for 2009-2010 which is aligned with the school board's annual plan. The plan identifies goals, actions and timelines, outcomes, references to school board's policies, procedures and other relevant documentation.
- The school board's custodial allocation model was established using a software application. The initial model was based on a detailed assessment of all facilities. The model takes into account square footage and type of flooring.
- The Building Services department facilitates training for custodial and maintenance staff to support ongoing skills development, build awareness of regulatory changes, and ensure work safety.
- The Building Services department maintains an up-to-date inventory of major custodial and maintenance equipment.
- The department is currently moving to a new system for purchasing of custodial supplies. The department has established a catalogue with over 150 items which are included in system contracts.
- The school board's Committee for Environmental Stewardship in Action, established in line with the Board's policy on Environmental Education is directly involved in energy efficiency initiatives.

- The Health and Safety Coordinator, who is part of the Human Resources department, is responsible for obtaining, coordinating and tracking all the health and safety needs for school board employees. The school board has established a policy on occupational health and safety. The Coordinating District Committee oversees matters pertaining to the *Occupational Health and Safety Act*.
- The school board has established an emergency preparedness policy and operational procedures. There is a policy on police and school board protocol in the event of an emergency.
- The school board has established a 10-year capital plan which was last updated in 2008 and presented to the Board. For the update, management reviewed the condition of all schools, enrolment projections and Ministry directions.
- Management gives full consideration to the use of available school space in their local communities before proceeding to build, purchase or lease other spaces. The school board has several facilities which are used jointly with other local school boards.

The review team has noted that the school board would benefit from expanding its activities in several areas.

The structure of the Building Services department and lines of reporting are reflected in the school board's organization chart. The organization chart is not posted on the school board's website. There are job descriptions for all positions in the Building Services department, including standard job descriptions for head custodians and custodians.

Standard job descriptions of custodial staff outline duties and responsibilities including key cleaning tasks. In the past, the department also initiated the development of formal cleaning standards using industry standard practices. However, this work has not resulted in formal cleaning standards that are communicated to staff and consistently monitored.

The school board has introduced green-certified cleaning products across all sites. In 2009, the school board established an environmental education policy which states that it shall implement strategies, programs and procedures to protect and conserve the environment, while ensuring that schools and workplace environments are safe and healthy.

The Building Services department establishes an annual renewal plan for the school board which reflects the use of the renewal and Good Places to Learn (GPL) funding for major maintenance projects. In addition to the major maintenance plan, management establishes a plan for minor maintenance projects. The annual maintenance plan is

available to principals and presented to the Board. Progress reports are provided to the Board several times a year.

The school board has implemented a system to track and process work orders. The system was originally developed as an information technology help desk, and enhanced to include work orders. As part of the ongoing internal review of maintenance and custodial services, the Building Services department is considering specialized software applications for automated work order processing and planning of preventative maintenance.

The school board has a number of energy management initiatives. Using recommendations provided by external energy management consultants, the Board has approved a number of energy efficiency projects. However, the school board has not established a formal energy management plan in line with the requirements of the *Green Energy Act*.

The school board has established a baseline for energy consumption tracking using 2007-2008 data. Data is being tracked manually using billing information. The school board has provided the requested data for the Ministry-sponsored Utilities Consumption Database. The school board awaits implementation of the database to further improve monitoring and analysis of consumption data and support the development of a formal energy management plan.

Management noted that the school board's utility providers do not provide consolidated bills.

In the development of various occupational health and safety procedures, management considers the health and safety of students. However, there is no integrated health plan or strategy at the school board which would reflect policies, procedures and statutory requirements related to health of students and employees.

Recommendations:

- Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the Building Services department and lines of reporting.
- The school board should consider establishing cleaning standards for schools and develop a standard set of processes and tools to monitor, manage and report on results.
- The school board should review the Ministry's Green Clean Program Resource Guide and use the guide to develop a formal green clean program as part of its overarching Education Environmental Policy.

- Using a consultative process, management should develop a multi-year plan for major maintenance and renewal projects. The plan should address the board's preventative and deferred maintenance priorities and optimize the use of available funding (Annual Renewal Grant and Good Places to Learn funding). The plan should be approved by the Board.
- Management should continue examining options to implement an automated work-order system. An automated work-order system would help management process records, monitor and evaluate projects, ensuring the effective use of resources. It would also provide useful information for planning preventative maintenance.
- Using the results of the energy audits, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the *Green Energy Act, 2009*, energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities, with milestones, roles, responsibilities and budgets with a process for ensuring community support.
- Once the formal energy management plan is established, the school board should ensure that its procurement policies and practices support the objectives and targets of the plan. Management should also consider documenting the energy efficiency requirements in procurement policies and procedures and/or the environmental policy.
- Management should provide formal annual reporting on the conservation savings achieved against the plan.
- As part of the energy management planning, the school board should establish a comprehensive system to budget expenditures, track and regulate consumption, and identify opportunities for further savings.
- The school board should continue identifying opportunities for consolidated billing from utilities.
- The school board should consider establishing an integrated health plan/strategy that would reflect the existing policies and procedures regarding health and safety of school board employees and students. Management should also consider coordinating the development, implementation and monitoring of the plan centrally.

1. Background and Overview

1.1 School Board Profile and Structure

The District School Board Ontario North East provides educational services to approximately 7,692 students in 30 elementary and 11 secondary schools.

The school board's enrolment has decreased from 2002-03 to the 2009-10 year, by 1,601 students, or about 17.2 per cent. This trend is expected to continue over the next several years.

The school board's Administrative Council is as follows:

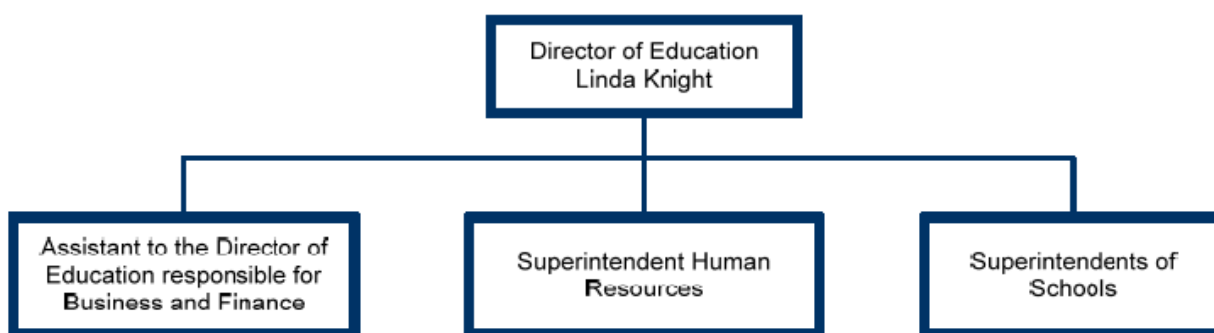


Figure 1: District School Board Ontario North East Administrative Council

1.2 Key Priorities of the School Board

The school board's mission statement is:

"We are committed to providing a safe, positive and mutually focused environment which promotes the development of skills, knowledge and attitudes necessary for lifelong learning."

As part of the *Growing Forward* strategic plan for 2009-2012, the school board has established six strategic goals:

- Sustain a healthy and safe learning and working environment for students and employees
- Improve achievement and success for all students
- Ensure fiscal responsibility and further develop the efficient use of resources
- Develop and improve work practices and leadership
- Prepare for future system changes and plan for environmental practices

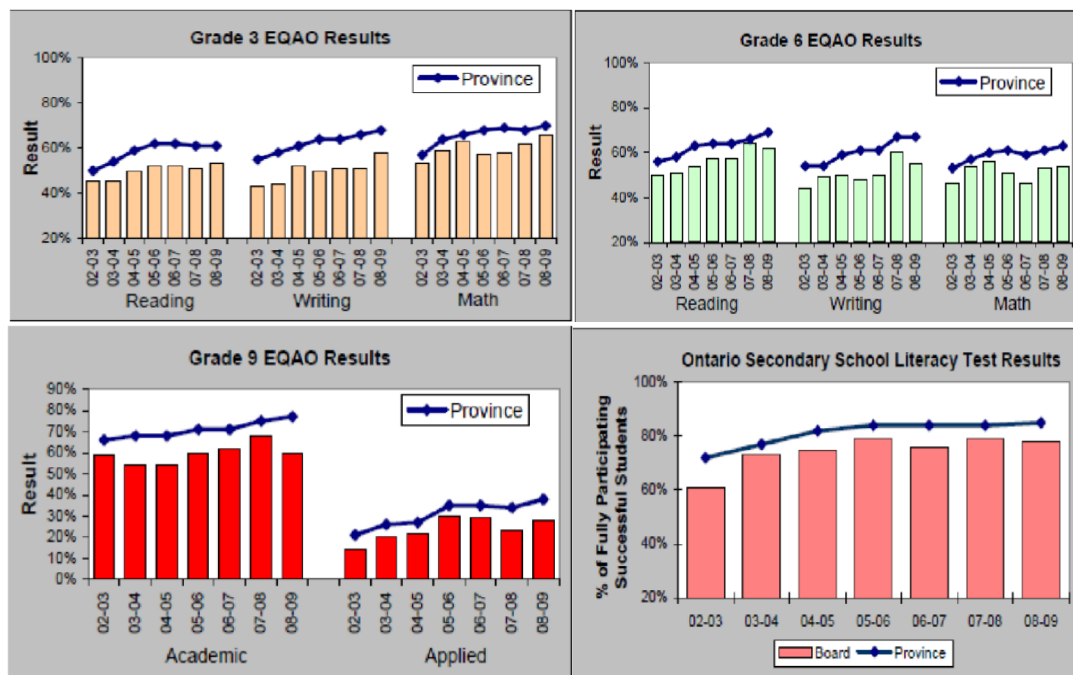
- Strengthen communication and engagement with parents/guardians, agencies and community.

1.3 Student Achievement

Since 2002-03, the school board has shown improvement in some areas assessed through the EQAO process. However, the school board's EQAO results remain below the provincial average in all assessed areas. Grade 3 EQAO results in writing and math have been steadily improving since 2005-06; however, they remain below the provincial average. Grade 3 results in reading improved in 2008-09, but also remain below the provincial average. Grade 6 results in writing and reading have declined in 2008-09, and results in math remained at the same level as in 2007-08. Overall Grade 6 EQAO results are below the provincial average.

Grade 9 academic results have been steadily improving between 2003-04 and 2007-08; however, they have declined in 2008-09 and are below the provincial average. Grade 9 applied results have improved in 2008-09 over the previous year but also remain below the provincial average.

The following charts demonstrate the school board's EQAO results over the last six years.



1.4 Fiscal Overview

In the 2008-2009 fiscal year, the school board achieved a balanced budget. The 2009-10 revised estimates also forecast a balanced budget. The school board's reserves for working funds increased significantly in 2008-09. In the context of declining enrolment, the school board has implemented further reductions, as part of the budget planning process for 2009-2010. Declining enrolment continues to present a key fiscal challenge for the school board.

The following table highlights key financial data for the school board.

Summary Financial Data (Revenues)

Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Legislative Grants	79,850,809,\$	84,832,769,\$	84,947,074,\$
Local taxation	19,399,906,\$	17,706,702,\$	20,150,576,\$
Board Revenues	\$6,383,773	6,895,868,\$	6,718,011,\$
Other Operating & capital Grants	2,686,960,\$	2,608,140,\$	3,874,538,\$
Total Revenues (Schedule 9)	108,321,448,\$	112,043,479,\$	115,690,199,\$

Summary Financial Data (Expenditure)

Expenditures:	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Operating expenditures	\$100,824,330	\$101,744,091	\$107,804,782
Capital expenditures - Before transfers from reserves	\$6,452,285	\$6,311,759	\$7,885,417
Transfer to (from) Reserves	\$1,071,837	\$3,987,627	\$0
Total Expenditures	\$108,348,452	\$112,043,477	\$115,690,199
In-year Surplus (Deficit)	-\$27,004	\$0	\$0

School Board Reserves and Deferred Revenues

School Board Reserves and Deferred Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Retirement Gratuities	\$ 92,253	\$ 94,142	\$ 96,140

School Board Reserves and Deferred Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Reserve for Working Funds	\$ 1,759,849	\$ 5,873,412	\$ 5,873,413
Total Reserve Funds (Schedule 5)	\$ 1,852,102	\$ 5,967,554	\$ 5,969,553
Proceeds of Dispositions Reserve-School Buildings	\$ 244,378	\$ 244,378	\$ 244,378
Energy Efficient School - Operating	\$ 0	\$ 44,210	\$ 0
Energy Efficient School - Capital	\$ 0	\$ 307,474	\$ 0
Total Deferred Revenues (Schedule 5.1)	\$ 244,378	\$ 596,062	\$ 244,378
Total Board Reserves and Deferred Revenues	\$ 2,096,480	\$ 6,563,616	\$ 6,213,931

1.5 Key Statistics: District School Board Ontario North East

Day School Enrolment

Day School Enrolment	2002-03 Actual	2007-08 Rev. Estimates
Elementary Day School ADE	5,291	4,183
Secondary Day School ADE	4,003	3,509
Total Day School Enrolment	9,294	7,692

Primary Class Size

Primary Class Size	2003-04	2009-10
% of Classes Less Than 20	54%	92%
% of Classes Less Than 23	78%	100%
Average Class Size - Jr/Inter	23,76	21,22
% of 3/4 Classes 23 & Under	89%	100%
% of Combined Classes	33%	47%

Staffing

Staffing	2003-04	2009-10
School Based Teachers	638	583
Teacher Assistants	108	131
Other Student Support	55	62
School Administration	41	39
School Clerical	63	55
School Operations	137	147
Other Non-Classroom	33	40
Total Staffing	1075	1057
Teacher - Pupil Ratio	1:15	1:13
FTE Staff per 1,000 Pupils (ADE)¹	115.7	137.4
Total Salary & Benefits as % of Net Operating Expenditures	75.20%	73.30%

Special Education

Special Education	2003-04	2009-10
Special Education Incremental Expenditures	9,475,092\$	\$11,544,011
Special Education Allocation	\$9,755,144	\$11,434,650
Spending above Allocation (Reserve)	-\$280052	\$109,361

School Utilization

School Utilization	2003-04	2009-10
Number of schools	45	41
Total Enrolment (ADE)	9,293	7,692
School Capacity (Spaces)	14,501	14,093
School Utilization	64.10%	54.60%
Board Area (Km²)	24,922	24,922
Number of Trustees	11	11

¹ Note: Impacted by Class Size and Special Education

2. Governance and School Board Administration – Findings and Recommendations

The 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 school board operations.

