

Ministry of Education

Operational Review Report Halton District School Board

July, 2009

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Executive Summary

This report details the findings and recommendations of the Operational Review of Halton District School Board (the school board) 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, 2009.

Introduction

The Ministry plans to perform Operational Reviews of the 72 district school boards across the province over the next three years. 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 Operational Review Team found that the school board has adopted many of the leading practices, in all of the functional areas reviewed. The student achievement results reported by the school board demonstrate steady improvement since 2002/2003. The school board's continued focus on student achievement will allow it to further improve the results.

A summary of the findings and recommendations identified in 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's governance model clearly delineates the roles and responsibilities of the board of trustees (the Board) and the senior administration. The board of trustees sets the direction for the school board, establishes policy, and makes strategic decisions.

Senior administration implements policy, supports the decision making process, and manages the operation of the school board.

The Board of Trustees has 11 members. A strategic plan has formed the foundation for the Board's planned growth and success. It covers the period of 2007-2011 and outlines the Board's goals and objectives. There are three strategic goal areas (i.e. students, staff and school system) set by the board of trustees. Specific targets and indicators are reflected in the school board's operational plan.

The Administrative Council is composed of the Director of Education, Associate Director, eight Superintendents of Education, Superintendent of Business, Superintendent of Facilities Services, Executive Officer of Human Resources, the Director's Office Manager, Communications Manager, and Student Success Leader.

According to the school board's by-laws, the Director of Education also refers to the Chief Education Officer, the Chief Executive Officer of the school system, and Secretary of the Board. The Associate Director oversees the academic programs and coordinates the work of the eight superintendents of education. This approach enables the Director of Education to focus on system issues and work more closely with the board of trustees.

The school board's organizational chart identifies the reporting relationships between the senior management team and other school board staff. It is not published on the school board's website.

Each year the Administrative Council develops an operational plan to implement the Board's strategic plan. The operational plan shows what activities are needed to achieve the overall goals set out in the strategic plan. The plan includes specific and measurable targets, strategies for achieving the targets, timelines, assigned responsibilities, and estimated costs.

The Director of Education provides an annual report on the achievements of the school board against the operational plan and the Board's strategic plan.

The Board is systematically reviewing and updating the school board's policies. The Policy, By-Law and Governance Committee examines the policies and submits recommendations to the Board for approval. In addition, the administration's compliance with the Executive Limitation Policies (which cover items such as the financial condition, relationships, asset protection, executive succession, negotiation teams) is brought forward to the board monthly. The Administrative Council is reviewing the administrative procedures.

Management recognizes the need to plan for impending retirements at the senior management level, in the near-to-medium term. However, the school board has not

developed a formal and documented succession plan for its senior administration team. Management undertakes leadership development programs for teachers, and encourages staff to pursue further professional development. The school board also implements a comprehensive leadership development program for principals and vice-principals.

Recommendations:

- Senior administration should publish the organizational chart on the school board's website.
- The school board should develop a formal succession plan to manage changes in senior management positions.

Human Resources Management and School Staffing/Allocation

The Human Resources (HR) department is actively engaged in the school board's initiative to revitalize administrative processes. The department's organizational and administrative transformation is directly related to an operational review by an outside consultant in September 2008. HR has implemented a number of the leading practices:

- The HR department is currently reviewing its organizational structure to ensure operational effectiveness.
- Control mechanisms to ensure the segregation and integrity of personnel and payroll data have been established.
- The school board has been proactive in implementing "e-access" to synchronize employee data between the school board and OMERS.
- The HR department works closely with the Business Services department to determine the appropriate staffing levels for the school board. Business Services prepares the overall staffing complement budget, while the HR department allocates the budgeted staff.
- During the school year, the HR department closely monitors the staff allocation complement and budget distribution. Any adjustments to staff allocations are approved by the Administrative Council and subsequently managed by the HR department.

The school board's annual operational plan identifies key HR priorities and timelines. An annual HR departmental plan that details and links its activities to the school board's annual operational plan could advance understanding of this functional area.

Key elements of the recruitment and hiring process are centralized through the HR department. If formal procedures that documented these practices were created, it could clarify the department's expectations and transfer knowledge throughout the school board.

HR management has established administrative procedures for performance appraisals of most school board staff. Some enhancements to these procedures could assist in documenting how the performance of principals and vice-principals performance is to be evaluated, and identify the pre-determined cycle for performance appraisals for non-teaching staff.

HR management is currently working to analyze the school board's attendance data, to identify trends and develop potential strategies for addressing absenteeism. It tracks the attendance data using the HR information system. These activities could lead the school board into a formal attendance management program.

The intent of pay equity legislation is to specifically address gender imbalances and provide wage parity between women and men working in jobs of equal value, within the same organization. The school board is currently conducting the second round of pay equity reviews.

The HR department and the business services department are jointly responsible for managing the school board's benefits plan. The school board has not arranged independent compliance audits of their benefits carriers to ensure adherence to the benefit plan's terms and conditions.

Management uses progressive discipline procedures. These procedures have not been formalized.

The school board values feedback on staff's well-being and has implemented a Wellness Survey as part of the initiatives in the current operational plan. Management recognizes it could expand its information base on staff needs and attitudes with regular staff satisfaction surveys and formal exit interviews.

Recommendations:

- The HR department should develop an annual departmental plan that aligns with the objectives in the school board's operational plan. The plan should set targets and timelines and assign responsibilities for key activities in the HR department. This would enable management to track and report the progress of its defined priorities and goals throughout the year.

- Management should establish formal hiring and recruitment policies and procedures for all staff groups. Existing hiring and recruitment practices should be formalized and communicated to staff involved in hiring and recruitment.
- Management should establish cycles for performance appraisals for nonteaching staff, and establish formal procedures for the performance appraisal of principals and vice-principals.
- Management should establish formal disciplinary procedures for all teaching and non-teaching staff. Existing progressive discipline practices should be formalized and communicated to all staff.
- The HR department should develop a comprehensive attendance management program, with policies and procedures for specific categories of absenteeism. This would provide a consistent and structured approach to improving attendance, including positive reinforcement for employees and standardized practices across all employee groups.
- Management should conduct independent compliance audits of the school board's insurance carrier, to ensure adherence to the benefit 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 conduct exit interviews. These interviews would provide input for HR policy, as well as process and program improvement.

Financial Management

The business services department has implemented many of the leading practices:

- Management has established a formal budget development process which is clearly communicated to the Board and other stakeholders.
- The school board's enrollment forecasting process supports the development of the staffing plan and the annual budget.
- The business services department works closely with the HR department to guide the staff allocation process. Business Services determines the total staff complement based on the funding allocation, and the HR department allocates the staffing to individual schools and departments.

- The business services department identifies key budget risks, and ensures that there is an offsetting strategy provided in the budget.
- Management has recognized the need for an independent internal audit function, and has started the hiring process for an internal auditor.
- The Board's Audit Committee includes three external members who possess adequate professional expertise to provide meaningful input on audit-related matters.
- Management provides a formal response to the external auditors' management letter, and develops a detailed action plan.
- The business services department works closely with the facility services department to guide the development of the board's Long Term Capital Plan (LTAP). Business Services determines the overall funding and financing issues of the capital plan, while Facility Services executes the plan.
- Management ensures that all major capital projects are adequately funded, through detailed analysis using tools such as the Ministry of Education's Capital Liquidity Template.
- The school board has established administrative procedures for investments, and provides regular reports on investment activity to the board of trustees.
- Management has established formal accounting procedures for school-based funds. They have initiated a project to eliminate the use of cash and cheques in schools, using software for online payments.
- Management undertakes cash flow forecasting, which is updated daily to ensure that the school board's debt service costs can be met to maturity.
- Management has established procedures to record and track the various EPO grants received.
- The school board participates in purchasing consortia for electricity, gas, and office supplies.

Although the school board's annual operational plan outlines several key priorities of the business services department, including actions, timelines and responsibilities, an annual departmental plan has not been developed.