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.

This section provides a summary of the findings and recommendations of our assessment of the school board's adoption of the leading practices relating to the governance and school board administration. Our findings are a result of our review of the data provided by the school board and our fieldwork, which included interviews with the Chair, the Director and senior staff of the school board.

The following table summarizes the leading practices defined for governance and board administration, and identifies where evidence showed that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a "No" indicates that an improvement opportunity exists.

Establishment of an Effective Governance Model

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
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.	Yes

Development of the Board's Strategic Direction and the Annual Operating Plan

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees, using a consultative process, develops and communicates a multi-year strategic plan that provides a framework for annual planning.	Yes
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.	Yes
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.	Yes

Decision-Making Processes

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees and senior administration have appropriate processes for decision making to address student achievement targets and operational performance.	Yes
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.	No

Organizational Structure and Accountability

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The organizational structure has clearly defined organizational units that delineate roles and responsibilities, minimize administrative costs and ensure effective and efficient operation.	Yes

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
A departmental organization chart (supplemented with a directory of key staff contact information) is publicly available on the board's website.	No

Succession and Talent Development

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
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.	No

Stakeholder Engagement

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees and senior administration proactively engage internal and external stakeholders on a regular basis and through a variety of communications vehicles (e.g., websites, e-mail, memos, town halls, etc.).	Yes
Key senior staff from all functional areas are members and participants in sector committees of provincial associations and/or Ministry workgroups.	Yes

Establishment of an Effective Governance Model

The school board has documented its governance model in policies. The *Governance Policy* provides a statement and administrative regulations which guide the Board's approach to governance. The administrative regulations outline the role of the board of trustees and the role of the Director of Education, as well as accountability of the Board relative to that of the Director of Education. It is stated in the administrative regulations of the *Governance Policy* that the Board delegates to the Director through policy, the administrative authority and responsibility, conducts evaluations of the Director, and promotes a positive working relationship with the Director. The key responsibilities of the Director of Education include educational leadership, fiscal responsibility, organizational management, strategic planning and community, and public relations.

The Board's approach to governance has evolved over the past several years to strengthen the division of duties and responsibilities between the board of trustees and the Director of Education. The governance model also facilitates the effective working relationship between the Board and school board administration. The Board is aware of

the new *Student Achievement and School Board Governance Act* (Bill 177). It is anticipated that the new legislation will require a number of further changes in the current governance model of the Board. The Director is planning to conduct a series of training sessions for trustees on the new Act and its implications for the Board's governance model.

The Board is composed of 11 trustees. Four trustees have over 11 years of experience serving on the Board, two trustees have nine year of experience, one trustee has seven years of experience, and four trustees have served for three years.

There is open communication between the senior administration and the Board. The senior administration ensures that trustees have sufficient understanding of various issues to make informed decisions.

While the role of the Chair of the Board is not documented in the governance policy, the current Chair of the Board has played a significant role in establishing the current governance model. The Chair and Vice-Chair of the Board have an open, trusting relationship with the Director of Education. The Chair of the Board is currently leading the development of a trustees' code of conduct. The Chair noted that the Director has a very good rapport with trustees, and maintains open communication with the Board.

New trustees are provided with orientation training on their roles and responsibilities. Each August, the trustees are given a binder with the Board Improvement Plan, new legislation and regulations and directions from the Ministry of Education. The Director of Education provides regular updates to the Board on legislative changes that have implications for the Board's governance model. The trustees are also provided with opportunities to attend conferences, such as the Northern Ontario Trustee Conference.

The *Governance Policy* stipulates that the Board evaluates the Director's performance in accordance with the service agreement. It is also indicated that the Director's job description and the Board's strategic plan is the basis for the evaluation. The current performance evaluation process for the Director has been established with assistance from an external facilitator, who also contributed in the development of the Board's governance model. The Director's evaluation is conducted each year, and uses the evidence of achievement relative to the Board Improvement Plan and strategic plan.

Development of the Board's Strategic Directions/Plan

The Director of Education led the development of a new strategic plan for the school board that addresses the academic and business operations. The new strategic plan for 2009-2012 was presented to the Board in October 2009. In the development of the strategic plan, the Director used feedback from the Director's evaluation process, directives from the Ministry of Education, and the review of all aspects of the organization. As part of the strategic planning process, the Director gathered feedback

from the senior administration team, and engaged in discussions with principals, teachers and the Parent Engagement Committee.

The vision and mission of the school board were established as part of the strategic planning process. The school board's mission is:

"We are committed to providing a safe, positive and mutually respectful student – focused environment, which promotes the development of skills, knowledge and attitudes necessary for lifelong learning."

The strategic plan identifies six goals which are supported by key objectives. These goals include:

- Sustain a healthy and safe learning and working environment for students and employees
- Improve achievement and success for all students
- Ensure fiscal responsibility and further develop the efficient use of resources
- Develop and improve work practices and leadership
- Prepare for future system changes and plan for environmental practices
- Strengthen communication and engagement with parent/guardians, agencies and community.

The strategic plan will be reviewed and updated each year. The update of the strategic plan entails the development of an annual operating plan for the school board. For each key objective accompanying the strategic goals for 2009-2010, the school board has established success indicators and key initiatives. For each key objective, the plan indicates lead personnel and frequency and format of communication on progress. Management should consider enhancing the format of the annual operating plan by establishing responsibilities and timelines for each initiative indicated in the plan.

The mission and vision of the school board and the statement of strategic objectives for student achievement have been posted on the school board's website and communicated to school administrators.

In addition to the annual operating plan, the school board develops an annual District Student Achievement Plan (Board Improvement Plan) that is aligned with the Ministry's school effectiveness framework. The District Student Achievement Plan is a framework for school improvement plans. The Director reports on progress relative to the District

Student Achievement Plan in the Director's annual report, which is available on the school board's website.

It is envisioned that the Director will provide reports to the Board on implementation of the strategic plan twice a year. Progress in the implementation of the annual operating plan will be regularly discussed by the Administrative Council. The strategic plan will also form the basis for the Director's performance evaluation. The non-academic functions have been incorporated only in the new strategic plan. In the past, the Director provided periodic reports to the Board on specific aspects of school board business operations. For example, the Director provided periodic property and finance reports, regular reports on maintenance activity, and annual technology reports. As part of future reporting on the strategic and annual operating plan, the Director should provide reports pertaining to business functions of the school board.

Decision-Making Process

The Board has not established procedural by-laws to outline the protocols for Board operations. Agendas for Board meetings are set by the Director, Chair and ViceChair. The standard agenda contains regular items to be discussed by the Board. Additional items are identified by the Director in consultation with the Chair and ViceChair.

When the school board administration requires a decision from the Board, the Director presents a proposal with rationale. Some proposals may come from superintendents, and while these proposals are reviewed by the Director, the superintendents make presentations to the Board.

The Board has established several committees including standing and *ad hoc* committees and two statutory committees. The Chair of the Board is an *ex officio* member of all standing, *ad hoc* and statutory committees. Standing committees are appointed in December following the election and last for the Board's term. *Ad hoc* committees are formed to examine an area of interest of the Board. An *ad hoc* committee is composed of the Director of Education or designate, three trustees and three principals, and may occasionally include a parent or a student. Following a completion of a study of interest, a motion is brought to the Board. Various committees that involve the trustees are as follows:

- Native Advisory Committee
- Parent Engagement Committee
- Special Education Advisory Committee
- Property and Finance Committee

- Human Resources Committee
- Negotiations Committee
- Accommodation Review Committee
- New French Immersion School Committee
- French-Language Ad Hoc Committee.

The Board has established the policy and administrative regulations in *Policy Development Process*. It is stated in the document that a policy is a set of guidelines adopted by the Board after three readings, to direct a course of action to achieve the objectives of the Board. Regulations are derived from policy, and provide a clear framework for implementation. Procedures are administrative guidelines designed to direct the system towards the successful implementation of policies.

It is clearly indicated that policies and regulations emanate from the Board, and procedures are issued under the authority of the Director or designate and are received by the Board for information. When a need for new policies or policy updates is identified the Director assigns the development of a draft to a member of the senior administration team. Sometimes, school principals and teachers may be involved in the development of policies. The policy development cycle includes communication of the draft to the principals and school councils. Some draft policies are posted on the school board's website to gather feedback from the broader school board community.

The Director of Education is responsible for policy updates. Overall policies are updated on an as-needed basis. The Director of Education noted that most policies have been reviewed and updated over the past three to four years. While the policy development process states that all policy statements should contain a timeline for review, policies posted on the school board's website show only the last revision date. The school board has not established a formal cycle for review of policies.

Organizational Structure and Accountability

The school board's administrative areas include: Human Resources, Business/Finance/Property & Transportation, Information Technology Services, Special Education, Curriculum and Student Success. Each department is led by a superintendent and reports to the Director of Education. The Information Technology Services department is led by the Director. The Assistant to the Director of Education (responsible for Business and Finance) leads the Business/Finance/Property and Transportation department of the school board. At the time of the Operational Review, the Assistant to the Director of Education had been in her role for only a few months and was working to complete supervisory officer certification requirements.

The senior administration team is represented by the Administrative Council which is composed of the Director of Education, Assistant to the Director, Superintendent of Human Resources and superintendents of schools.

The school board has an up-to-date organizational chart. The chart is not posted on the school board's website. The school board's website provides a directory of senior administration including general contact information.

Succession and Talent Development

The school board has implemented many initiatives to support succession and talent development. Management promotes participation of staff in professional development activities, programs and training. There are many professional development opportunities available at the school board to support succession planning, including leadership programs, mentoring and coaching initiatives, the development of professional learning communities, and district and regional workshops supported by associations and unions.

The school board's new strategic plan for 2009-2012 establishes a key objective of preparing for current and future Board leadership needs with respect to system and school administration and operational management. The school board has identified two key initiatives for 2009-2010 to support this strategic objective:

- Review and revise the academic succession plan process in accordance with requirements of Ontario Leadership Strategy
- Develop a succession plan for operational leadership and management to ensure leadership stability in operational services departments.

The District Principals' Council provides leadership development opportunities for school principals and management supports principals' participation in profession development opportunities provided outside of the school board. All school administrators are required to develop a Leadership Growth Plan, to enable principals to improve their leadership practice, identify strategies to attain leadership objectives, and develop criteria for measuring success.

Within the school board administration, there is informal mentoring and support to staff pursuing supervisory officer qualifications. However, the school board has not established a formal succession and talent development plan.

Stakeholder Engagement

The school board has a variety of formal mechanisms for communication and stakeholder engagement. The Coordinator of Community Use of Schools is also

responsible for supporting the Director in media relations. One superintendent of schools regularly participates in local television and radio programs. Most schools issue periodic newsletters and maintain a school website. The school board's website provides media releases on key events, a media events calendar, and a bulletin board for various news and events at the school board.

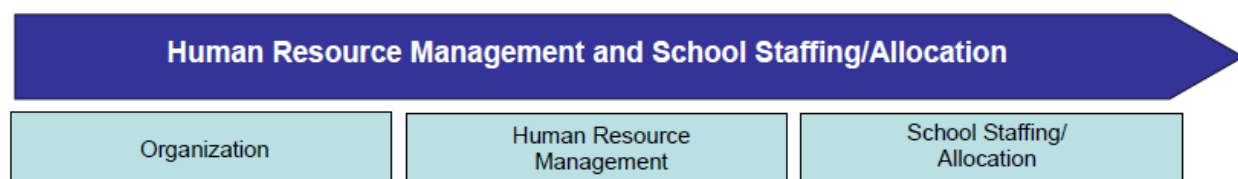
The Board's Governance Policy outlines the role and responsibilities of the Director and the Board in communications and community relations. The Chair of the Board and the Director are the spokespersons for the school board.

The Director and supervisory officers take part in a number of regional and provincial committees. The Director serves on a number of professional committees, such as the Council of Ontario Directors of Education (CODE), Ontario Public Supervisory Officials Association (OPSOA) and is a founding member of the Ontario Principals' Council (OPC). All supervisory officers take part in OPSOA. The Assistant Director responsible for Business and Finance is a member of the Ontario Association of School Business Officials (OASBO) and superintendents of schools participate in various Ministry committees, working groups and policy development initiatives.

Recommendations:

- Management should post the organizational chart on the school board's website.
- The school board should establish a formal policy review schedule to ensure that all policies are reviewed periodically.
- The school board should continue to align its leadership development programs and activities with the Ministry leadership initiatives. It should develop a formal Succession and Talent Development Plan in line with the *Leadership Succession Planning and Talent Development Ministry Expectations and Implementation Continuum*.

3. Human Resource Management and School Staffing/Allocation – Findings and Recommendations



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.

The following is a summary of our assessment of the school board's adoption of the leading practices under the processes identified above. All findings are a result of a review of the data provided by the school board and on-site fieldwork, which included interviews with all key HR staff, as well as follow-up and confirmation of information.

3.1 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 school 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.

The following table summarizes the leading practices defined for HR organization and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a "No" indicates that an improvement opportunity exists.

Development and Reporting of Annual Goals and Priorities

Leading Practices – Human Resource Organization	Evidence of Adoption?
The HR department's goals and priorities are documented in an annual departmental operating plan. They are aligned to the annual board operating plan accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified responsibilities.	No

Organizational Structure and Accountability

Leading Practices – Human Resource Organization	Evidence of Adoption?
The HR department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available to the public.	No
Senior HR staff have appropriate designations (e.g., Certified Human Resource Professional, etc.).	Yes

Monitoring and Communication of Policies

Leading Practices – Human Resource Organization	Evidence of Adoption?
HR management has processes in place to monitor HR policy compliance by all staff and management.	Yes
HR management builds staff capacity in understanding of HR policies and administrative procedures.	Yes

Development and Reporting of Annual Goals and Priorities

Key annual priorities of the HR department are set out in the school board's annual operating plan. There is no formal annual departmental operating plan for the HR department. The department conducts regular staff meetings to discuss priorities, projects and initiatives. Key initiatives of the HR department for 2009-2010, which are indicated in the school board's strategic plan, include:

- Review and revise HR practices
- Review the use and effect of the Attendance Support Program on attendance
- Provide safe, effective and supportive Accommodation and Return to Work Plans

- Continue to monitor employees on WSIB in order to support employees return to work at the earliest date possible
- Review record retention of personnel records
- Review privacy and risk analysis, develop guidelines and update procedures in alignment with the Ministry process for record management
- Review role of HR personnel
- Review and revise established orientation manuals and forms for new school board employees
- Implement new performance appraisal for principals
- Develop job descriptions for all positions board-wide.

The HR department has been also assigned responsibility for other initiatives in 2009-2010 that support the strategic goals and key objectives. For example, the HR department leads the initiatives to enhance labour relations with the school board's employee group partners, and to provide professional learning, training and development related to the Board's strategic direction for staff.

During the year, the HR department provides various presentations to the Administrative Council and the Board.

Organizational Structure and Accountability

The HR department is led by the Superintendent Human Resources who reports to the Director of Education. The Superintendent is supported by an executive assistant. The Human Resources Officer is responsible for day-to-day operations of the Human Resources department. The Health and Safety Officer is responsible for occupational health and safety aspects of the HR department's operations.

The current structure of the HR department is provided in the organizational chart. The school board's website lists the Superintendent Human Resources; however, there is no contact information for key HR staff. Management should consider providing contact information for key HR department staff on the website. Management should also post the departmental organization chart or a detailed organization chart for the school board administration on the school board's website.

There are formal job descriptions for all non-union staff of the HR department. HR staff members are qualified as per job specifications, based on their experience and qualifications. In some areas, formal HR training and designations/certifications could

benefit the department. The Human Resources Officer has a degree in Human Kinetics as well as certification in Ergonomics and Functional Capacity Evaluations and is currently working towards the Certified Human Resources Professional (CHRP) certification.

Monitoring and Communication of Policies

The HR department is responsible for implementing Board policies pertaining to hiring and recruitment, occupational health and safety, attendance management, and various support programs available to staff. All policies are posted on the school board's website.

The HR department communicates new policies and procedures or changes to existing policies and procedures to school principals during Principals' District Council meetings. Key HR procedures, forms and templates are also posted on the school board's intranet. The HR department has implemented many centralized processes, which enable HR staff to monitor compliance with the existing policies and procedures.

Recommendations:

- The HR department's annual planning should build on the key priorities identified in the school board's strategic plan to create an annual departmental operating plan. The plan should reflect specific and measurable targets and indicators, and assign responsibilities and timelines for key activities.
- Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the HR department and lines of reporting.

3.2 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 the 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.

The following table summarizes the leading practices defined for HR management, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a “No” indicates that an improvement opportunity exists.

Staff Recruitment/Hiring

Leading Practices – Human Resource Management	Evidence of Adoption?
Recruitment policies and administrative procedures are reviewed annually, and are aligned with staff planning to support student achievement.	Yes
The hiring policies and procedures for the respective staff groups are harmonized and shared with managers throughout the school board.	Yes

Labour Relations

Leading Practices – Human Resource Management	Evidence of Adoption?
HR management and the board of trustees have established labour/management committees.	Yes
HR management has established policies and procedures to minimize grievances.	Yes

Employee Performance Evaluation Processes

Leading Practices – Human Resource Management	Evidence of Adoption?
HR management has policies and procedures for an employee evaluation/performance system for all staff.	No
HR management maintains and communicates formal disciplinary policies and procedures for all staff.	Yes
The HR department actively supports the professional development activities of the school board.	Yes

Attendance Management Processes/Programs

Leading Practices – Human Resource Management	Evidence of Adoption?
The school board maintains appropriate processes and systems to monitor staff attendance on a timely basis.	Yes
Attendance management processes/programs exist that include employee supportive policies and procedures to minimize the cost of absenteeism.	Yes
Management periodically reports on the effectiveness of the attendance management processes/programs to senior management and the board.	No

Management of HR and Payroll Data

Leading Practices – Human Resource Management	Evidence of Adoption?
Payroll processing is segregated from employee data records and changes to data are adequately controlled.	Yes
HR records are current, including the formal tracking of teacher qualifications and experience.	Yes
HR management has implemented an approved pay equity plan, which is reviewed periodically and amended as necessary.	No

Management of School Board's Benefit Plans

Leading Practices – Human Resource Management	Evidence of Adoption?
HR management periodically conducts independent compliance audits of the school board's insurance carrier to ensure adherence to benefit plan's terms and conditions.	No
Employee data is automatically synchronized between the school board and external carriers (i.e. OTPP, OMERS and the board's benefit provider(s)).	Yes
Policies and procedures ensure the board's benefit plans are managed appropriately.	Yes

Monitoring Staff Satisfaction

Leading Practices – Human Resource Management	Evidence of Adoption?
Confidential staff satisfaction surveys are performed periodically.	No
Confidential exit interviews are performed for all staff who resign, take early retirement or transfer.	No

Staff Recruitment/Hiring

Management of the HR department noted that due to the increasing number of applications from qualified teachers, the school board has reduced its recruitment activities over the past several years. The department relies on local newspaper advertisements, *Apply to Education*, and the school board's website to attract applicants. The school board generally receives applications from a sufficient number of qualified candidates when positions become available. However, similar to other school boards, DSBONE experiences some difficulties recruiting specialist teachers, such as French-language teachers.

The school board has established a hiring policy, administrative regulations and operational procedures which help ensure consistent approaches to staffing. The policy statement contains key principles of hiring, including equity, fairness, and transparency. The operational procedures provide a specific process to guide the hiring process, including posting and advertising of positions, submission of applications, short-listing of candidates, composition of interview teams, interview process, required documentation and references, and retention of records. The procedures also outline some specific aspects for hiring of various staff groups.

It is stated in the operating procedures that the HR department is responsible for preparing internal job postings and initiating, when appropriate, an external search for candidates. The Director of Education appoints a short-listing team which consists of a minimum of three people. Members of the short-listing team are also the interview team for the selection process. The procedures set out the general criteria for short-listing. The procedures also outline the composition of interview teams for various levels of staff. Interview teams for the hiring of teachers include a principal and vice-principal (when applicable) and one or more administrators. Supply teacher candidates are interviewed by a team of principals.

Following the interviews, the Chair of the interview team makes a recommendation to the appropriate superintendent regarding the preferred candidate to hire. The superintendent authorizes the hire, and the Chair of the interview team is then authorized to make a job offer to the prospective candidate. *A Recommendation to Hire*

is approved by the Chair of the interview team and the superintendent. The Chair of the interview team is responsible for checking all references. Copies of the prospective employee's application materials and reference check notes are provided to the HR department. The HR department is responsible for the completion of all pre-employment requirements, and setting up new employee information for payroll and benefits purposes. The HR department staff are not directly involved in the interview process unless requested by the interview team.

A similar hiring process is applied to long-term occasional teachers. The school board maintains a pool of long-term occasional teachers, which is updated each September through the standard hiring process.

Labour Relations

In general, the school board has open communication with the unions and employee groups, as a result of both formal and informal practices. The school board has established negotiations committees for all bargaining units. The committees address matters of mutual concern, share information, promote positive union/management relations, and attempt to resolve matters in dispute before they become grievances.

During the negotiations process, the Superintendent of HR is the spokesperson for the school board. The negotiations team involves other members of the senior administration team and trustees. Principals may also provide some assistance.

The school board maintains a timely and effective approach in responding to labour issues. Management noted that it strives to maintain a positive relationship with the unions and address most potential grievances informally. HR staff provide advice and support to school principals, administrators and senior management for contract interpretation and in addressing potential grievances. In the past, the school board engaged legal counsel to provide training on how to address grievances to principals.

Employee Performance Evaluation Processes

The school board has established a performance appraisal process for teachers, education assistants, and Child and Youth Workers. The school board has not established a performance appraisal process for all staff groups. Management is currently working to establish a performance appraisal process for custodial staff and school secretaries. The Building Services department is developing a performance evaluation plan for casual and permanent custodial staff following the probation period. The performance appraisal process for education assistants and Child and Youth Workers is overseen by the Special Education department.

In line with the Ministry's *Supporting Teaching Excellence* document, the school board evaluates its experienced teachers on a five-year cycle. New teachers are reviewed

during the first and second year as part of the New Teacher Induction Program (NTIP). The HR department tracks the completion and status of teachers' performance appraisal, using the HR information system. The HR department sends out reminders to school principals on appraisals that are due to be completed. The HR department provided training to school principals on teacher performance appraisal. The Executive Assistant to the Superintendent of HR is responsible for reporting notations to the Ontario College of Teachers for new teachers who have completed NTIP.

Management has established a formal disciplinary procedure which outlines a progressive discipline approach. The procedure distinguishes disciplinary matters from performance evaluation. The procedures are consistent with the requirements in the collective agreements on discipline and dismissal. Trustees, the Director and representatives of the senior management team are involved in the dismissal process for teachers. For other staff groups, decisions regarding dismissal are made by management.

The HR department supports the professional development of HR staff and other staff groups, when appropriate. For example, the HR department provides training to principals on disability and attendance management. HR is involved in providing staff training for specific HR-related topics. The HR department also provides regular training on health and safety issues including mandatory training required by legislation. The mandatory training is tracked in the HR information system.

The HR department is working with the unions to identify professional development priorities for specific employee groups. The HR department has worked with CUPE to organize a workshop on soft skills. There has been training for school secretaries on various software and ergonomics and computer skills training for custodial staff.

Attendance Management Processes/Programs

An effective attendance management system combines policies, procedures and information systems to record and analyze trends in absenteeism, and dedicates resources to develop a cohesive and consistent strategy. These elements, combined with employee wellness programs and return-to-work initiatives, form the basis of a comprehensive attendance management program.

Currently, the school board uses a dispatch system for the tracking of absences. There are three dispatchers across the school board area who receive daily absence reports, enter the information in the HR system, and call in occasional staff. The school board has established formal operating procedures for reporting of absences. It is required that employees advise their supervisors, or designates, on their absence by telephone. It is stated in the procedure that voice mail messages and email messages are not accepted alone. Employees must indicate the nature of their absence and the anticipated length of the absence. The procedures set out the process to be followed by

supervisors when employees are absent from three to 10 consecutive days and for more than 10 consecutive days. The procedures set out general rules for sick leave benefits and general responsibilities of the employee, supervisor, the HR Officer and the Superintendent of HR. The procedure refers to related procedures on *Disability Support – Early Intervention and Accommodation and Return to Work*.

The school board has established a policy and operational procedures on attendance management, *Attendance Management Plan*. The program applies to all employees of the school board, and provides a mechanism for managing the following:

- Prevention/Wellness Management
- Attendance Management
- Absence Management
- Disability and Return to Work Management.

The attendance management area is focused on attendance tracking and utilization of the data to support scheduling of replacement staff, permitting early intervention, and providing employee accountability. Absence management focuses on identifying the various types of absence and standardizing responses to support supervisors in dealing with related issues. Prevention/wellness management focuses on promoting overall healthy lifestyles and wellness. The return to work/disability management provides support to supervisors in expedient return to work and expedient processing of disability claims, if necessary. The procedures outline the roles and responsibilities of supervisors and employees, and provide guidance on steps to be followed in cases on non-culpable and culpable absenteeism. The policy and procedures document contains standard templates for supervisors.

The school board has the *Disability Support – Early Intervention, Accommodations and Return to Work* program, available to all employees. There are operational procedures which provide the purpose of the program, key definitions, and responsibilities of the HR Officer, supervisor/principal, and the employee. The procedures set out the process for the development of an individualized *Remain at Work* or *Return to Work* plan.

The HR department has not provided reports to the senior administration team and the Board on the effectiveness of the attendance management plan and employee support programs.

With respect to paid sick leave utilization and WSIB claims management, the school board has board-level and province-wide data collected and documented by an external consultant. In 2009, the Board adopted a policy for Health and Wellness/Employee Support program and for Confidentiality of Medical Records. It is stated in the policy that

it will be supported by a *Disability Support Program and an Attendance Support Program*. Management has implemented the Absence Reporting Procedures and the Disability Support Program (with procedures) and is currently working to implement an attendance support program based on a model program developed by the external consultant. The program includes three components: Disability Support Program (support for employees with absences over 10 consecutive days), Attendance Support Program (support for employees who struggle to attend work regularly) and Wellness Program (health initiatives and education). The Disability Support Program has been implemented and it is planned that the Attendance Support program will be implemented in September 2010.

Management of HR and Payroll Data

The payroll function is part of the Finance department. The Superintendent of Business & Finance and the Payroll & Benefits function work closely with the HR department in the managing of HR and payroll data.

Management maintains appropriate control mechanisms to ensure the segregation and integrity of personnel and payroll data. The payroll-HR information system provides automated notification to payroll when changes are made in personnel files or a new employee file is set up. Each notification is accompanied by an explanation. The Payroll and Benefits function prepares bi-weekly reconciliation reports comparing HR and payroll information. Payroll clerks review the reports and notes on variances. The report is then passed on to the Manager of Payroll & Benefits to review and to address variances that could not be resolved.

School board employees are responsible for providing all supporting documentation if there are changes in their qualifications. The documentation is provided to the HR department which processes changes in the system. Synchronization of data with the Ontario College of Teachers is usually completed several times a year, usually in September and February.

The school board has completed a pay equity review for all non-union groups and some unionized staff groups. Management is working to complete the pay equity plan for education assistants. Pay equity for Professional Student Services Personnel will begin in late June or September 2010.

Management of the School Board's Benefit Plans

The Payroll and Benefits function of the Finance department is responsible for managing benefit plans. Management obtains input from all non-teaching staff groups to make benefit decisions.

The school board is self-insured for its employee health benefits plans. The costs of benefit plans for all staff groups with the exception of CUPE (custodial/maintenance) are fixed on a per FTE basis and independent of plan usage. Due to the fact that benefit plan costs for these staff groups are independent of plan usage, the school board has not conducted periodic plan compliance audits. Management needs to work with these employee groups to ensure that a reconciliation is performed between the number of FTEs that the school board pays through its set dollar amount arrangement, and the number of FTEs receiving benefits. Management also needs to conduct due diligence on benefits usage to ascertain if the amount being paid through the agreement with employee groups is appropriate based on the cost of the claims.

For the CUPE staff group, however, benefit costs are dependent on plan usage. The school board has not conducted usage compliance audits for the CUPE benefits plan.