The finance staff prepares quarterly financial reports for the Administrative Council and the Board of Trustees. Although the format of the quarterly reports meets the basic

requirements of the board of trustees, they do not provide a written commentary or explanation of variances. There is no explanation of whether the percentage spent to date is what would be expected for the period.

Management acknowledges the need for an automated three-way matching process. Management has not implemented an electronic supplier interface for ordering, processing, and payment. However, management has arranged summary billing with several suppliers. The school board is moving to the use of electronic funds transfer (EFT) as part of the new financial system.

Recommendations:

- The business services department should develop an annual departmental plan that aligns with the objectives in the school board's annual operational plan. The plan should set targets and timelines and assign responsibilities for key activities in the finance department. This would enable management to track and report progress of its defined priorities and goals throughout the year.
- Management should provide an expanded level of interim reporting, in the format suggested in section 4.3 of this report. This would further simplify communication and increase the Board's focus on key issues during year-to-date reporting.
- Management should implement the electronic supplier interface for ordering, processing, and payment.
- Management should implement an electronic payment and registration system for community use of facilities programs.
- Management should implement an automated three-way matching process, using the capacity of the new financial system.

School Operations and Facilities Management

The facilities department has implemented many of the leading practices in its operations. The following leading practices are noted:

- The operations and facilities department has clearly defined organizational units and delineates respective roles and responsibilities.
- Management applies a custodial allocation model that optimizes the use of staff.
- Custodial and maintenance staff receive training related to school board policies and the need for compliance with the various regulatory requirements.

- Management has developed appropriate health and safety procedures to ensure compliance with statutory health, safety and security requirements.
- An annual/multi-year maintenance plan for deferred maintenance priorities and maintenance standards is reviewed by Administrative Council and the Board.
- The school board has implemented centralized technology that allows staff to monitor and regulate energy consumption at the schools.
- The school board has submitted its five year capital plan to the Ministry through the SFIS web site This plan includes the school board's capital requirements, as well as the facility renewal needs.
- Facility staff currently uses ReCAPP as a tracking tool for projects eligible for Renewal Grant and Good Places to Learn funding. The ReCAPP database is updated at least twice a year.
- Management minimizes expenditures on construction, renovation and operation costs through the use of cost-effective designs and economical construction practices.
- Management maintains a list of pre-qualified general contractors which is updated for every project.

The school board's annual operational plan highlights several key priorities of the facilities services department, including actions, timelines, and responsibilities. These priorities for facilities services department could be reflected in a departmental plan to clarify staff roles and responsibilities.

Although the facilities department has established formal cleaning standards, management acknowledges that the cleaning standards need to be revised to help maintain specific levels of cleanliness.

The school board outsources its maintenance services. In the past, work orders were tracked by maintenance contractors. Management acknowledges that the school board would benefit from a work order system, which would allow it to process records, monitor and evaluate projects ensuring the effective use of resources.

Management has hired an energy and environment coordinator to lead the school board's energy management initiatives. One of the key priorities of the Energy and Environment Coordinator is to develop a multi-year energy plan to establish quantifiable targets for energy consumption and expenditures, and provide regular status updates to the Board.

The school board has implemented centralized technology that allows staff to monitor and regulate energy consumption at the schools. Management tracks utilities consumption at the school level annually. The utility companies do not provide the school board with consolidated billings.

Recommendations:

- Facilities management should develop an annual departmental plan that aligns with the objectives of the school board's annual operational plan. The plan should set targets, timelines and assigned responsibilities for key activities. This would enable management to track and report progress of its defined priorities and goals throughout the year.
- The school board should continue revising its cleaning standards to enable management to monitor, manage and report on cleanliness levels regularly.
- Management should develop a work-order system to record, monitor, and evaluate projects, ensuring the effective use of resources.
- Management should continue discussions with the utilities regarding consolidated billing for all school board facilities.
- With support from the Energy and Environment Coordinator, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and is aligned with its strategic direction.

1. Background and Overview

1.1 School Board Profile and Structure

Halton District School Board provides educational services to 52,300 students in 78 elementary and 17 high schools. The school board comprises the municipalities of Burlington, Halton Hills, Milton and Oakville in southern Ontario. The school board maintains its main corporate office in Burlington. An additional school board office in Burlington accommodates the School Programs Department, Student Services Department, and Special Education Department.

The school board's enrolment increased by about 5,474 students from 2002-03 to the 2007-08 fiscal year, or about 12.5 per cent overall. This trend is expected to continue over the next several years.

The school board's Administrative Council is as follows:

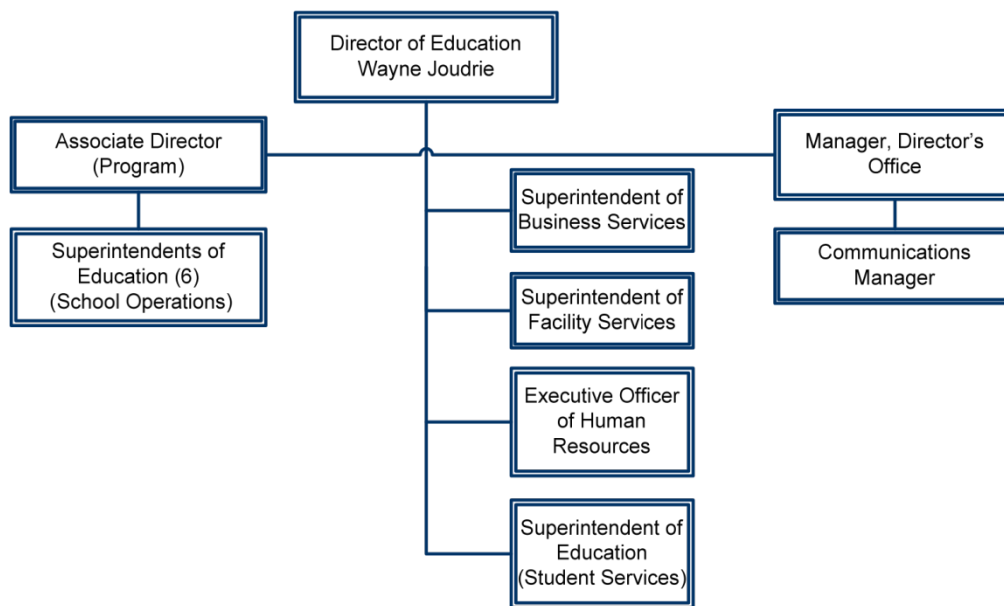


Figure 1

1.2 Key Priorities of the School Board

The school board's mission statement is:

"The Halton District School Board is committed to every student. We will:

- Inspire and support learning
- Create safe, healthy and engaging environments

- Provide opportunities for challenge and choice”