The Payroll and Benefits function synchronizes data between the school board and external carriers such as the Ontario Teachers' Pension Plan (OTPP) and the Ontario Municipal Employees Retirement System (OMERS) electronically. The OTPP information is submitted via the Teacher Information Management system (TIM) on a bi-weekly basis. Data transfer with OMERS is automated and synchronized using “e-access”.

Monitoring Staff Satisfaction

Management has not conducted confidential staff satisfaction surveys to obtain feedback on the priorities of the school board or general attitudes. There are no exit interviews for staff.

Recommendations:

- The HR department should continue developing formal procedures for performance appraisal of all staff groups at the school board.
- Management should continue implementing a comprehensive attendance support program and developing a way to assess and report on the effectiveness of the attendance support process/programs to senior administration and the Board.
- The school board should finalize the review of pay equity plans for all staff groups.
- Management should conduct independent compliance audits of the school board's insurance carrier for the CUPE benefits plan to ensure adherence to the plan's terms and conditions.

- Management should conduct periodic and confidential staff surveys, to improve communication with staff and provide input for professional development plans and HR policy.
- Management should also conduct exit interviews with all staff leaving the school board to obtain input for HR policy, as well as process and program improvement. Management should consider developing formal policies and/or procedures for conducting exit interviews.

3.3 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.

The following table summarizes the leading practices defined for School Staffing/Allocation, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a “No” indicates that an improvement opportunity exists.

Processes for Annual Staff Planning and Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
The school board policies and procedures govern the development of an annual staffing plan and allocation process that reflects the priorities of the Board and Ministry initiatives.	No
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.	Yes

Monitoring and Reporting on Staff Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Systems are in place and accessible by both HR and Finance staff to establish and track an approved level of staff.	Yes
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).	Yes
Procedures are in place to enable adjustment of staff allocations for school based staff, if estimates for enrolment and funding change after budget approval.	Yes
Management's plan for providing student support services and staffing is based on student-needs analysis.	Yes

Processes for Annual Staff Planning and Allocation

Each year, the school board follows standard practices for staff planning and allocation. Management sends out memos and templates to each elementary school to prepare enrolment projects, based on established parameters. The allocation model for elementary teachers is based on the following information: provisions of collective agreements, primary class size requirements, preparation time requirements and enrolment projections. The initial elementary classroom plans are consolidated into an overall projected staffing plan for the school board. The superintendents of schools and the Director of Education review the proposed staffing plans, discuss them with principals, and make necessary adjustments.

The allocation of secondary teachers is determined using the formula based on the Average Daily Enrolment (ADE) and enrolment projections submitted by principals. Special education staffing allocations are based on needs identified by the Special Education department, in conjunction with school principals.

The allocation of other staff groups is determined centrally, using formulas which are reviewed and updated each year. Allocation of school principals and vice-principals follows a historical allocation and is determined by a formula. Clerical staff is allocated using a formula based on enrolment; however, additional clerical staff may be allocated if required. The allocation model for unionized non-teaching school staff is based on grant regulations and provisions of collective bargaining agreements. The custodial allocations are based on a formula driven by the square footage and characteristics of facilities.

Management keeps the trustees informed of the staff allocation process. In April-May management presents detailed reports on estimated enrolment and staffing per school to trustees for approval as part of the budget development process.

Monitoring and Reporting on Staff Allocation

As part of the staff allocation process, management ensures compliance with key Ministry and school board policy directives, such as class size, prep time, collective agreement requirements and other school board parameters.

The HR department is responsible for tracking the staffing allocation and ensuring that staffing is conducted according to the established plan. Management noted that in the first several weeks of September, staffing adjustments may be required to accommodate actual enrolment. In these cases, some staff transfers may occur; however, collective agreements have many restrictions on staffing adjustments. During the school year, there are no significant adjustments in staffing.

For October 31st, management prepares a comprehensive staffing report for elementary and secondary teaching staff by location. The report is then presented to the trustees. The HR department tracks any variances in the original approved allocation plan. When there is a requisition to hire, the HR department reviews the original staffing allocation plan for this school to ensure that the requested hiring is a replacement. When the HR department is requested to hire additional staff that exceeds the approved staffing allocation plan, a Board motion is required to approve such hiring.

The HR system has the capacity to generate staffing reports. The HR *Staffing Report* shows the budget for each employee group at each site and a FTE variance. The HR department generates and reviews staffing reports periodically to identify any discrepancies which are brought to the attention of the senior administration. The HR department also prepares a monthly *Personnel Report* for the trustees. The report is presented during the *in-camera* portion of the Board meeting and indicates all new hires, resignations, leaves and retirements for the previous month.

Management could consider using the using the format of interim financial reporting recommended by the Interim Financial Report Committee (IFRC) to report to the Board on the actual allocation of staff, compared to the original approved allocation plan and budget.

Recommendation:

- Management should document policies and procedures which govern the development of an annual staffing plan and allocation process.

4. Financial Management – Findings and Recommendations



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.

The following is a summary of our assessment of the school board's adoption of the leading practices under the processes identified above. All findings are a result of a review of the data provided by the school board and on-site field work, which included interviews with all key finance management staff, as well as follow-up and confirmation of information.

4.1 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 support of the roles and responsibilities for the key functions, activities and practices;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

The following table summarizes the leading practices defined for the finance organization, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a “No” indicates that an improvement opportunity exists.

Development and Reporting of Annual Goals and Priorities

Leading Practices – Finance Organization	Evidence of Adoption?
The finance department’s goals and priorities are documented in an annual departmental operating plan that is aligned to the annual board operating plan accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified accountability.	No

Organization Structure and Accountability

Leading Practices – Finance Organization	Evidence of Adoption?
The finance department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available.	No
Finance department staff have the appropriate finance/accounting designations and experience.	Yes

Monitoring and Communication of Policies

Leading Practices – Finance Organization	Evidence of Adoption?
Finance management has processes in place to monitor finance policy compliance by all staff and management.	Yes
Management provides scheduled finance policy and procedures awareness, training and skills development educational sessions.	Yes

Development and Reporting of Annual Goals and Priorities

Key annual priorities of the Finance department are set out in the school board’s annual operating plan. There is no formal departmental annual operating plan for the Finance department. The department staff discuss annual goals, priorities, timelines and reporting cycle informally at the beginning of each year. Key initiatives of the Finance department for 2009-2010, which are indicated in the school board’s strategic plan and annual operating plan, include:

- Review process for trustee expenditure reimbursement to align with updated legislation
- Review Board audit practices, retention of files, policies and procedures to align with updated legislation
- Review purchasing procedures and practices to align with updated legislation
- Review budgets, accounting and reporting framework for capital assets in accordance with Public Sector Accounting Board (PSAB) and Ministry requirements.

During the year, the Finance department prepares various reports for the Board such as interim financial reports, cash disbursement reports, reports on EPO grants and trustee expenditure reports.

Organizational Structure and Accountability

The Business, Finance, Property and Transportation department is responsible for the finance function of the school board. The Finance department comprises the Financial Services Manager, Audit and Financial Reporting Manager and Payroll and Benefits Manager. All managers report directly to the Assistant to the Director of Education responsible for Business and Finance.

The Financial Services Manager is responsible for accounting, accounts payable, accounts receivable and purchasing and supervises five accounting and purchasing clerks. The Manager of Audit and Financial Reporting is responsible for all matters pertaining to external audits, school audits/review, interim financial reporting and financial statements. Since the current Manager of Audit and Financial Reporting is planning to retire, the school board has hired an Assistant Manager of Audit and Financial Reporting as part of succession planning. The Manager of Audit and Reporting and the Assistant Manager have been working closely to ensure transfer of knowledge. The Manager of Payroll and Benefits is based in the school board's office in New Liskeard, and supervises four payroll and benefits clerks.

The school board's organization clearly shows the structure of the Business, Finance, Property and Transportation department and lines of reporting. The organization chart is not posted on the school board's website. The school board's website provides general contact information for the school board and indicates the senior administration team. Management should consider providing contact details of key finance staff on the website.

There are job descriptions for all staff of the Finance department. Finance staff have appropriate professional designations and experience.

Monitoring and Communication of Policies

The Finance department is responsible for implementation of policies pertaining to fiscal management, including purchasing, staff and trustee expenses, and school funds. The policies and procedures are available on the school board's website and intranet. Changes in policies and procedures are communicated to relevant staff and finance staff provide informal advice and guidance on how to apply specific policies and procedures. For example, there is a designated member of finance staff who responds to questions regarding policies and procedures for the use of PCards.

The Finance department provides formal and informal training to staff on various finance-related procedures and processes. The department has provided training to school secretaries and custodians on relevant aspects of the new financial system. The Finance department has assigned a finance staff member who acts as a point of contact to answer questions and provide support school secretaries in managing school funds. The Finance department provided training to school secretaries and prepared a reference binder on procedures for school funds. Finance staff also provide training and assistance on the school board's financial system using remote access.

The Assistant to the Director of Education responsible for Business and Finance regularly attends meetings of the District Principals' Council, and responds to questions raised by school principals. The Finance department provides input in the development of professional development days for finance staff and other employees of the school board.

Recommendation:

- The Finance department's annual planning should build on the key priorities identified in the school board's strategic plan to create an annual departmental operating plan. The plan should reflect specific and measurable targets and indicators, and assign responsibilities and timelines for key activities.
- Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the Finance department and lines of reporting.

4.2 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.

The following table summarizes the leading practices defined for budget planning and development, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a “No” indicates that an improvement opportunity exists.

Annual Budget Development Process

Leading Practices – Budget Planning and Development	Evidence of Adoption?
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.	Yes
Management has adopted an integrated (at school board and school level) approach to enrolment forecasting that drives the budget process.	Yes
Budget planning processes account for all required cost and revenue changes.	Yes
Staffing costs are compared with similar school boards and the funding model to ensure efficient use of resources.	Yes

Risk Mitigation and Board Approval

Leading Practices – Budget Planning and Development	Evidence of Adoption?
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.	No
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.	Yes

Annual Budget Development Process

The Finance department established formal *Budget Procedures* in March 2010. The procedures outline key responsibilities in the budget development process and principles for the development of expenditure and revenues estimates. The procedures also set out key elements of reporting of actual performance against budget. In line with

the new procedures, management has established budget process and timelines for 2010-2011 which have been communicated to the Board.

According to the established budget timelines, the budget development process begins in January with preparation of enrolment projections. The Assistant to the Director of Education responsible for Business and Finance prepares enrolment projections and timely submission to the Ministry of Education. In preparing enrolment projections, management relies on historical data and school-by-school projections prepared by principals. Overall, management has applied a conservative approach to enrolment projections and as a result, over the past several years, the projections have been accurate.

In March, the Finance department prepares staffing complements for all schools and departments of the school board. Enrolment projections and staffing complements are presented to the Administrative Council and Board's Finance Committee in early April.

Initial budget allocations for schools and departments are completed throughout February and March. In February, the Finance department conducts consultations with managers and principals. The initial budget allocations are presented to the Administrative Council and Board's Finance Committee in April. The Finance department provides a standard Excel spreadsheet template to departments to assist them in budget development. The standard template contains historical budget data. In the past, the Finance department provided a budget development seminar for school principals.

In February, the Assistant to the Director of Education prepares initial grant calculations and allocations using historical information. The revenue and expenditure budgets are presented to the Administrative Council and the Board in April. These initial calculations are updated through June, as information and announcements are received from the Ministry of Education.

The school board does not undertake a public consultation process for budget development.

In May, management plans to conduct three full budget presentations to the Administrative Council and Board's Finance Committee to identify and resolve any issues. The final budget is to be presented to the Board for approval in June.

The school board obtains comparative information and updates on current challenges faced by the sector for budget development through meetings of various OASBO committees.

Risk Mitigation and Board Approval

Management is aware of key areas of fiscal risks for the school board such as gratuities, tuition fees arrears, and costs associated with absenteeism. Throughout the budget development process, specific budget pressures are identified by management and incorporated into the budget. During the budget development process, management provides an overview of key budget challenges to trustees. During the year, management provides verbal reports to the Board on various challenges such as declining enrolment challenges.

However, management does not formally document budget risks and mitigation strategies in a report that summarizes the nature, probability of occurrence, potential impact and proposed mitigation strategies for the risks.

The school board's reserve funds are earmarked for specific purposes, and their use requires Board approval. Management noted that over the past several years the school board has built up the reserve funds.

The process of reporting on risk mitigation strategies varies significantly among school boards. An enhanced process would include formal documentation of the following elements:

At the beginning of the budget cycle:

- Identification of significant expenditures not explicitly included in the budget, but may arise due to unforeseen circumstances.
- Assessment of the probability of occurrence for each budget risk, as well as a quantification of the impact to the budget should the risk materialize.
- Proposed mitigation strategies to minimize the probability of occurrence for each risk, as well as contingency measures that management will undertake should the risk materialize.

Throughout the budget cycle:

- Periodic reporting of material budget variances that may negatively impact the financial outcome of the board - this may be communicated through the interim financial reports.
- An update on the probability of occurrence, quantification and impact of each of budget risk identified formally at the beginning of the budget cycle.
- Any new budget risks not previously identified.

The level of detail of the budget risk mitigation plan will depend on the preferences of management and the Board. At the minimum, it should include a summary outlining the above elements in table format. The documentation of such information on a periodic and ongoing basis would give reviewers a better understanding of the board's budget risks.

Recommendation:

- Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels.

4.3 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 receives timely, accurate and complete financial information of all school board activities;
- Identify opportunities to support continual improvement in the effectiveness and efficiencies of all processes;

The following table summarizes the leading practices defined for Financial Reporting and Analysis, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a “No” indicates that an improvement opportunity exists.

Integrated System for Variance Analysis and Financial Reporting

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
The school board's integrated financial information system provides useful, timely and accurate information for management and stakeholders.	Yes

Interim and Annual Financial Reporting

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
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.	No
Senior management is held accountable for the integrity of financial reporting through formal sign-off and approval procedures.	No
Management completes and files all financial reports in accordance with established timelines.	No

Audit

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Management maintains an independent internal audit function.	No
Internal audit plans are clearly documented. Internal audit report recommendations are followed up and acted upon by management.	No
The Board has an audit committee with external members as advisors.	No
The external auditor's planning and annual reports are presented to the Board's audit committee and any recommendations are acted upon by management.	Yes

Integrated System for Variance Analysis and Financial Reporting

The school board has an integrated financial system that provides adequate, timely and accurate information to management, school staff and the board of trustees. The financial system includes the following modules: financial reporting, general ledger, accounts payable, accounts receivable, purchasing, tangible assets, payroll and HR. The system is integrated with payroll and human resources system. Management noted that the school board has served as a pilot board for many modules of the current financial system. The Finance department has also aligned the reporting format with Schedule 10 of EFIS reports.

All budget holders have access to their cost centres and can generate financial reports as required. The Financial Service Manager is responsible for the establishment of new general ledger (GL) codes.

Interim and Annual Financial Reporting

During the year, the Finance department prepares several financial reports for the Board. The report on revised estimates is presented to the Board in January/February and cover the current fiscal year. The report provides an overview of changes in enrolment and revenue and expenditures by major categories. In April, management prepares a financial update report for the Board which contains information on estimate, revised estimates, year-to-date expenditures and remaining budget, also expressed as percentage. Management provide verbal explanations of variances indicated in the report. Following the external audit in January/February, management presents a report to the Board on financial statements of the school board. Throughout the year, the HR department reports to the Board's HR committee on any changes in staffing.

Management is aware of the Interim Financial Report Committee (IFRC) report and recommendations. The IFRC provided recommended guidelines for the timing, format, and content of school board interim financial reporting. These guidelines are intended to serve as a consistent reporting format, which will provide meaningful financial updates and forecasts in a concise, understandable document for trustees. There are several aspects in the current interim financial reporting of the school board which can be improved in line with the guidelines of the IFRC report. In particular, management should consider the following:

- Establish a reporting cycle at the beginning of the year
- Provide three in-year reports, with consistency in format and indicators in each report
- Include non-financial indicators (enrollment and staffing – FTE)
- Explain key variance and form a conclusion.

The Assistant to the Director of Education reviews all reports prior to presenting them to the Board. However, there is no formal sign-off of interim financial reports by the senior management. The meeting of the Administrative Council usually takes place on the same day as the Board meeting. Financial reports are presented to the senior management team for information prior to submitting them to the Board.

The school board has not always met the established timelines for financial reports required by the Ministry. Management noted that the Finance department is currently working to improve processes to ensure timely submission of financial reports.

Audit

Currently, the Board does not have an audit committee and all audit issues are addressed by the Finance Committee which is composed of all trustees. Subsequent to

the audit, the external auditors conduct a meeting with the Finance Committee to discuss audit findings. Management also provides a presentation to the Finance Committee and copy of the management letter is provided to the Chair of the Board.

The Finance Committee has an opportunity to meet with the auditors *in-camera*. However, management noted that the Finance Committee does not conduct *incamera* meetings with external auditors.

Management letter is reviewed with the external auditor at the beginning of the next year audit to determine the steps taken since the receipt of the letter. Management should consider providing formal response to the management letter and presenting this response to Finance Committee. The external audit services were last tendered in 2003.

The Manager of Audit and Reporting plans and conducts periodic internal audits of schools focused on school-based funds. Subsequent to the internal audits of school funds, finance staff prepare action plan and reports and conduct a review visit in the following year. There is no internal audit function at the school board. Management noted that the school board is awaiting progress in the implementation of the Ministry initiative on regional internal audit services.

In December 2009, the Ontario legislature passed the *Student Achievement and School Board Governance Act* (Bill 177). These amendments to the *Education Act* clarify what is expected from school boards, trustees, board chairs, and directors of education to support improved student achievement. The amendments also promote good governance practices and sound financial management, by establishing audit committees. Now that the legislation has passed, the ministry intends to bring forward a regulation on audit committees specifying the composition and requirements of these committees.

Recommendations:

- Management should review the recommendations of the Interim Financial Reporting Committee (IFRC) and establish interim financial reporting that incorporates IFRC guidelines on frequency and format of reports. Management should also communicate the IFRC recommendations to the board of trustees, and request trustees' feedback on the recommended format of interim financial reports.
- The school board should establish approval procedures for interim financial statements, and implement a formal sign-off process of these statements by senior management.

- Management should continue improving internal processes to ensure that all financial reports are completed and filed in accordance with established timelines.
- Management should proceed with its intention to establish an internal audit function, giving consideration to the emerging Ministry direction to establish regional models for internal audit across the school board sector.
- Once the school board establishes an internal audit function, it should ensure any internal audit plans are clearly documented and that internal audit report recommendations are acted upon by management.
- Management should consider establishing an audit committee that includes external advisors in accordance with emerging Ministry direction.

4.4 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.

The following table summarizes the leading practices defined for treasury management, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a “No” indicates that an improvement opportunity exists.

Cash and Investment Management

Leading Practices – Treasury Management	Evidence of Adoption?
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.	Yes

Cash management activities consolidated with a single financial institution.

Leading Practices – Treasury Management	Evidence of Adoption?
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> .	No
Management periodically compares the school board's banking terms and conditions to those of similar school boards.	Yes
Management monitors financial risk related to cash/investment management and has a plan to mitigate associated risks.	Yes

Cash and Investment Management

Management noted that the school board does not have a significant amount of idle cash. The Financial Services Manager is responsible for monitoring the school board's accounts. The Financial Services Manager is also responsible for monthly bank reconciliations.

The school board uses cheques and electronic funds transfer (EFT) for payments. The Finance department has set up appropriate procedures to control the issuance and storage of cheques. All cheques over \$10,000 are couriered, and cheques under \$10,000 are sent in special envelopes. Bank cheques are stored in the Financial Services Manager's office and are issued using a special printer securely located in the office of the Manager of Financial Services. Cheques are cleared weekly by one of the purchasing clerks.

The school board's cash management activities are consolidated with one financial institution. The school board has an operating account, a U.S. account, several deferred leave trust accounts, and several trust accounts.

Management encourages, but does not require, schools to use the school board's financial institution. The school board recognizes that some schools may not have convenient access to this financial institution, due to their location.

The school board has negotiated favourable interest rates on the current account, and due to the favourable rates is not currently undertaking short-term investments. The school board has had relationships with the existing bank since 2000. The contract was renewed in 2005 and is being reviewed. The school board conducts comparisons of financial terms with other school boards.

Overall, the existing financial terms are consistent with banking arrangements of other school boards. Based on analysis and comparison of banking terms and conditions, management does not intend to tender its banking services. However, the school board

is continually negotiating with its current financial institution to ensure that services are competitive.

The school board has followed previous Regulation 471/97 of the Education Act and the new Regulation 41/10, *Board Borrowing, Investing and Other Financial Matters*. The Finance department has not established an investment policy. Management noted that the school board does not have significant investment activity.

The Finance department has established authorization requirements for wire transfers. Wire transfers are approved by the Financial Services Manager.

To ensure business continuity, management has established a formal disaster recovery plan, with input from the information technology and finance department. The plan contains procedures for the school board's financial system.

Recommendation:

- The school board should establish a formal investment policy and procedures. Management should periodically report to the Board on the performance of the investment activity in accordance with the investment policy.

4.5 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.

Non-grant revenue management is a smaller functional area for the school board. The school board receives Education Programs – Other (EPO) funding from the Ministry for specific initiatives, which requires it to focus on the non-grant revenue line.

The following table summarizes the leading practices defined for school-based funds and non-grant revenue management, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or

the practice was not completely adopted at the time of the review, a “No” indicates that an improvement opportunity exists.

Management of School-Based Funds

Leading Practices – School-Based Funds and Non-Grant Revenue Management	Evidence of Adoption?
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.	Yes

Management of Non-Grant Revenue

Leading Practices – School-Based Funds and Non-Grant Revenue Management	Evidence of Adoption?
Management ensures adequate controls are in place to safeguard non-grant revenue and coordinate the annual reporting of revenues and expenditures from all sources.	Yes
Board budget identifies revenue and expenditure for each EPO program. Management monitors activity to ensure compliance with terms and conditions.	Yes

Management of School-Based Funds

The school board has established a policy and administrative regulations on management of school funds. The school board has also adopted the guidelines for school-generated funds developed by the Finance Committee of the Ontario Association of School Business Officials.

The policy and regulations document, which is available on the school board’s website, provides definitions of school funds, key procedures for banking, receipts and expenditures, documentation procedures and regular reporting requirements.

The school board has introduced software to manage cash in schools. The Finance department provides support and training to school secretaries in using the software and managing school funds. Finance staff have central access to the information for each school through the cash management software. The periodic internal audits of school funds conducted by the Manager of Audit and Reporting help ensure compliance with the school board’s policy and procedures on school funds.

Each school usually maintains one bank account, and may have additional accounts for scholarships and lottery/bingo licenses.

The policy and administrative regulations establish reporting requirements for schoolbased funds. Financial statements are prepared by schools and approved by school principals as at June 30th and by August 31st each year and include the opening balance, receipts, inter-fund transfers, and disbursements for the current fiscal year. The financial statements are provided to the chairperson of the school council, the president of the school council, the teacher advisor, the student representative of each student club, and the Finance department. Schools are required to prepare monthly bank reconciliations, which are reviewed and signed by the school principal.

The Finance department integrates schools' financial statements and final bank reconciliations into the school board's financial statements.

Management of Non-Grant Revenue

The key sources of the school board's non-grant revenue include long-term leases (daycare), tuition fees, and community use of schools. However, this is not a significant revenue source for the school board.

Currently, the school board has significant tuition fees arrears. Management is continuously identifying ways to recover the arrears and ensure timely payments in the future. Management noted that the trustees support management in their plans and initiatives to recover these arrears.

The costs related to the community use of facilities are covered by the community use grant. There is some revenue generated by community use. There is a Community Use of School Coordinator responsible for tracking of use, reporting to the senior administration and promoting community use. The Coordinator is currently developing an on-line permitting system. At present, applications for community use are submitted to principals, and payments are collected by schools at the time of permitting. The school board has established a formal policy, guidelines and operational procedures for the community use of school. The procedures contain a fee schedule, a standard application form, and standard regulations and conditions for the use of schools.

Management has established processes for monitoring projects funded through EPO grants including reporting requirements. When a new agreement is received by the school board, the Financial Services Manager sets up a cost centre, and informs the Assistant to the Director of Education. There is a tracking template for each EPO grant, which indicates the objectives of each grant, account information, and reporting dates. The tracking sheet is provided to the Board for information purposes. When there are changes in the staffing complement, the Board approves the change through the HR *Staffing Report*.

4.6 Supply Chain/Procurement

The purpose of reviewing 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.

The following table summarizes the leading practices defined for supply chain/procurement, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a “No” indicates that an improvement opportunity exists.

Policies and Procedures

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
Approved supply chain/procurement policies and practices are clearly communicated to staff with purchasing authority and are periodically reviewed and updated.	Yes
Approved procurement policies clearly outline circumstances under which the board will use competitive versus noncompetitive procurement methods.	Yes
Contract award criteria include elements other than the lowest cost, such as total cost of ownership, value, quality, vendor performance, etc.	Yes
Purchasing managers monitor purchasing activities for compliance with the Board's procurement policies and procedures.	Yes

Participation in Group Purchasing Initiatives

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
Management evaluate and develop strategies to increase purchasing power and minimize the cost of goods and services procured.	Yes
The school board actively participates in purchasing consortia/cooperatives and/or group buying initiatives.	Yes

Purchasing Levels of Authority

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
Purchasing authorization levels are commensurate to job roles and responsibilities, and are monitored for compliance by a supervisor or department head.	No
Policies and Procedures for PCard/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.	Yes

Accounting for Completeness of Purchase/Payment Cycle

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
The school board's finance department performs three-way matching (purchase order, receipts/invoice and inspection) before invoices are paid.	Yes
Commitment accounting is in place to monitor budget utilization.	Yes
Management has implemented electronic supplier interface for ordering, processing and payment.	No

Use of Electronic Funds Transfer

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
Management maximizes use of electronic funds transfer (EFT) for vendor payments.	Yes

Policies and Procedures

The school board has established a purchasing policy and procedures, which have been revised to reflect the principles of the Supply Chain Guideline.

The Finance department monitors compliance with purchasing policy and procedures. The Financial Services Manager is responsible for the purchasing function. Two purchasing clerks report to the Financial Services Manager.

The school board has also established policies and procedures for employee travel expense reimbursement, and a policy on trustee expenses. All expense forms approved by the employee's immediate supervisor and the appropriate regional or business superintendent.

The current purchasing policy and procedures, which are posted on the school board's website, contain the code of ethics. The code addresses personal integrity and professionalism, accountability and transparency, compliance, and continuous improvement. The operational procedures clearly outline circumstances under which the school board may use non-competitive procurement. The procedures indicate all circumstances when sole sourcing and single sourcing may be used. There are clear requirements to complete formal documentation to support decisions on sole or single sourcing.

For the competitive procurement process, the operational procedures indicate contract award criteria. It is clearly stated that the school board cannot discriminate against the goods and services of a particular province or region. It is also stated that tenders, proposals and quotations will be awarded based on the lowest ultimate cost with due consideration to the importance of quality, service, and delivery, meeting specifications, terms and conditions of the contract. The procedures contain a standard evaluator score sheet which provides a list of rated criteria and requires the evaluator to provide comments for each rating. The standard evaluation criteria include organizational stability, personnel, safety standards, description or design of product/service, quality, delivery time/availability, service/support, training, warranty, experience, qualifications and references.

The purchasing procedures outline the competitive procurement process. The procedures also set out provisions regarding advertising for complete procurement. It is stated that advertising is done by the purchasing department and can be done through publication of one or more daily newspapers that are easily accessible to Canadian suppliers and the use of source lists or preferred supplier lists (a minimum of three potential suppliers is required in this case). The school board must advertise for a minimum period of 15 calendar days for procurement valued at \$100,000 or more. Currently, the school board does not use any electronic systems for advertising tenders.

Participation in Group Purchasing Initiatives

In the past, the school board participated in a purchasing consortium with the city, a local hospital and a college. The consortium has not been active over the past several years. However, the school board is currently re-examining the consortium

arrangements, with the view to minimize or reducing costs. The school board participates in a joint purchasing agreement with the Toronto Catholic District School Board for purchasing of electricity. The school board is also closely monitoring OEMC activities.