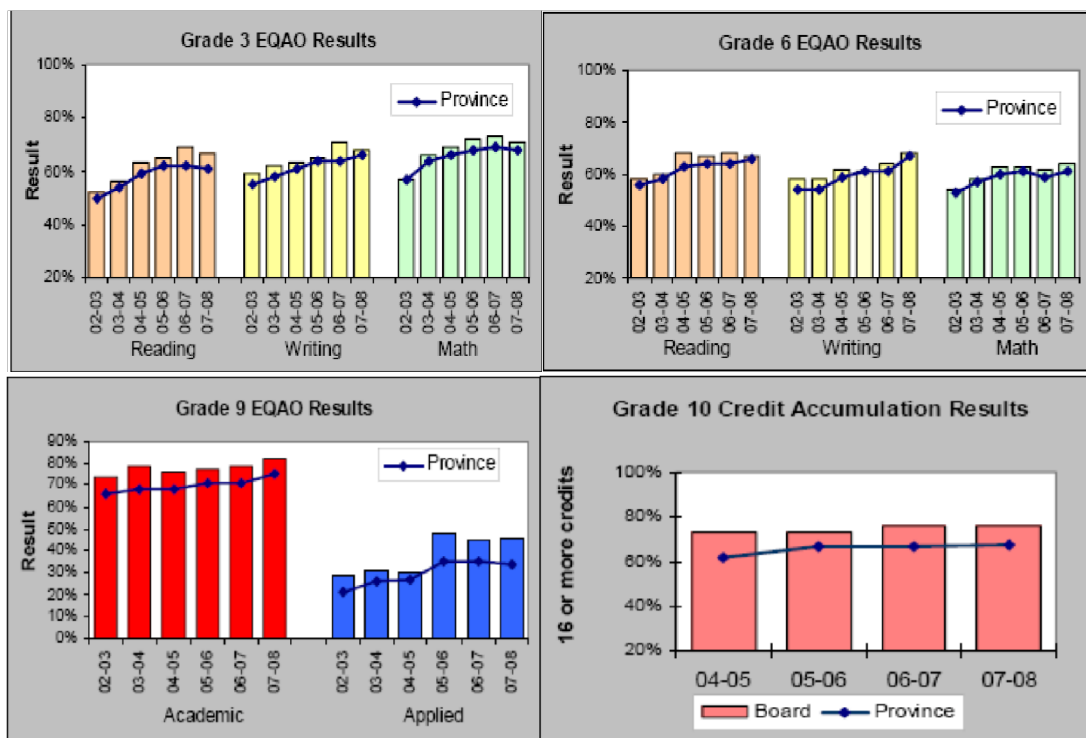
The Board Strategy for 2007-11 identifies key system priorities under each of the three strategic goals established by the Board:

- **Students:** literacy/numeracy, student success, safety and well-being
- **Staff:** staff development, staff wellness, leadership development
- **System:** program accommodation, communication, technology.

1.3 Student Achievement

Since 2002-2003, the school board has shown an improvement in most of the areas assessed through the EQAO process. Although 2007-08 EQAO results showed a decline in Grade 3 reading, writing, and math and in Grade 6 reading, there are a number of important indicators of the school board’s continuous improvement.

The following charts illustrate the school board’s EQAO results over the last five years.



1.4 Fiscal Overview

The following table provides a fiscal overview of the school board.

Summary Financial Data (Revenues)

Revenues	2006-07 Financial Statements	2007-08 Financial Statements	2008-09 Revised Estimates
Legislative Grants	\$194,756,128	\$217,342,991	\$244,092,702
Local taxation	\$188,325,845	\$192,265,679	\$196,310,476
Board Revenues	\$12,222,680	\$11,388,216	\$14,389,824
Other Operating & capital Grants	\$8,530,132	\$9,089,291	\$495,192
Total Revenues (Schedule 9)	\$403,834,785	\$430,086,177	\$455,288,194

Summary Financial Data (Expenditure)

Expenditures:	2008-09 Revised Estimates	2008-09 Revised Estimates	2008-09 Revised Estimates
Operating expenditures	\$371,346,962	\$394,820,532	\$431,122,112
Capital expenditures - Before transfers from reserves	\$30,634,644	\$32,281,528	\$25,558,154
Transfer to (from) Reserves	\$1,332,644	\$2,964,881	-\$1,392,072
Total Expenditures	\$403,314,250	\$430,066,941	\$455,288,194
In-year Surplus (Deficit)	\$520,535	\$19,236	\$0

School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues:	2008-09 Revised Estimates	2008-09 Revised Estimates	2008-09 Revised Estimates
Reserve for Working Funds	\$1,594,090	\$2,107,065	\$2,107,065
Trustee and Board PD	\$38,970	\$318,167	\$0
Student Success	\$234,957	\$0	\$0
Other Reserves	\$3,788,507	\$5,893,668	\$4,911,378
Foundation	\$332,946	\$531,957	\$0
Pupil Accommodation Debt Reserve	\$0	\$0	\$0
GPL Reserve	\$0	\$0	\$0
Total Reserve Funds (Schedule 5)	\$5,989,470	\$8,850,857	\$7,018,443

School Board Reserve and Deferred Revenues:	2008-09 Revised Estimates	2008-09 Revised Estimates	2008-09 Revised Estimates
Special Education Reserve	\$1,508,178	\$1,408,027	\$0
Education Development Charge Reserve	\$1,968,855	\$0	\$0
Total Deferred Revenues (Schedule 5.1)	\$3,477,033	\$1,408,027	\$0
Total Board Reserves and Deferred Revenues	\$9,466,503	\$10,258,884	\$7,018,443

1.5 Key Statistics: Halton District School Board

The following table highlights key statistics for the school board.

Day School Enrolment

Day School Enrolment	2002-03 Actual	2008-09 Rev. Estimates
Elementary Day School ADE	28,159	32,382
Secondary Day School ADE	15,503	16,754
Total Day School Enrolment	43,662	49,136

Primary Class Size

Primary Class Size	2003-04	2008-09
% of Classes Less Than 20	23%	91%
% of Classes Less Than 23	69%	100%
Average Class Size - Jr/Inter	25.63	25.6
% of 3/4 Classes 23 & Under	37%	100%
% of Combined Classes	22%	33%

Staffing

Staffing	2003-04	2008-09
School Based Teachers	2,430	3,043
Teacher Assistants	424	532
Other Student Support	412	680
School Administration	148	171
School Clerical	182	197

Staffing	2003-04	2008-09
School Operations	254	268
Other Non-Classroom	96	134
Total Staffing	3,945	5,024
Teacher - Pupil Ratio	1:18	1:16
FTE Staff per 1,000 Pupils (ADE)¹	90.4	102.3
Total Salary & Benefits as % of Net Operating Expenditures	85.3%	85.8%

Special Education

Special Education	2003-04	2008-09
Special Education Incremental Expenditures	\$33,603,352	\$61,032,910
Special Education Allocation	\$36,436,612	\$60,816,734
Spending above Allocation (Reserve)	-\$2,833,260	\$216,176

School Utilization

School Utilization	2003-04	2008-09
Number of schools	91	100
Total Enrolment (ADE)	43,662	49,136
School Capacity (Spaces)	46,093	49,466
School Utilization	94.7%	99.3%
Board Area (Km²)	951	951
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 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 field work, 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 between the board of trustees and the director of education. The	Yes

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
Board has established clearly defined duties and responsibilities to support on effective working relationship.	

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

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees develops and communicates a multi-year strategic plan that provides a framework for annual planning.	Yes
The director of education and senior management develop an annual board improvement plan of their goals/priorities, incorporating both academic and non-academic departments. The plan is aligned with the school board's multi-year strategic plan and has goals that are specific, measurable, achievable, relevant and timely.	Yes
Senior management periodically/annually report to the Board on the status and outcomes of the annual board improvement plan.	Yes

Decision Making Processes

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees and management establish processes to facilitate decision making that address student achievement targets and operational performance.	Yes
The board of trustees and management have appropriate processes for the establishment and regular maintenance of policies for the efficient and effective operation of the school board. Policies are posted on the school board's web site.	Yes

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
The director has established a formal succession plan to manage retirements and resignations of key managers/administrators.	No

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 school board's web site.	No

Stakeholder Engagement

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees and management proactively engage internal and external stakeholders on a regular basis and through a variety of communications vehicles (e.g., websites, email, memos, town halls, etc.).	Yes
Key senior staffs, of 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 governance model has been approved by the Board. It is supported by three policy directives of:

- *Board Governance Policies* that address topics such as the commitment to and style of governance, the chair's role, committee structures, agenda planning, members' code of conduct and trustee expenses;
- *Board/Director Relationship Policies* that address topics such as the role of the Director of Education, the monitoring of organizational performance including student achievement, and the performance appraisal of the director;
- *Executive Limitation Policies* that address operational topics such as budgeting/financial planning, asset protection, compensation and benefits, negotiation teams, etc.

This model clearly delineates the roles and responsibilities of trustees from those of the senior administration. The Board is composed of 11 trustees who have responsibility for setting the broad policies that reflect the school board's values, vision, and strategic direction.

The Administrative Council is responsible for implementing the Board's policies, and strategic directions and the operation of the school board. The Director of Education has a positive relationship with the board of trustees. The Board, through *Board/Director Relationship Policies*, has delegated the responsibility for the implementation of the

policies to the Director of Education. The Executive Limitation Policies set out the operational authority and accountability of the Director.

The existing by-laws of the school board are being reviewed by the Policy, By-law and Governance Committee to ensure they are consistent with the school board's policy governance model.

Training for new trustees is provided using informal discussions of trustees' and board administration roles and functions. The seven trustees who were elected in 2006 continue to be mentored by other members of the Board.

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

The board of trustees developed a multi-year strategic plan which outlines the school board's goals and objectives for academic and non-academic functions. The 2007-2010 strategic plan provides a framework for policy development and planning at the operational and departmental levels. The strategic plan establishes three goal areas, including students, staff and system. The Board's strategic plan was developed with input from stakeholders through extensive community consultation.

Each year, school board administration develops an operational plan to implement the Board's strategic plan. The operational plan sets out actions under three strategic goal areas for students, staff, and the school system. It sets out specific and measurable targets, timelines, responsibilities, and estimated cost savings.

The Director of Education provides an annual report on the achievements of the school board against the operational plan and the Board's strategic plan. The Directors' Annual Report also includes key indicators identified by the Ministry for annual reporting by school boards.

Decision-Making Process

The school board has formal, documented and easily accessible policies for governance and administration, which are available on its website. Management has a positive working relationship with the Board, with a decision-making process that addresses student achievement targets and operational performance.

There is a formal protocol for setting the agenda for Board meetings. The Chair and Director of Education review and approve a proposed agenda developed by the Administrative Council. The agenda contains items that follow routine reporting requirements or reporting on specific initiatives. Where applicable, the supporting reports are expected to include an analysis of the alternative actions, identify recommendations, outline the budget implications, and present an implementation plan.

Seventy-two hours prior to the meeting, the agenda and supporting material is circulated to the Board members.

The Board has recently adopted the practice of meeting twice a month, with the first meeting dedicated to information-sharing and the second to decision-making.

The school board is currently reviewing its operational policies and is in the process of renaming them as "Administrative Procedures". Those that have been reviewed and approved by the Board and Administrative Council are posted on the website. Additional Administrative Procedures will be posted as soon as revisions are complete, likely by September 1, 2009.

Organizational Structure and Accountability

The Administrative Council is composed of the Director of Education, Associate Director, eight superintendents of education, Superintendent of Business, Superintendent of Facilities Services, Executive Officer of Human Resources, the Director's Office Manager, Communications Manager, and Student Success Leader.

Executive representatives of Halton Elementary Principals' Council (HEPA), and Halton Secondary Principals' Council (HSPA) are also invited to participate.

The school board's senior administration appears to be organized effectively. The Director of Education role is focused on system issues and working with the board of trustees. The school board has established the position of Associate Director to oversee academic programs and coordinate the work of the eight superintendents of education. The Associate Director reports directly to the Director of Education.

The Superintendent of Business, Superintendent of Facility Services, Executive Officer of Human Resources and Chief Information Officer also report to the Director of Education. The Manager, Director's Office is responsible for school board communications and reports to the Director. This organizational structure enables the Director to work more closely with the board of trustees.

The school board's organizational chart identifies the reporting relationships between the senior management team and other school board staff. The organizational chart is not published on the school board's website. The website only provides contact information for key staff of the school board's administration.

The Board's by-law on committees addresses statutory committees, striking committees, standing committees, advisory committees, and *ad hoc* committees. The Board's statutory committees include a Special Education Advisory Committee, Student Discipline Committee, Parent Involvement Committee and Joint Health and Safety Committee.

The Board's approach to striking a committee merits some positive comment, as it is the Chair, Vice-Chair and Director of Education who make recommendations to the Board about which trustees participate on specific committees. This is an efficient means of managing trustees' time, since every trustee is not expected to participate on every committee.

The Board also has several standing committees, including: Director's Performance Review Committee, Policy and By-law Committee, Transportation Appeals Committee, Program Accommodation and Review Committee, Audit Committee and Communication Committee.

The school board recognizes the need to plan for pending retirements at the senior management level, in the near to medium term. However, the school board has not developed a formal succession plan for its senior management positions.

Management undertakes leadership development programs for the school board's staff, and encourages staff to pursue further professional development, including the Supervisory Officer's Qualification Program. Management noted that two individuals were recently appointed as superintendents from within the school board. The school board implements a comprehensive leadership development program for principals and vice-principals.

The Board's Governance policies broadly define the Director's role and accountability. Each October, the Board conducts a performance appraisal. The Board's policy establishes a formal process for the Director's performance appraisal and provides broad criteria for appraisal, including personal leadership, performance, and compliance. Student achievement and progress against system targets (as outlined in the Board Strategic Plan) are among the key appraisal criteria.

Stakeholder Engagement

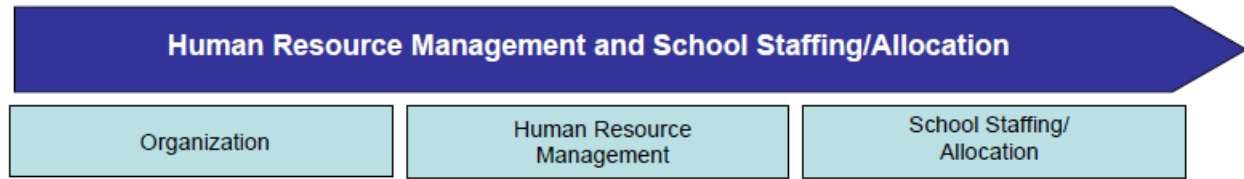
The school board has demonstrated that it consistently administers its responsibilities (both directly and through its committees) in an open and transparent manner. Various communication channels (emails, surveys, newsletters and website postings) keep key stakeholders engaged throughout the year. The Board conducted an extensive community consultation for the development of the strategic plan. The school board hires third-party providers to undertake surveys.

Senior administration actively participates in various committees, both across the sector and locally. The school board's senior administration team is also extensively involved in community initiatives and partnerships.

Recommendations:

- The school board should develop a formal succession plan to manage changes in senior management positions.
- Senior administration should publish the organizational chart on the school board's website.

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 school board's collective agreements and allocation models. The allocation models adopted by the school board ensure the most effective teaching and learning practices.

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 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 organizations, 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 department plan. They are aligned to the annual board improvement 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.	Yes
Senior HR staff has appropriate designations (e.g., Certified Human Resource Professional, etc.).	Yes

Monitoring and Communication of Policy

Leading Practices – Human Resource Organization	Evidence of Adoption?
HR Management has processes in place to monitor HR policy compliance.	Yes
HR Management provides regularly scheduled HR policy awareness, training, and education sessions.	Yes

Development and Reporting of Annual Goals and Priorities

Although the school board’s annual operational plan indicates HR priorities and timelines, the HR department does not have a formal annual departmental plan. The plan would describe the department’s goals and priorities, and provide a framework for tracking and reporting on its progress throughout the year.

Current HR priorities include the promotion of wellness, and the implementation of attendance strategies and collective agreements. The HR department is undertaking an extensive review of its structure, processes, and practices, with support from an outside consultant. The results of the review will inform the HR departmental plan.

Organizational Structure and Accountability

The senior management of the HR department includes the Executive Officer of Human Resources, Senior Manager of Human Resources, three HR managers, the Manager of Information Centre/Benefits, and a Health and Safety Coordinator. HR managers have labour relations responsibility for matters pertaining to union and non-union staff. The Health and Safety Coordinator reports directly to the Executive Officer of Human Resources, and has responsibility for attendance and Workplace Safety and Insurance Board activities. An HR manager is responsible for the payroll maintenance function.