Purchasing Levels of Authority

It is stated in the procedures that the authority to issue a purchase order in the name of the school board is delegated to the Financial Services Manager. The Financial Services Manager or his/her designate is authorized to approve and sign all purchase orders on behalf of the school board. However, the procedures do not establish dollar thresholds of approvals for each level of the organization as indicated in the Supply Chain Guidelines. The purchasing procedures set out the total value limits for competitive purchasing as follows:

- On purchases not exceeding an amount of \$10,000 the Financial Service Manager may order on his-her own authority from such suppliers and upon terms and conditions that are beneficial for the school board
- On purchases of \$10,001 or more but not exceeding an amount of \$99,999 or in other cases where the Director or Superintendent of Business deems it to be in the best interest if the school board, invite at least three written quotations from three independent suppliers
- On purchases that exceed \$99,999 or in other cases where the Director or Superintendent Business deems it to be in the best interest of the school board, formal tender/request for proposals is required.

It is stated in the policy and procedures that for service not exceeding \$100,000, or in other cases where the Director or the Superintendent of Business deems to be in the best interest of the school board, the school board may award agreements exceeding one year such as, for example, courier services, cafeteria services, and network services.

The procedures indicate that the Financial Services Manager cannot order goods or services that have not been provided for in the budgets for each school or department, unless authorized by the Director of Education or Superintendent of Business. However, it is noted that the onus is on the requisitioning authorization to ensure that goods and services are properly approved and that funds are available. Purchase requisitions are prepared and authorized by the Director, superintendents, managers or principals in charge of the specific budget. All requisitions are received and reviewed by the Financial Service Manager or designate.

Policies and Procedures for PCard/Corporate Card Use

The Finance department has established policy and administrative guidelines for the commercial card (PCard) program. It is stated in the policy that the use of PCards will allow the school board to save time and money by consolidating paperwork and making the process for low value purchases more efficient. The administrative guidelines outline the internal controls, acceptable use and procedures for the use and control of commercial cards. The guidelines clearly state the benefits of using commercial cards and accountability of cardholders.

There are 150 cardholders at the school board including senior management, administrative assistants, principals, school secretaries, managers, department administrative staff, and maintenance and custodial staff. There are some restrictions on the use of PCards including transaction limits. Monthly limits are commensurate with the level of authority. There are restrictions for use of commercial cards at specific merchants and for purchasing some types of services. There is a designated Commercial Card Coordinator in the Finance department. Currently, it is the Financial Services Manager.

The administrative guidelines state that commercial cards cannot be used for purchasing of goods and services that are available under existing contracts and when a competitive bid is required under the school board's purchasing practices. The guidelines do not provide the definition of low value transactions. The purchasing procedures of the school board also do not indicate the threshold for purchase orders (POs). It is only the procedure on invoice/requisition that indicates that a PO is required to purchases over \$75. Management should consider clearly identifying the threshold for POs in the school board's purchasing policy and procedures.

The guidelines require that all records for purchases made with commercial cards be sent to the Finance department for audit purposes along with a reconciled statement of account approved by the supervisor in charge of that specific budget. Individual cardholder statements of account are distributed via e-mail to all respective cardholders for reconciliation purposes. Every month, a consolidated statement of account for all cardholder transactions is provided by the issuing bank directly to the Commercial Card Coordinator. The Finance department makes payment to the issuing bank.

The Finance department conducts periodic random reviews of commercial cards' use. The Financial Services Manager conducts monthly reviews of audit reports generated by the PCard system to check for unusual or irregular items, prior the posting of the transactions in the financial system.

The commercial card guidelines include a standard agreement, an application form, change request form, dispute form, guidance on how to reconcile individual monthly

cardholder statement and accounting department procedures related to commercial cards.

Accounting for Completeness of Purchase/Payment Cycle

The school board has established formal procedures for invoice/requisition payment, which is linked to the purchasing procedure of the school board. The procedure states the approval authority and responsibilities of the Financial Services Manager, principals, managers, and purchasing, accounting and accounts payable clerks. The procedures outline the requisitioning process.

The requisitioning process is done through the school board's financial system. Requisitions are automatically submitted to the appropriate budget holder for approval. Purchasing clerks review all approved requisitions and create purchase order once a day. Sometimes purchasing clerks may create manual POs with written authorization from budget holders (by e-mail). POs are faxed or emailed to vendors and a copy is sent to the approving budget holder.

All goods are delivered directly to schools and departments and recipients enter the receipt information directly in the purchasing module. Purchasing clerks do not have access to the accounts payable module in the financial system. The accounting clerks review invoices and cheque requisitions to ensure they are unpaid, approved by the appropriate budget holder, and adhere to school board's policies. Purchasing clerks match invoices with POs and receipt information. The accounts payable staff enter the invoice information in the system. Payments are usually processed once a week. Accounts payable staff prepare regular reports for the Financial Services Manager on outstanding accounts payable for initial approval of payment.

The school board has commitment accounting. Expenditures are encumbered when a PO is processed. The system has the capacity to provide a warning to the individual submitting the PO that the purchase will create an over budget situation.

However, the system does not prevent the creation of a PO. The school board has not implemented electronic supplier interface for ordering, processing and payment. Management noted that opportunities for such supplier interface are limited in the school board's area.

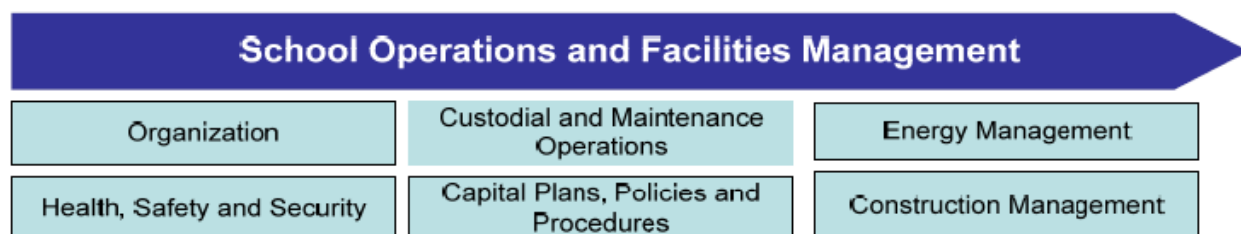
Use of Electronic Funds Transfer for Greater Efficiency

The school board uses Electronic Funds Transfer (EFTs) for many of its vendors, and encourages all new vendors establish an EFT arrangement with the school board. The school board currently has 75 per cent of its current vendors using EFT and continues to expand the use of EFTs for payments.

Recommendations:

- Management should revisit the school board's purchasing policy and procedures to clearly indicate the purchasing levels of authority as recommended in the Supply Chain Guideline. These levels of authority should be commensurate with job roles and responsibilities, and purchases should be monitored for compliance with the established authorization levels.
- Management should continue identifying opportunities for implementation of the electronic supplier interface for ordering, processing and payment.

5. School Operations and Facilities Management – Findings and Recommendations



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.

The following is a summary of the assessment of the school board's adoption of leading practices under the processes identified above. All findings are a result of the review of data provided by the school board and on-site fieldwork, which included interviews with all key school operations and facilities management staff, as well as follow-up and confirmation of information.

5.1 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.

The following table summarizes the leading practices defined for the operations and facilities organization, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a “No” indicates that an improvement opportunity exists.

Development and Reporting of Annual Goals and Priorities

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
The School Operations and Facilities Management department’s goals and priorities are documented in an annual departmental operating plan. They are aligned to the annual board operating plan, accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified responsibility.	Yes

Organizational Structure and Accountability

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
The School Operations and Facilities department has clearly defined organizational units and delineates respective roles and responsibilities. A current organization chart is available to the public.	No
Senior operations and facilities staff have appropriate designations (e.g. P.Eng.) and qualifications.	Yes

Monitoring and Communication of Policies

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
Management has processes in place to monitor school operations and facilities management policy compliance by all staff and management.	Yes
Management builds staff capacity in understanding of school operations and facilities policies and administrative procedures.	Yes
Processes exist to monitor new legislation and regulations and implement necessary changes.	Yes

Development and Reporting of Annual Goals and Priorities

The Building Services department is responsible for maintenance, custodial services, school operations, school and building grounds, and construction projects within the school board.

The Building Services department has established a departmental operating plan for 2009-2010 which is aligned with the school board's annual plan. The plan identifies goals, actions and timelines, outcomes, references to school board's policies, procedures and other relevant documentation. The current key goals of the department address energy management, emergency preparedness planning, standardization of green cleaning products, and projects related to capital planning.

In the development of the plan, the Manager of Building Services gathered input from staff of the department and the senior management team. It is envisioned that there will be regular meetings of the department to discuss progress and identify goals and initiatives for the new annual department plan.

The Manager of Building Services maintains open communication with school principals, and regularly receives direct feedback from school administrators. The department also receives feedback through regular district principals' meetings.

Organizational Structure and Accountability

The Building Services department is part of the Business, Finance, Property and Transportation department of the school board. The Manager of Building Services reports directly to the Assistant to the Director of Education. The Manager of Building Services supervises two building supervisors (responsible for northern and southern schools respectively) and the Building Services Coordinator. Building supervisors oversee all building operations, including maintenance and custodial services. There are 15 maintenance staff at the school board (plumbers, electricians) and approximately 150 custodial staff. Specialized maintenance service providers are contracted by the school board as needed. The position of the Building Service Coordinator is a temporary contract position which has been established to assist management in overseeing renewal and capital projects.

The structure of the department and lines of reporting are reflected in the school board's organization chart. The organization chart is not posted on the school board's website. There are job descriptions for all positions in the Building Services department, including standard job descriptions for head custodians and custodians.

The management staff of the Building Services department are qualified as per job specifications, and have relevant professional experience.

Monitoring and Communication of Policies

The Building Services department is responsible for implementation of the two Board policies: disposal of surplus equipment and tendering of capital projects. The Building Services department has established a number of procedures, inspection manuals, standards and log books for various areas such as water flushing, fire protection systems, and health and safety.

The Manager of Building Services is responsible for monitoring changes in policy and regulations. The Assistant to the Director of Education also communicates relevant information in statutory changes received through OASBO.

The Building Services department maintains a shared network directory that contains up-to-date information including procedures, manuals and log books. All newly-hired custodial staff receive orientation training that covers key procedures and standards, including mandatory health and safety issues. Upon completion of orientation, all new custodians are required to sign off the orientation form.

The Building Services department monitors compliance with the school board's procedures and statutory requirements, by conducting various inspections and maintaining log books.

Recommendation:

- Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the Building Services department and lines of reporting.

5.2 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 maintaining 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.

The following table summarizes the leading practices defined for custodial and maintenance operations, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a “No” indicates that an improvement opportunity exists.

The Board’s Staffing Model Supports Cleaning Standards and Maintenance Requirements

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
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.	No
The school board has implemented a formal green clean program as part of its overarching Education Environmental Policy.	No
Management’s custodial/maintenance allocation model optimizes the use of staff and considers various factors (e.g., square footage, portables, gyms, etc).	Yes

Development of Annual/Multi-Year Maintenance Plan

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
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 and 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.	No

Training to Support Skills Development and Safety

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
A monitored annual training plan for staff addresses ongoing skill development and emerging regulatory issues.	Yes

Standardization of Cleaning and Maintenance Supplies

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Management uses an inventory system to track and control major cleaning and maintenance equipment.	Yes
Management has defined common standards to ensure efficient procurement of supplies to minimize costs, promote energy and operating efficiency, and environmental sustainability.	Yes

Project Management, Monitoring and Support Systems

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
An automated (computerized) work-order system and process records, monitors and evaluates projects ensuring the effective use of resources.	No
Senior administration regularly evaluates the overall effectiveness and efficiency of its maintenance and custodial service delivery model.	Yes

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

Standard job descriptions for custodial staff outline duties and responsibilities, including key cleaning tasks. In the past, the department also initiated the development of formal cleaning standards using industry standard practices. However, this work has not resulted in the establishment of formal cleaning standards which are communicated to staff and consistently monitored. Currently, the Manager of Building Services is working to establish formal cleaning and maintenance standards.

School principals report on any issues in school cleanliness directly to the Building Services department. Management conducts inspections of school with reported issues, discusses issues with staff, and develops an action plan. There are repeat inspections to ensure that the action plan has been implemented.

The school board has implemented green-certified cleaning products across all sites. Management noted that the school board is currently moving towards implementing green-certified floor care products.

In 2009, the school board established an environmental education policy which states that it shall implement strategies, programs and procedures to protect and conserve the environment, while ensuring that schools and workplace environments are safe and healthy. In line with the policy, the school board has established the committee for environmental stewardship in action. The Manager of Building Services has been

involved in the work of the committee, and has provided an overview presentation to the committee on various greening initiatives at the school board such as green cleaning and energy efficiency and renewable energy projects.

The school board's custodial allocation model was established using a software application. The initial model was based on a detailed assessment of all facilities. The model takes into account square footage and type of flooring. Management noted that the model generated by the software does not have the capacity to introduce many adjustments. Therefore, the Manager of Building Services maintains staffing sheets which are updated regularly. One recent adjustment in custodial staffing allocation was the result of PDT funding used to increase staff to support compliance with daily water flushing requirements.

The school board's maintenance services are provided by the school board's maintenance staff and contract maintenance services in specialized areas. The school board's maintenance staff is allocated between two regions of the school board. However, staff can be re-assigned to complete maintenance projects in any area of the school board as needed. Currently, management is reviewing its work order system and overall approach to reactive and preventative maintenance to identify areas for improvement.

Development of Annual and Multi-Year Maintenance Plan

The Building Services department establishes an annual renewal plan for the school board which reflects the use of the renewal and Good Places to Learn (GPL) funding for major maintenance projects. However, the school board does not establish a multi-year maintenance plan that would address the board's preventative and deferred maintenance.

The Manager of Building Services tracks the use of GPL funding. The key sources of information for the development of the annual major maintenance plan are the work orders received. The Manager of Building Services also uses the ReCAPP database, visual inspections of schools, and input from building supervisors in the development of the plan.

In addition to the major maintenance plan, management established a plan for minor maintenance projects. For each school, the plan identifies projects related to health and safety, routine services, emergency, and other projects (equipment, playgrounds, fire alarm controls). The plan is developed with input from principals who submit their request periodically through the work order system. Management also gives consideration to other projects (such as painting) and ensures that schools receive funding for minor maintenance projects in an equitable manner. The plan is presented to the Administrative Council for consideration and the Manager of Building Services closely monitors the status of the plan throughout the year.

The major annual maintenance plan is available to principals and presented to the Board. Progress reports are provided to the Board several times a year.