The department's structure and lines of reporting are provided in a department organizational chart. The school board's website provides contact information for key Hr staff, but does not include an organizational chart that demonstrates reporting relationships. Management noted that the current organizational structure of the HR department will be revised based on the results of the ongoing administrative review. The new organizational structure would clearly distinguish between transactional and management functions in the HR department.

The HR department conducted a job evaluation survey among its staff using a standard questionnaire developed by third party consultants, and maintains formal job descriptions.

The Executive Officer of Human Resources holds a Certified Human Resources Professional (CHRP) designation.

Monitoring and Communication of Policy

The HR department's administrative procedures are published on the school board's website, with revisions noted. At the time of the operational review, the Administrative Council was undertaking a complete review of the administrative procedures.

The HR department provides regular updates and training to inform staff of new and revised administrative procedures. The HR department has developed a training manual for staff, *The Human Resources Source Book*.

Recommendation:

- The HR department should develop an annual departmental plan that aligns with the objectives in the school board's operational plan. The plan should set targets and timelines and assign responsibilities for key activities in the HR department. This would enable management to track and report the progress of its defined priorities and goals throughout the year.

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 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

Leading Practices – Human Resource Management	Evidence of Adoption?
Recruiting policies and practices are reviewed annually, and are aligned with staff planning in support of student achievement.	No
New hire policies and procedures for the respective staff groups are harmonized.	No

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.	No

Attendance Management Processes/Programs

Leading Practices – Human Resource Management	Evidence of Adoption?
Attendance management process/programs exist that include employee supportive policies and procedures to minimize the cost of absenteeism.	No
Management periodically reports on the effectiveness of the attendance management process/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.	Yes

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 among the school board and external carriers such as TPP, OMERS and the school board's benefit provider(s).	Yes

Leading Practices – Human Resource Management	Evidence of Adoption?
Policies and procedures ensure the school board's benefit plans are managed appropriately.	Yes

Monitoring Staff Satisfaction

Leading Practices – Human Resource Management	Evidence of Adoption?
Management has established policies and procedures for staff/professional development and monitors staff take-up, budget, and outcomes.	Yes
Confidential staff satisfaction surveys are performed periodically.	No
Confidential exit interviews are performed for all staff.	No

Staff Recruitment

The HR department uses *Jobs in Education* and *Apply to Education* websites to recruit teaching and non-teaching staff. The school board also advertises new positions in local newspapers and through professional organizations.

Management noted that the school board receives a significant number of applications for teaching positions, since it is a growing board in a popular location. The recruitment of academic staff in specialized areas including French as a Second Language (FSL) requires additional recruitment activities.

Key elements of the hiring process are centralized through the HR department. The annual staff allocation process is used to determine hiring needs for the year.

The HR department has administrative procedures regarding the employment of relatives and for conducting criminal background checks. School principals conduct reference checks using a template developed by the HR department. The HR department also conducts background checks with the Ontario College of Teachers.

The HR department does not have a formal administrative procedure for recruitment and hiring. Formal procedures for recruitment and hiring support transparency and consistency in hiring standards, and ensure an adequate supply of qualified candidates. Furthermore, formal documentation of procedures enhances the accountability of those responsible for administering recruiting and hiring procedures. The HR department provides regular training and guidance to school principals on the hiring process.

Labour Relations

The school board has set up labour management committees for all staff groups. The trustees are not involved in negotiation of collective bargaining agreements, but sit as observers during the process.

The school board maintains a timely and effective approach in response to labour issues. There is open and positive communication with the unions, which may be attributed to the formal and informal practices followed. At the time of the review, there were 12 outstanding grievances.

Employee Performance Evaluation Processes

Management, through the HR department, has established formal administrative procedures for performance appraisals for most of school board staff.

In line with the Ministry of Education's *Supporting Teaching Excellence* document, the school board evaluates its experienced teachers on a five-year cycle. New teachers are reviewed during their first and second year, as part of the New Teacher Induction Program (NTIP). The NTIP program is also used to provide mentoring and development opportunities for new teachers.

A designated HR staff member tracks teachers' performance appraisals using a spreadsheet.

The school board has established formal procedures for performance appraisals of non-teaching staff. The *Employee Standards: Growth and Appraisal* document provides general guidelines for performance appraisal of non-teaching staff. The document does not establish the cycle for performance appraisals. The appraisal process is not consistently implemented due to the lack of a tracking mechanism.

The HR department has established an administrative procedure for promotion of principals and vice-principals. However, there is no procedure for performance appraisal of principals and vice-principals. Performance evaluation of school principals is conducted through annual school visits by the HR department. Following the school visits, school principals receive an evaluation letter.

The Board has also established a policy for the Director's annual performance appraisal.

Management uses progressive discipline procedures, which have not been formalized. The school board has administrative procedures and detailed guidelines regarding discrimination and harassment and child abuse. Formal disciplinary procedures should be established for all staff, and HR should provide guidance on the application of progressive discipline.

Attendance Management Processes/Programs

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

The school board does not have a formal attendance management program. The school board has administrative procedures for attendance support that include procedures for reporting absences, short-term and long-term absences, and return to work from long-term absences. Management has been tracking attendance data using the HR information system. The school board has engaged outside consultants to report on workplace accidents and costs and WSIB claims management. The report has been provided to all school principals.

Management recognizes that an attendance support program will address many absenteeism issues and help reduce associated costs. As the first step, the HR department is currently analyzing the data to identify trends and develop strategies for addressing non-attendance issues.

Human Resources is currently undergoing changes to its organizational design within its current staffing complement. The design of the department will clearly delineate the transactional and transformational activities that are performed by Human Resources staff and allows for the development of a Strategic HR Centre under the direction of the Senior Manager of Human Resources. The mandate of the Strategic HR Centre will allow for the ongoing development of strategic programs and activities in various areas of HR including attendance management.

The HR department has established a formal administrative procedure for the approval of leaves for political candidacy and election to public office.

The school board has formal return-to-work procedures, including *Attendance Support* and *Return to Work Program and Workplace Accommodation* operational policies and procedures.

Management of HR and Payroll Data

The school board has outsourced the payroll processing function to third party providers. The HR department maintains responsibility for determining the amount of payroll. There are appropriate controls to ensure the segregation and integrity of personnel and payroll data.

New employee data and changes to an employee's existing information are entered into the HR system by a human resource administrator. The system generates a daily

change record which is reviewed for accuracy. Also, a second person within the HR department reviews the supporting documentation and signs off the change record. The daily changes are provided to the payroll staff, who are then responsible for ensuring the accurate entry of data into the payroll system. Pay information is then generated by the school board's payroll provider.

Teacher qualifications and experience data is updated and monitored using the HR information system. Reports are generated to confirm a newly-hired teacher's status with the Ontario College of Teachers.

The school board is currently in the second round of the pay equity review process.

Management of the School Board's Benefit Plans

The HR department and the business services department are responsible for overseeing all aspects of the benefits plan. The HR department has designated staff including the Manager of Information Centre and Benefits, Benefits Assistant and OMERS Assistant. The business services department ensures funds are available to pay claims under the Administrative Services Only (ASO) benefits plan. The insurance carrier is responsible for making decisions on whether a claim qualifies for payment under the plan. However, the school board does not conduct independent compliance audits of its benefits carriers.

In addition, business services ensure that school board premiums are submitted to the Workplace Safety and Insurance Board of Ontario (WSIB).

The bargaining units are actively involved in decisions regarding changes in the benefit plans. As part of the current round of bargaining, additional funding for benefit plans has been allocated to start in 2010. The unions and the school board have established a joint committee to review potential benefit changes that could be made with the additional funding.

Data transfer among HR benefits, payroll and external carriers (i.e. Ontario Municipal Employees Retirement System) is automated and synchronized through using "eaccess". The school board is among the first boards in Ontario to pilot and implement "e-access". The school board currently implements payroll-based reporting for the Ontario Teachers' Pension Plan (OTTP), using data provided by the school board's payroll carriers. The HR department is working to automatically synchronize data between the school board and OTTP.

Monitoring Staff Satisfaction

The school board has recently initiated a Wellness Survey, as part of initiatives set out in the annual operational plan. The HR department also evaluates staff training.

Management recognizes that monitoring of staff satisfaction can be improved by conducting regular confidential staff satisfaction surveys. Confidential staff satisfaction surveys would improve communication with staff, and provide input for professional development plans and HR policy.

The HR department does not conduct formal exit interviews.

Recommendations:

- Management should establish formal hiring and recruitment policies and procedures for all staff groups. Existing hiring and recruitment practices should be formalized and communicated to staff involved in hiring and recruitment.
- Management should establish cycles for performance appraisals for nonteaching staff, and establish formal procedures for the performance appraisal of principals and vice-principals.
- Management should establish formal disciplinary procedures for all staff. Existing progressive discipline practices should be formalized and communicated to all staff.
- The HR department should develop a comprehensive attendance management program, with policies and procedures for specific categories of absenteeism. This would provide a consistent and structured approach to improving attendance, including positive reinforcement for employees and standardized practices across all employee groups.
- Management should conduct independent compliance audits of the school board's insurance carrier, to ensure adherence to the benefit 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 conduct exit interviews. These interviews would provide input for HR policy, as well as process and program improvement.

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.

Planning and Processes for Annual Staffing and Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Policies and procedures govern the annual staff allocation process.	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
Systems and processes monitor adherence to key Ministry and board policy parameters, such as: class size, prep time, collective agreement requirements and other school board directions.	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
Plans for student support services and staffing are based on a student-needs analysis.	Yes

Benchmarking Costs with Other Boards and Funding

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Staffing costs are compared with similar school boards and the funding model to ensure efficient use of resources.	Yes

Planning and Processes for Annual Staffing and Allocation

The staff allocation process is driven by enrolment forecasting, student need, class size requirements, and alignment to collective agreements (including preparation time allocations). The enrolment forecast is developed using various sources of data, including school-by-school projections, historical trend analyses, demographic trend analysis, and school board information.

The HR department works closely with the business services department to determine the appropriate staffing allocation for the school board. Management considers the staff allocation process as a key component of the school board's fiscal management process. The school board's overall staffing complement is determined through the budget process by Business Services. The control of the staff complement rests with business services and the Administrative Council. Once business services have finalized enrolment forecasts, the macro-level staff complement is released to the HR department for allocation at the school and department levels.

The HR department has established a formal policy on staff resources that contains guiding principles for staff allocation. The school board also has a number of administrative procedures regarding staff allocation, including guiding principles for elementary school reorganization in September, secretarial and clerical staff allocation, and educational assistants.

Each year, the school board outlines the critical activities and timelines for the allocation of elementary and secondary teaching staff.

The allocation of elementary teachers begins in January, when system-wide enrollment projections are submitted to the Ministry of Education. The enrollment projections are also distributed to school principals. In February, the HR department and the planning function receive and review requests to revise the enrollment projection and prepare preliminary staffing allocation. The HR department and the business services department use the updated projections to develop tentative school organizations. They distribute the information, along with primary class size rules, to school principals.

A Staffing Committee meets with principals who are requesting changes and adjustments in the tentative organization. By the end of March, the principals are required to submit all revisions to projected enrollments to the planning function and the HR department. In April, before any vacancies are advertised, principals notify all teachers of their tentative teaching assignments for September. In July and August, changes to staff data are entered in the HR system and reported to the payroll function. In September, the school board analyzes the actual enrollment and makes staffing revisions. Between November and December the school board makes adjustments in staffing levels.

The allocation of secondary teachers starts in December when seniority information sheets for individual teachers are distributed to school principals. In January, the completed seniority information sheets are submitted to the HR department for verification. In February, the planning function issues preliminary school enrollment projections. Principals may submit their enrollment projections to the planning function and the HR department. In March, the planning function issues the second release of enrollment projections to principals, the HR department and superintendents of education. At the same time, the preliminary staff allocation is submitted to the Administrative Council for approval. By April, principals report problems related to staff allocation to the HR department and final staff allocation is distributed to principals. Between April and June, the school board is making adjustments in staffing levels, through identification of surplus staff members and hiring as appropriate.

The Superintendent of Education (Student Services) and the Executive Officer of Human Resources are responsible for the allocation of education assistants, based on the assessment of student needs. The assessment of student needs is conducted by school principals and school based special education resource teacher(s) supported by the Student Services Consultant or Coordinator assigned to the school. This information is collated by student services staff, who allocate the available educational assistant support to the schools. This information is then provided to the HR department for communication to the schools of their educational assistant allocation.

Monitoring and Reporting on Staff Allocation

As part of the staff allocation process, the Administrative Council ensures compliance with key Ministry and school board policy parameters, such as class size, prep time, collective agreement requirements and other school board directions. The board of trustees is not directly involved in the development or monitoring of staff allocations. Trustees approve the original annual staff allocation as part of the annual budget approval process.

During the school year, management monitors staff allocation. The business services department prepares the overall staffing complement budget. However, the HR department has the responsibility for the allocation of staff within the complement. Deviations above the approved complement are approved by Administrative Council and subsequently managed by HR. Management recognizes the importance of close monitoring of staff allocations, due to potential budget implications.

Benchmarking Costs with Other Boards and Funding

The school board has compared its average compensation costs with those of other school boards.

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 department plan that is aligned to the annual board improvement 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.	Yes
Finance department staff have the appropriate finance/accounting designations and experience.	Yes

Monitoring and Communication of Policy

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

Development and Reporting of Annual Goals and Priorities

The school board’s annual operational plan provides several key priorities of the business services department, including actions, timelines, and responsibilities. However, the document is not supported by a formal departmental plan. Management noted that the key focus of the business services department is the efficient use of resources for the school board operations, to make more funding available for educational priorities. The current operational plan identifies the following priorities of the business services department:

- Reduction of portable classroom inventory, as part of ongoing implementation of Primary Class Size accommodation plan
- Partnerships with area municipalities to develop transportation alternatives for senior elementary and secondary school students
- Finance system review and replacement
- E-commerce and cash handling.

To provide specific guidance to managers and staff on departmental goals and priorities, management should develop an annual departmental plan which includes more specific goals, responsibilities, timelines, and appropriate performance measures. The departmental plan should be aligned with the school board's strategic plan.

Establishing a departmental plan, in a format similar to the board operational plan, will enable the department to better allocate accountabilities, establish measurable performance indicators, and track and report progress.

Organizational Structure and Accountability

The business services department is responsible for the financial management function of the school board. The department's management includes a superintendent of business services, a manager of budget and operational review, a manager of accounting, a manager of planning and a manager of purchasing. The business department also includes a manager of transportation who reports directly to the transportation consortium. The roles and responsibilities of finance staff are well documented in their job descriptions.

The school board's organizational chart indicates the structure of the business department and lines of reporting. The school board's website provides contact information for key staff in the business services department, but does not include an organizational chart that demonstrates reporting relationships. Senior financial management staff have appropriate professional designations and experience.

It should be noted that the business services department works closely with the HR department to drive the staff allocation process – business services determines the overall staff complement level through the budget process and the HR department allocations staffing to individual schools and departments.

In addition, the business services department works closely with the facility services department to drive the board's Long Term Capital Planning process (LTAP). Business services determine the overall funding and finance-related issues of the capital plan, while facility services execute the plan.

Monitoring and Communication of Policy

The business services department has established formal policies and administrative procedures for purchasing, staff and trustee expenses, school funds, investment and banking. These are published on the school board's website. The business services department has developed the *School Office Manual*, which contains formal descriptions of key processes. At the time of the operational review, the school board was reviewing all administrative procedures. Management noted that administrative procedures will now be reviewed each year.

Revisions to administrative procedures are communicated to all relevant staff through emails and memoranda. The business services department has also organized staff training sessions.

Recommendations:

- The business services department should develop an annual departmental plan that aligns with the objectives in the school board's annual operational plan. The plan should set targets and timelines and assign responsibilities for key activities in the finance department. This would enable management to track and report progress of its defined priorities and goals throughout the year.