Training to Support Skills Development and Safety

The Building Services department facilitates training for custodial and maintenance staff to support ongoing skills development, build awareness of regulatory changes, and ensure work safety. The department organizes professional development days for staff, which cover topics related to job specific skills, computer skills and soft skills. In general, there are four professional development days a year for custodial and maintenance staff, held at the same time as those for academic staff. For new staff, the department provides orientation training, and head custodians provide hands-on training.

The HR department of the school board obtains input from the labour unions with regard to training. The mandatory health and safety training is coordinated and tracked by the Human Resources department.

The Facility Services department often requires vendors to provide training on the use of new equipment to custodial and maintenance staff.

Management should consider documenting training and development events for custodial and maintenance staff in a formal annual plan. This would help management monitor training activities during the year, and develop a plan for the following year.

Standardization of Cleaning and Maintenance Supplies

The Building Services department maintains an up-to-date inventory of major custodial and maintenance equipment. The inventory list specifies an inventory by type of cleaning equipment and tools, age and overall condition, for each school.

The department is currently moving to a new system for purchasing custodial supplies. The department has established a catalogue with over 150 items which are included in system contracts. The catalogue will be used for placing orders for supplies. It is envisaged that the use of the catalogue will enable supervisors to track the usage of specific supplies. At present, there are small storage rooms at each school, and orders are submitted on as needed basis through requisitions created by custodians directly in the purchasing portal. Management is discussing the frequency of orders, using the catalogue with the vendor to increase efficiency in purchasing and usage of custodial supplies.

Project Management, Monitoring and Supporting Systems

The school board has implemented a system to track and process work orders. The system was originally developed as an information technology help desk, and enhanced to include work orders. School principals or custodians may enter a work order directly into the system. All health and safety issues noted during monthly school inspections are also noted in the work order system. Staff can indicate the priority of work orders.

Emergency maintenance issues can be reported by phone. The system generates a notification for building supervisors who assign work order to appropriate maintenance staff to complete. Work orders are provided to relevant maintenance staff in hard copy format. There is a binder in each building for new and existing work orders related to health and safety issues. Building supervisors encourage maintenance staff to complete all outstanding work orders while they are in school. Supervisors are responsible for monitoring and closing work orders when they are completed. If the work order is not closed within a certain period of time, a notification is sent to the Manager of Building Services.

As part of the ongoing internal review of maintenance and custodial services, the Building Services department is considering specialized software applications that would allow it to automate work order processing and the planning of preventative maintenance.

Recommendations:

- The school board should consider establishing cleaning standards for schools and develop a standard set of processes and tools to monitor, manage and report on results.
- The school board should review the Ministry's Green Clean Program Resource Guide and use the guide to develop a formal green clean program as part of its overarching Education Environmental Policy.
- Using a consultative process, management should develop a multi-year plan for major maintenance and renewal projects. The plan should address the board's preventative and deferred maintenance priorities and optimize the use of available funding (Annual Renewal Grant and Good Places to Learn funding). The plan should be approved by the Board.
- Management should continue examining options to implement an automated work-order system. An automated work order system would help management process records, monitor and evaluate projects, ensuring the effective use of resources. It would also provide useful information for planning of preventative maintenance.

5.3 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.

The following table summarizes the leading practices defined for energy management, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a “No” indicates that an improvement opportunity exists.

Energy Management Plan

Leading Practices – Energy Management	Evidence of Adoption?
In reference to the <i>Ontario Green Energy Act, 2009</i> , 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.	No
Procurement practices support the objectives and targets of the energy management plan.	No
Successful conservation initiatives are communicated across all schools and with other school boards.	Yes

Tracking and Reporting Energy Conservation

Leading Practices – Energy Management	Evidence of Adoption?
Management provides formal annual reporting on the conservation savings achieved against the plan.	No
A comprehensive system exists to budget expenditures, track and regulate consumption, and identify opportunities for further savings.	No
Billing for all board facilities is consolidated from each utility.	No

Leading Practices – Energy Management	Evidence of Adoption?
The Board has established an overarching environmental policy that addresses both environmental education and responsible management practices.	Yes

Energy Management Plan

The school board has implemented a number of energy management initiatives. Using the energy efficiency funding provided by the Ministry of Education, the school board engaged external consultants to review energy efficiency across all buildings of the school board. The review provided a school-by-school comparison, and 15 high energy-use schools were identified for an in-depth energy audit. Consultants identified improvement opportunities and cost savings which were shared with the Board. Based on available funding and guaranteed cost savings, the Board approved projects which will be implemented and tracked with the assistance from the consultants.

The school board has also submitted an application for the Renewable Energy Funding for Schools program for installation of a solar-powered system in a new school.

Management continuously identifies various incentive programs that could benefit the school board. The school board participates in the Catholic School Boards Services Association, a consortium led by the York Catholic DSB and comprised of 49 other Ontario school boards for purchasing of electricity. The school board has also joined a buying group established by a private energy procurement company. The school board's purchasing policy and procedures and environmental education policy require that it should have environmentally responsible purchasing practices, while considering quality, price and service.

The school board's Committee for Environmental Stewardship in Action, established in line with the Board's policy on Environmental Education, is directly involved in energy efficiency initiatives. The Manager of Building Services has provided a comprehensive presentation of the school board's initiatives in the area of energy and environmental management to the Committee, including highlights of energy consumption data, initiatives undertaken by the external consultants, and project information by school. Each school has an environmental champion who leads various energy efficiency and environmental initiatives.

Tracking and Reporting Energy Conservation

The school board has fully implemented building automation systems (BAS) in 10 schools, and is planning to implement BAS in five more schools. Management noted that implementation of BAS in some schools may not be cost effective.

The school board established a baseline for energy consumption tracking, using 2007-2008 data. Data is being tracked manually using billing information. The school board has provided the requested data for the Utilities Consumption Database, and awaits implementation of the database to further improve monitoring and analysis of consumption data and support the development of a formal energy management plan in line with the *Green Energy Act*.

Management noted that the school board's utility providers do not provide consolidated bills.

Recommendations:

- Using the results of the energy audits, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the *Green Energy Act, 2009*, energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities with milestones, roles, responsibilities and budgets with a process for ensuring community support.
- Once a formal energy management plan is established, the school board should ensure that its procurement policies and practices support the objectives and targets of the plan. Management should also consider documenting the energy efficiency requirements in procurement policies and procedures and/or the environmental policy.
- Management should provide formal annual reporting on the conservation savings achieved against the plan.
- As part of the energy management planning, the school board should establish a comprehensive system to budget expenditures, track and regulate consumption, and identify opportunities for further savings.
- The school board should continue identifying opportunities for consolidated billing from utilities.

5.4 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.

The following table summarizes the leading practices defined for health, safety and security, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a “No” indicates that an improvement opportunity exists.

Health, Safety and Security Management

Leading Practices – Health, Safety and Security	Evidence of Adoption?
Develop, implement and monitor of an occupational health and safety strategy/plan that reflects the board’s occupational health and safety policies and administrative procedures and ensures that the school board is in compliance with associated occupational health and safety statutory requirements.	Yes
Develop, implement and monitor of 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.	Yes
Develop, implement and monitor of a health strategy/plan that reflects the board’s health policies and procedures and ensures the board is in compliance with statutory health requirements.	No

Health, Safety and Security Management

The Health and Safety Coordinator, who is part of the Human Resources department, is responsible for obtaining, coordinating and tracking all the health and safety needs of school board employees. The Health and Safety Coordinator is also responsible for board-wide health and safety training, monthly health and safety inspections in schools, and monitoring of legislative changes and statutory requirements related to health and safety. The Health and Safety Coordinator is working closely with the Building Services department to provide training to staff and address health and safety issues in maintenance and renewal projects.

The school board has a policy on occupational health and safety. The school board has also established a Coordinating District Committee which oversees matters pertaining to the *Occupational Health and Safety Act*. The committee is composed of representatives of all employee groups and management. The committee also reviews the policy and its

terms of reference annually. There is an Occupational Health and Safety Committee at each school. The Health and Safety Coordinator conducts regular inspections to identify health and safety issues. Health and safety issues which require maintenance work are indicated in work orders.

In the development of various occupational health and safety procedures, management considers the health and safety of students. However, there is no integrated health plan or strategy at the school board to reflect policies, procedures and statutory requirements related to health of students and employees. For employees, there is a Health and Wellness Committee comprised of representatives of all employee groups to address Disability Support, Attendance Support, and a wellness program.

The school board has established an emergency preparedness policy and operational procedures. The procedures outline roles and responsibilities, general procedures for lockdown, and evacuation. The procedures provide sample templates to assist school administrators in the development of each school's Emergency Preparedness Plan.

The school board has established a policy on police and school board protocol, which is included in the policy document on the school board's website.

Recommendation:

- The school board should consider establishing an integrated health plan/strategy that would reflect the existing policies and procedures regarding health and safety of school board employees and students. Management should also consider coordinating the development, implementation and monitoring of the plan centrally.

5.5 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 multiyear 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.

The following table summarizes the leading practices defined for capital plans, policies and procedures, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a “No” indicates that an improvement opportunity exists.

Development of Annual and Multi-Year Capital Plans

Leading Practices – Capital Plans, Policies and Procedures	Evidence of Adoption?
The school board has an approved annual and multi-year capital plan that includes the related funding plan.	Yes
The school board has an approved pupil accommodation review policy.	Yes

On-going Monitoring and Maintenance of Data to Support Capital Planning

Leading Practices – Capital Plans, Policies and Procedures	Evidence of Adoption?
The school board maintains accurate and up-to-date inventories of school capacity and inventories using SFIS.	Yes
An accurate and current assessment of facility conditions is maintained, based on industry standards (using RECAPP methodology).	Yes
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.	Yes

Development of Annual and Multi-Year Capital Plans

The school board has established a 10-year capital plan, which was last updated in 2008 and presented to the Board. For the update, management reviewed the condition of all schools, enrolment projections, and Ministry directions. The capital plan update report identifies potential consolidations of schools, building extensions, and joint projects with other school boards in the area. The school board has also established a capital liquidity template which is due to be updated with approval of new debentures. The Assistant to the Director of Education has overall responsibility for the capital plan and the capital liquidity template.

The Board has established an accommodation review policy. It is envisioned that the school board will require accommodation reviews over the next several years.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

The SFIS database is updated when there are changes in schools' capacity and utilization. The Executive Assistant to the Assistant to the Director of Education is responsible for updating SFIS.

The Executive Assistant to the Assistant to the Director of Education is also responsible for updating ReCAPP database as projects are completed. The Manager of Building Services provides support and assistance to the Executive Assistant. The Manager of Building Services uses ReCAPP for tracking of renewal and GPL projects. Management noted that due to limited resources, it is difficult to complete timely updates and maintain accurate data in both databases.

5.6 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.

The following table summarizes the leading practices defined for construction management, and also identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a "No" indicates that an improvement opportunity exists.

Cost Effective Practices in the Design and Construction of Facilities

Leading Practices – Construction Management	Evidence of Adoption?
Management gives full consideration to the use of available school space in their local communities before proceeding to build, purchase or lease other spaces.	Yes
Management uses cost-effective designs, standard footprints, energy conservation, and economical construction practices to minimize construction and future maintenance and operation costs.	Yes

Leading Practices – Construction Management	Evidence of Adoption?
In constructing, acquiring, operating and managing school facilities, the school board is guided by the principles outlined in the <i>Ontario Green Energy Act, 2009</i> .	Yes
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).	Yes

Monitoring and Reporting on Progress of Construction Projects

Leading Practices – Construction Management	Evidence of Adoption?
An effective management process monitors and controls construction projects and their costs. This includes periodic project status updates and post-construction project evaluation.	Yes

Maintaining Current Approved Professional Service Providers

Leading Practices – Construction Management	Evidence of Adoption?
Senior administration periodically evaluates and updates the approved list of contractors, architects and related professionals no less than once every five years.	Yes

Cost-Effective Practices in the Design and Construction of Facilities

The school board has several facilities which are used jointly with the coterminous public French and the coterminous French Catholic school boards. One of these facilities is a joint use project with the French Catholic school board, where classrooms and technical shops are shared.

Currently, the school board is planning to initiate a project for construction of a new elementary school in Timmins. At the design preparation, stage management considered designs for a similar school used by large school boards in Ontario. The design committee comprising trustees, parents, superintendents, and school board staff members visited new schools in Sudbury and the Greater Toronto Area.

Using the input from the design committee, the Manager of Building Services has drafted a plan and presented it for discussion by the committee. As the next step, the Building Services department has prepared a prospectus for the project which includes design template, design specifications and an outline of the tender process for architectural services. Using the prospectus, the school board prepared a request for

proposals and selected the architect for the project. The architect enhanced the initial design template and provided to teachers and school board administration for discussion and input. The architect ensured that energy efficiency features are included in the design. Management noted that while the specific energy efficiency features are consistent with LEED standards, there is no plan to obtain a formal LEED certification. The design was being finalized at the time of the operational review.

Management has conducted informal comparisons of costs per square foot with other school boards. Management noted that the construction costs in northern Ontario differ significantly from costs in other regions of the province. This difference has been also indicated in the cost consultants' report.

Monitoring and Reporting of Progress on Construction Projects

As part of the contract with the architect, the school board required that a project manager be present on-site. The Manager of Building Services will be overseeing the project. It is planned that management will work with the architect to establish formal processes for project management, including monitoring of project schedule and costs, change orders and quality assurance.

Maintaining Current Approved Professional Service Providers

For the upcoming construction project, the architect will issue a tender for general contracting services, but the Board will select the contractors. Overall, the school board tenders and hires contractors for each project. The school board has established policy and procedures for tendering for capital projects. The policy and procedures have been updated with standards and leading practices set out in the Supply Chain Guideline.

Appendices

Appendix A: Overview of the Operational Review

Operational Review Objectives

To perform an effective and consistent operational review the Ministry has worked with independent consultants to develop a Sector Guide that defines consistent standards and leading practices against which the operational reviews and analysis will be based.