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
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
Budget planning processes account for all required cost and revenue changes.	Yes

Enrolment Forecasting Linked to Budget Development

Leading Practices – Budget Planning and Development	Evidence of Adoption?
Management has adopted an integrated (school board and school levels) approach to enrolment forecasting. This supports development of the staffing plan and the annual budget.	Yes

Identification of Risks and Mitigation Strategies

Leading Practices – Budget Planning and Development	Evidence of Adoption?
Management identifies all significant risks during budget planning, and develops strategies to mitigate the risk of spending beyond authorized/budgeted levels.	Yes

Annual Budget Development Process

The school board has established a formal budget development process, which is clearly communicated to the Board and other stakeholders. The core objective of the budget process is to match strategic operational priorities with available resources.

The budget development process starts in January, with finalization of the preliminary enrollment forecast. In February-March, senior administration meets to review expenditure variances in the previous budget, current expenditure pressures, and previous budget enhancements. At the same time, the trustees review significant funding issues for the upcoming fiscal year. In March-April, management seeks input from all departments and system teams, which reflects the objectives of the school board's operational plan. In April-May, management develops draft expenditure and revenue. In May-June, once the GSN is released, the Administrative Council reviews draft budget and impact of expenditure/educational program and GSN issues. The impact of GSN is reported to the board of trustees along with any modifications required

to meet legislated framework. Management prepares a detailed report for trustees outlining the effect of announced constraint measures in education funding.

Meetings with stakeholders (administrators, unions, parents, students and community) regarding budget planning are conducted in January through May. The budget is finalized and approved by the board of trustees in June. The formal budget development document emphasizes that the Administrative Council provides ongoing updates to trustees throughout the budget development process.

The annual budget presented for approval demonstrates that it is linked to the Board's strategic action plan and operational plan, including student achievement targets. As part of the budget development process, management prepares a formal document that demonstrates current and historical alignment of the budget with the strategic goals of the Board.

Management provides a very detailed budget presentation document to the Board, which highlights all key changes from the previous fiscal year, anticipated issues and their impact. The board of trustees has sufficient time to review the proposed budget and request additional information. The budget is usually approved by the Board in one meeting.

Enrolment Forecasting Linked to Budget Development

The business services department is responsible for enrolment forecasting. The enrolment forecasting process begins early in the budget development cycle, and enables management to develop preliminary expectations of the anticipated change in enrolment revenue, compared to the previous year. The enrolment projection is undertaken by the planning function, with input from the school principals. Planning staff use software for enrollment forecasting.

The planning function uses different means for enrollment forecasting for new growth communities and existing school communities. For enrollment projections in the new growth communities, the school board takes into account factors such as known new or proposed developments, student yield (the expected number of students to be generated as a result of the housing form), and phases in the housing development. The projections for existing schools are based predominantly on past trends and historical patterns.

In January, the planning function commences projections for staffing purposes. Enrollment projections for the upcoming school year are initially released to all principals, to provide them with an opportunity for discussion with staff and to request changes to their school's projections.

The business services department develops enrollment projections for budget purposes using the Average Daily Enrollment (ADE) as the average of the October and the March Full Time Equivalent (FTE) for the upcoming school year. The ADE for elementary and secondary panels is used for grant calculation and staffing.

The business services department prepares the overall staffing complement budget. However, the HR department has the responsibility for the allocation of staff within compliment. Deviations above the approved compliment are approved by the Administrative Council and subsequently managed by HR.

Management noted that the enrollment forecasting undertaken by school board staff has proven to be accurate and reliable.

Identification of Risks and Mitigation Strategies

The business services department recognizes key budget risks and ensures that there is a contingency provision in the budget. Management transfers surplus funds from gratuities, snow removal and utilities to the reserve fund. Management noted that overstaffing is a potential budget risk, which is mitigated by establishing staff hold-backs. The Superintendent of Business Services discusses key budget risks with the Board informally. Trustees approve all decisions regarding the use of reserves.

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 Financial Reporting Accountability

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.	Yes
Management completes and files all financial reports in accordance with established timelines.	Yes

Audit

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Management maintains an independent internal audit function	Yes
Internal audit plans are clearly documented. Internal audit report recommendations are followed up and acted upon by management.	Yes
The Board has an audit committee with external members as advisors.	Yes
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

As a result of the comprehensive review of business processes of the school board undertaken by third party consultants, the business services department is implementing a new financial system in the next two years. Management noted that the new integrated system will include all modules and a work order system. The existing financial system has limited capacity for analysis and reporting, and the school board has incurred significant costs related to additional programming services.

Interim Financial Reporting Accountability

The finance staff prepares quarterly financial reports for the Administrative Council and the board of trustees. Financial information is presented by department (salary and non-salary expenditure) and employee group (salary and benefits expenditure). The reports include a comparison of the revised estimates, the year-to-date revenues and expenditures, and projected year-end expenditure. The budget amount spent is expressed as a percentage.

Quarterly financial reports do not provide explanation of variances. There is no explanation of whether the percentage spent to date is what would be expected for the period. However, management noted that finance staff started to provide some historical information regarding budget performance to the Board. Finance staff noted that the frequency of interim financial reports meets trustees' requirements for information on financial performance.

The format of monthly or quarterly financial reporting varies significantly among school boards. An enhanced format would include:

- A comparative percentage for each major expenditure/revenue category, to reflect expected spending to date, relative to historical averages, prior year's experience or, (in the case of salaries and benefits) the number of staff and pays processed to date.

This information would give reviewers an enhanced understanding of the year-to-date results.

There is a formal sign-off of the quarterly interim financial reports by the Administrative Council.

Audit

The Board's Audit Committee includes three external members who are professional accountants. The Audit Committee conducts *in-camera* meetings with external auditors and reviews auditor's reports/management letters. Management provides formal response to the management letter from the external auditor. Based on recommendations from external auditors, management develops a formal action plan which includes actions, responsibilities and timelines.

Management recognizes that an internal audit function would enhance the school board's internal controls, and has approved the hiring of an internal auditor. At the time of the operational review, the school board was in the process of hiring an internal auditor. The school board has developed a formal job description for the position of the internal auditor. The internal auditor will be directly accountable to the board of trustees and report administratively to the Superintendent of Business Services.

Recommendations:

- Management should provide an expanded level of interim reporting, in the format suggested in section 4.3 of this report. This would further simplify communication and increase the school board's focus on key issues during year-to-date reporting.

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 boards;
- 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?
There is an efficient cash management process to maximize interest income, using short-term investments where appropriate.	Yes
Cash management activities consolidated with a single financial institution.	Yes
Management periodically reports to the board on the performance of the investment activity, in accordance with the approved investment policy in accordance with the <i>Education Act</i> .	Yes
Management periodically compare 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
Management performs regular cash/funding forecasting to ensure that the school board's debt service costs can be met to maturity.	Yes

Management of School-Based Funds

Leading Practices – Treasury Management	Evidence of Adoption?
Management ensures adequate controls are in place to safeguard non-school board funds and coordinate the annual reporting of revenues and expenditures from schools and school councils.	Yes

Cash and Investment Management

The finance staff have demonstrated that there are adequate treasury management procedures in place to minimize idle cash. The school board has established a formal administrative procedure for management of petty cash and investment of board funds. The school board has one current operating account and several investment arrangements with various financial institutions. The existing investment arrangements have been established to ensure that the school board achieves the best possible rate on deposits.

Management compares the school board's banking terms and conditions with those of other school boards, through informal exchange of information and surveys. The school board has recently reviewed the existing contract for banking services. In addition, management conducts interest rate analysis on three occasions during the year – during budget estimates, revised estimates and at the end of the fiscal year.

Finance ensures adherence to the procedures through active monitoring of cash activities, such as monthly bank reconciliations performed by dedicated staff. The school board has established an administrative procedure for investments. The procedure provides a broad statement on the school board's investment goals and procedures, as required by the Ontario Regulation 471/97 under the Education Act.