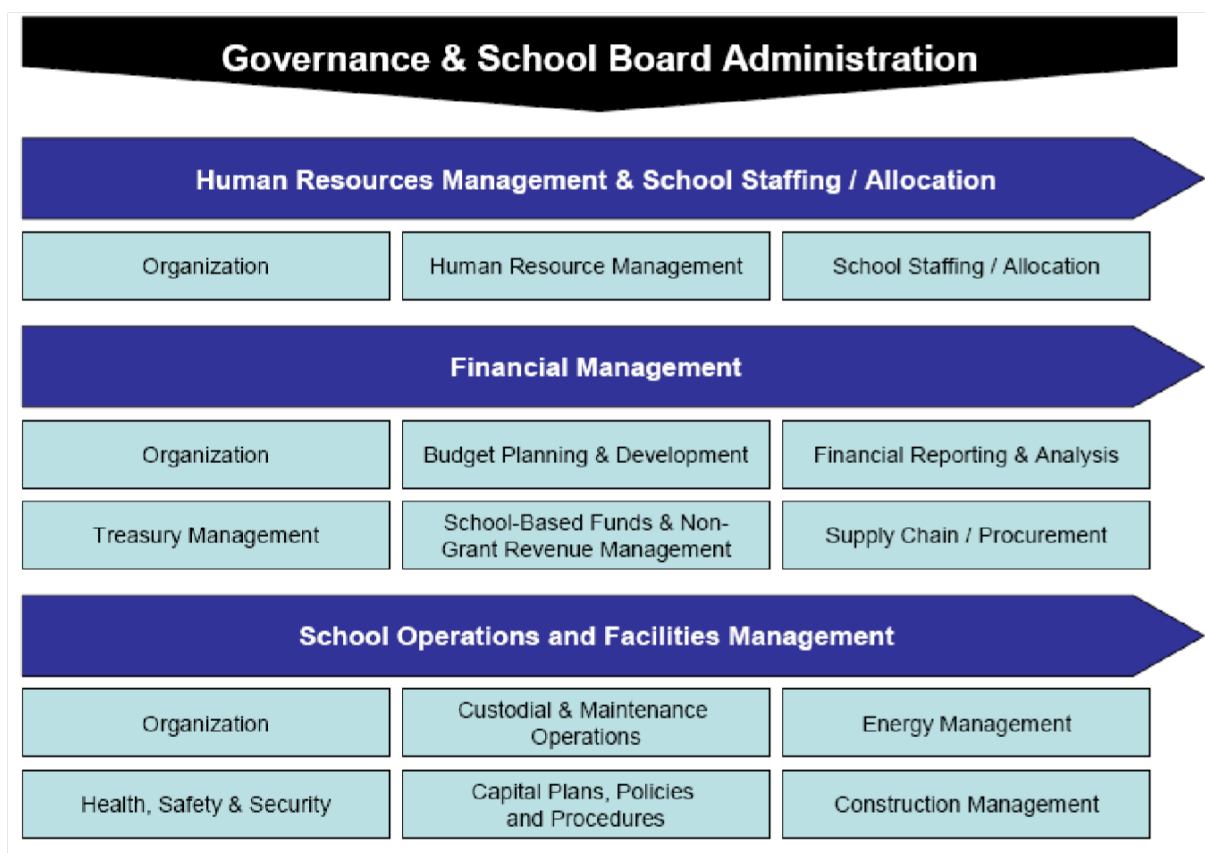
Recognizing the unique characteristics of each DSB, the specific purpose of the Operational Reviews is to:

- Strengthen management capacity in boards, with recommendations that support improvement in non-academic operations;
- Highlight existing successful business practices used by 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.

Operational Review Summary Scope

The scope of the Operational Review consists of the following functional areas which have been divided into key processes as shown below. The processes represent the end-to-end lifecycle of activities performed by boards under each functional area.

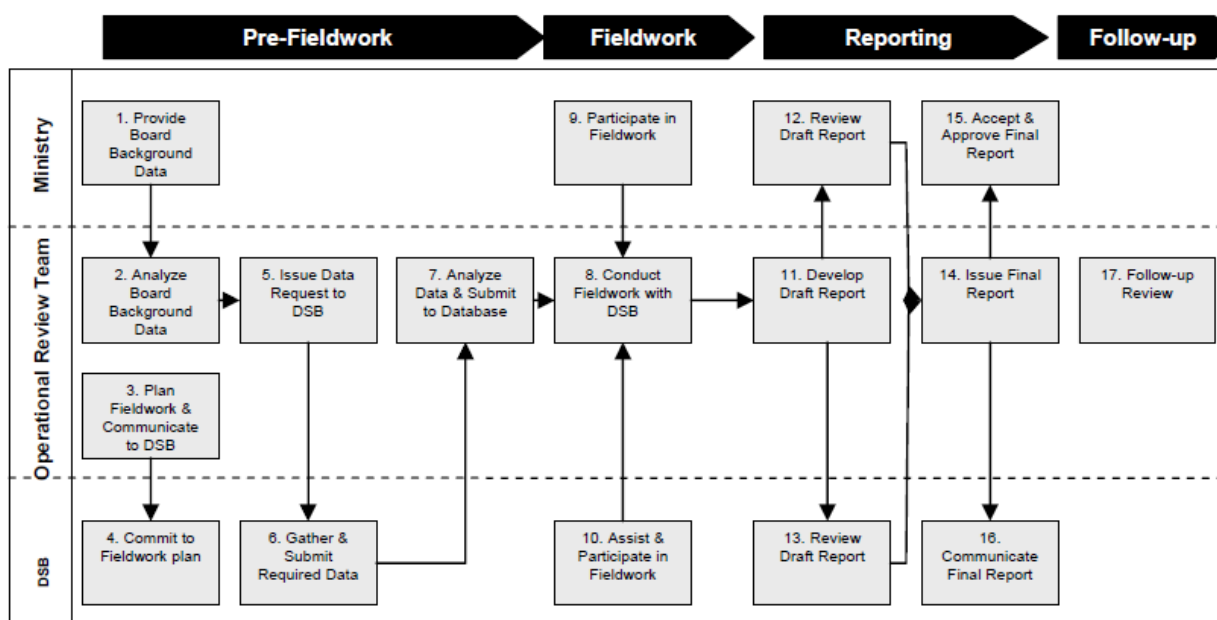
Each of the processes was examined based on its activities and its adoption of sector agreed leading practices, including alignment and support of student achievement strategies.



Operational Review Summary Approach

The high level Operational Review approach is shown below. The timing for the end-to-end process will vary depending on school board size and complexity.

Observations and assessments are made by the Operational Review Team based on a set of agreed upon leading practices designed for each functional area. The onsite reviews allow the team to validate Ministry and board data, provide a better understanding of the environmental conditions and allow the team to review materials that support the existence of leading practices.



The Table below defines the key phases and activities which comprise the Operational review Methodology.

Phase: Pre-Fieldwork

Key Activity	Description
Provide Board Background Data	The Ministry collects and maintains significant quantities of 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 Board Background Data	Before the start of the fieldwork, the Operational Review team reviews board background data to understand the financial and operating characteristics. This review identifies specific issues and focus areas.
Plan Fieldwork and Communicate to Board	The Ministry and the Operational Review team develop a review schedule that is communicated to 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.

Key Activity	Description
Gather and Submit Required Documentation	Upon receipt of the request for supporting documentation, each board compiles the requested data. 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 board.

Phase: Fieldwork

Key Activity	Description
Conduct Fieldwork with Board	The fieldwork is conducted for each 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.
Assist and Participate in Fieldwork	Board staff participate in the fieldwork. The number of participants involved will vary depending on the size of the board.

Phase: Reporting

Key Activity	Description
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 (school 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 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 board.

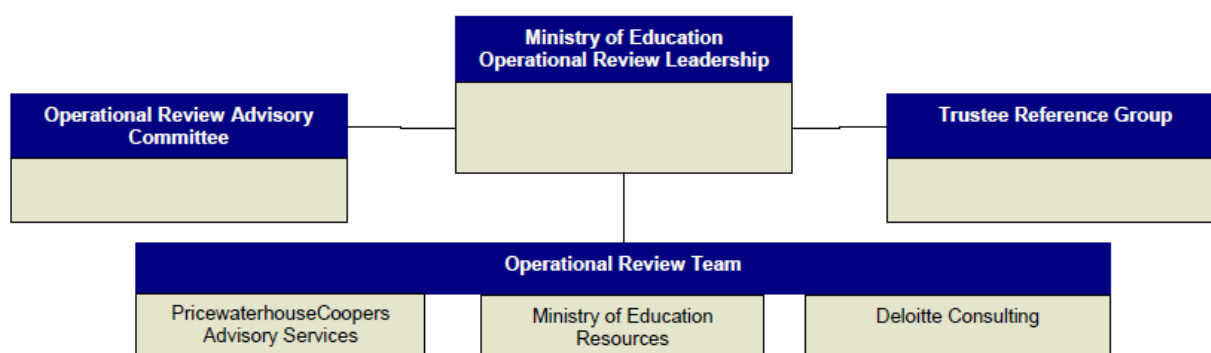
Phase: Follow-up

Key Activity	Description
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.

The Operational Review Team

The Ministry has assembled an Operational Review Team to ensure that these reviews are conducted in an objective manner. The Operational Review Team is designed to leverage the expertise of industry professionals and consulting firms to review specific aspects of each school board.

Management consultants from PricewaterhouseCoopers and Deloitte were hired to complete the Operational Reviews. The Ministry assigned an internal consultant with school board experience to provide the Review Team with valuable insight into school board operations in Ontario. The team has also received guidance and feedback from an Advisory Committee and a Trustee Reference Group convened by the Ministry of Education.



Limitations of this Review

The purpose of this report is to document the results of the Operational Review of the District School Board of Ontario North East. The review has been conducted using the methodology as previously described. The review is not of the nature or scope that constitutes an audit made in accordance with generally accepted auditing standards.

Appendix B: Summary of Recommendations

Governance and School Board Administration

No.	Recommendation
1.	Management should post the school board's organizational chart on the website.
2.	The school board should establish a formal policy review schedule to ensure that all policies are reviewed periodically.
3.	The school board should continue to align its leadership development programs and activities with the Ministry leadership initiatives. It should develop a formal Succession and Talent Development Plan in line with the Leadership Succession Planning and Talent Development Ministry Expectations and Implementation Continuum.

Human Resources Management and School Staffing/Allocation

No.	Recommendation
4.	The HR department's annual planning should build on the key priorities identified in the school board's strategic plan to create an annual departmental operating plan. The plan should reflect specific and measurable targets and indicators, and assign responsibilities and timelines for key activities.
5.	Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the HR department and lines of reporting.
6.	The HR department should continue developing formal procedures for performance appraisal of all staff groups at the school board.
7.	Management should continue implementing a comprehensive attendance support program and developing a way to assess and report on the effectiveness of the attendance support process/programs to senior administration and the Board.
8.	The school board should finalize the review of pay equity plans for all staff groups.
9.	Management should conduct independent compliance audits of the school board's insurance carrier for the CUPE benefits plan to ensure adherence to the plan's terms and conditions.
10.	Management should conduct periodic and confidential staff surveys, to improve communication with staff and provide input for professional development plans and HR policy.
11.	Management should also conduct exit interviews with all staff leaving the school board to obtain input for HR policy, as well as process and program improvement. Management should consider developing formal policies and/or procedures for conducting exit interviews.
12.	Management should document policies and procedures which govern the development of an annual staffing plan and allocation process.

Financial Management

No.	Recommendation
13.	The Finance department's annual planning should build on the key priorities identified in the school board's strategic plan to create an annual departmental operating plan. The plan should reflect specific and measurable targets and indicators, and assign responsibilities and timelines for key activities.
14.	Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the Finance department and lines of reporting.
15.	Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels.
16.	Management should review the recommendations of the Interim Financial Reporting Committee (IFRC) and establish interim financial reporting that incorporates IFRC guidelines on frequency and format of reports. Management should also communicate the IFRC recommendations to the board of trustees, and request trustees' feedback on the recommended format of interim financial reports.
17.	The school board should establish approval procedures for interim financial statements, and implement a formal sign-off process of these statements by senior management.
18.	Management should continue improving internal processes to ensure that all financial reports are completed and filed in accordance with established timelines.
19.	Management should proceed with its intention to establish an internal audit function, giving consideration to the emerging Ministry direction to establish regional models for internal audit across the school board sector.
20.	Once the school board establishes an internal audit function, it should ensure any internal audit plans are clearly documented and that internal audit report recommendations are acted upon by management.
21.	Management should consider establishing an audit committee that includes external advisors in accordance with emerging Ministry direction.
22.	The school board should establish a formal investment policy and procedures. Management should periodically report to the Board on the performance of the investment activity in accordance with the investment policy.
23.	Management should revisit the school board's purchasing policy and procedures to clearly indicate the purchasing levels of authority as recommended in the Supply Chain Guideline. These levels of authority should be commensurate with job roles and responsibilities, and purchases should be monitored for compliance with the established authorization levels.
24.	Management should continue identifying opportunities for implementation of the electronic supplier interface for ordering, processing and payment.

School Operations and Facilities Management

No.	Recommendation
25.	Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the Building Services department and lines of reporting.
26.	The school board should consider establishing cleaning standards for schools and develop a standard set of processes and tools to monitor, manage and report on results.
27.	The school board should review the Ministry's Green Clean Program Resource Guide and use the guide to develop a formal green clean program as part of its overarching Education Environmental Policy.
28.	Using a consultative process, management should develop a multi-year plan for major maintenance and renewal projects. The plan should address the board's preventative and deferred maintenance priorities and optimize the use of available funding (Annual Renewal Grant and Good Places to Learn funding). The plan should be approved by the Board.
29.	Management should continue examining options to implement an automated work-order system. An automated work order system would help management process records, monitor and evaluate projects, ensuring the effective use of resources. It would also provide useful information for planning of preventative maintenance.
30.	Using the results of the energy audits, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the Green Energy Act, 2009, energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities with milestones, roles, responsibilities and budgets with a process for ensuring community support.
31.	Once the formal energy management plan is established, the school board should ensure that its procurement policies and practices support the objectives and targets of the plan. Management should also consider documenting the energy efficiency requirements in procurement policies and procedures and/or the environmental policy.
32.	Management should provide formal annual reporting on the conservation savings achieved against the plan.
33.	As part of the energy management planning, the school board should establish a comprehensive system to budget expenditures, track and regulate consumption, and identify opportunities for further savings.
34.	The school board should continue identifying opportunities for consolidated billing from utilities.
35.	The school board should consider establishing an integrated health plan/strategy that would reflect the existing policies and procedures regarding health and safety of school board employees and students. Management should also consider coordinating the development, implementation and monitoring of the plan centrally.