Management provides reports on investment activity to the board of trustees three times a year, as part of the budget presentation, at presentation of revised estimates and at the end of the year.

As part of the ongoing project to revitalize the administrative processes and practices at the school board, the business services department has initiated a project to eliminate the use of cash and cheques in schools by implementing special software for online payments. Management has identified a number of benefits in implementing the software including:

- Reduced cash and cheque handling by all school board staff ,resulting in time savings and improved security for funds collected
- Improved audit trail and reduced loss to the school board due to theft, bounced cheques etc.

- Reduced administrative workload for teachers
- Improved safety for students since cash is not carried by them to school
Management has established a formal schedule for project implementation, including the pilot stage. The school board will also develop a formal administrative procedure regarding the use of online payments.

The school board has developed a capital liquidity template which clearly indicates that all committed capital projects are fully funded. Each year in August, the finance function prepares a cash flow projection which is updated daily. Management provides regular reports on the school board's borrowings to the board of trustees.

Management of School-Based Funds

Management has established formal procedures regarding accounting for schoolgenerated funds. School principals are responsible for ensuring that procedures are followed for all groups. School bank accounts are reconciled monthly and verified by principals. School principals provide formal sign-off of monthly reconciliation reports, bank statements and a monthly transaction report. Year-end reports for school generated funds and school council funds are submitted to the business services department and include:

- School Generated Funds/School Council Funds Annual Statement
- Bank Reconciliation Summary Report, including Uncleared Transaction Details
- Supplemental Information
- Management Representation Letter
- Itemized Category Reports
- Copy of bank statements or passbooks and copies of term deposit certificates/statements
- Copy of the transaction file.

The business services department included financial procedures for schoolgenerated funds in the School Office Manual. The school board's administrative procedure provides clear guidance on the segregation of duties. Management submits a detailed annual report on school generated revenue and expenses to the board of trustees.

4.5 Non-Grant Revenue Management

The purpose of reviewing 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 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 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.

Policies and Procedures and Planning to Support Non Grant Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
The school board has established policies and procedures for the application of its fee structures.	Yes

Procedures for all Non-Grant Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
Electronic registration and payment system are used where appropriate (e.g., ConEd, permitting of facilities, leasing, etc.).	No
Staff monitor all sources of revenue to ensure completeness and compliance with policies. Action plans and processes maximize collections including obtaining credit/risk assessments.	Yes
School board budget identifies revenue and expenditure for each EPO program. Management monitors activity to ensure compliance with terms and conditions.	Yes

Policies and Procedures and Planning to Support Non Grant Revenues

Management has established administrative procedures for the accounting of schoolbased funds. The school board has developed formal procedures for the community use of schools. The school board has established a reciprocal agreement with the four municipalities in the school board area regarding community use of school board's facilities. The agreement stipulates that the municipalities maintain all grass areas, open areas and play fields, and that they have access to the school gyms and meeting areas to schedule community use.

Management noted that the reciprocal agreement has resulted in several benefits for the school board including:

- Streamlined, one-stop shopping for facility rentals for the community
- Decreased administrative burden on the school board
- Increased community use of facilities
- Improved service quality and responsiveness.

The other key sources of non-grant revenue for the school board are tuition fees for visa students, EPO grants, and interest on investments. Management completes projections of all sources of non-grant revenue as part of the budget development process.

The school board is moving to the use of electronic payments as part of implementation of the new financial system.

Procedures for all Non-Grant Revenues

Finance staff determines tuition fees based on sector benchmarks and tracks tuition fees data by person.

Management has established procedures to record and track the various EPO grants received. There are two finance staff who have responsibility for tracking the EPO grants. Once a signed contract is received, finance staff track its expenditure using a spreadsheet and provide regular reports to management.

Recommendation:

- Management should implement an electronic payment and registration system for community use of facilities programs.

4.6 Procurement

The purpose of reviewing procurement processes is to assess:

- Whether 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 exist to support the procurement and related payment process;
- Whether school board processes ensure the receipt of 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 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.

Procurement Policies and Procedures

Leading Practices – Procurement	Evidence of Adoption?
Approved procurement policies and practices are clearly communicated to staff with purchasing authority, and are periodically reviewed and updated.	Yes
Vendor selection criteria include elements other than lowest cost, such as total cost of ownership, value, and quality and competitive procurement (including the use of public advertising for RFPs and tenders over a defined level).	Yes
Purchasing managers monitor and ensure compliance with the Board's procurement policies and procedures.	Yes

Participation in Buying Consortia

Leading Practices – Procurement	Evidence of Adoption?
The procurement strategy includes the participation in consortia/cooperatives for cost savings.	Yes
Management evaluate and develop strategies to increase purchasing power and minimize the cost of goods and services procured.	Yes

Purchasing Levels of Authority

Leading Practices – Procurement	Evidence of Adoption?
Purchasing authorization levels are commensurate to job title/role, and are monitored for compliance by a supervisor or department head.	Yes

Policies and Procedures for PCard/Corporate Card Use

Leading Practices – Procurement	Evidence of Adoption?
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 – Procurement	Evidence of Adoption?
Automated three-way matching (purchase order, receipt/invoice and inspection) is used.	No
Commitment accounting is in place to monitor budget utilization.	Yes
Management has implemented electronic supplier interface for ordering, processing and payment, including the use of supplier portals.	No

Use of Electronic Funds Transfer for Greater Efficiency

Leading Practices – Procurement	Evidence of Adoption?
Management maximizes use of electronic funds transfers (EFT) for payments.	Yes

Procurement Policies and Procedures

Management has established a formal purchasing procedure, which has not been posted on the school board's website. The business service department has included detailed information on the purchasing process in the *School Office Manual*. The school board also has a formal procedure for the disposal of surplus or outdated board-owned inventory. This procedure is available on the school board's website.

The purchasing procedure addresses a number of key elements, including:

- Purchasing authorization levels and the role of the Superintendent of Business Services
- General procedures and conditions
- Procedure for use of designated suppliers
- Procedure for discretionary purchases
- Guidelines on bids, including tender, request for proposal, request for quotation, expression of interest, and purchases by negotiation
- Guidelines for tendering and quotations, including guidelines for selection of goods and services to be purchased.

The purchasing procedure notes that the best value shall be the basis for selection of goods or services to be purchased. The school board determines best value based on price, service, quality, availability, delivery, and fitness for a particular purpose. Management also considers the supplier's potential ability to successfully perform under the term and conditions, and the supplier's past performance record.

Participation in Buying Consortia to Reduce Acquisition Costs

The purchasing procedure provides that the school board will participate in tender calls administered by cooperative purchasing groups, involving the school board and/or government agencies, whenever it is in the best interest of the school board. The school board participates in an electricity purchasing consortium with the Catholic School Boards Services Association (CSBSA), a gas purchasing consortium with eight local school boards, and a consortium for purchasing office supplies with the Halton Cooperative Purchasing Group (HCPG). The school board also participates in the Ontario School Board Insurance Exchange. The school board is currently considering purchasing options available through the *Ontario Buys*: Ontario Education Collaborative Marketplace (OECM) sponsored by the provincial government.

Purchasing Levels of Authority

The purchasing procedures state that purchase of all supplies, equipment and services are conducted through the Manager of Purchasing and Administrative Services, who reports directly to the Superintendent of Business Services. Most purchases require a purchase order. However, the administrative procedure establishes several exceptions when a purchasing order is not required, to allow flexibility in schools and departments to obtain small items and services:

- School principals or persons designated by school principals or the school board's office department managers may purchase directly any supplies or services up to the individual maximum of \$2,000 (purchase orders are required for all capital purchases)
- Repairs and maintenance of equipment used in the technological, musical and arts education programs may be purchased by the respective coordinator to an individual maximum of \$1,500 without a purchase order
- Authorized staff in the facility service department may purchase directly a repair service to an individual maximum of \$5,000 without a purchase order, but covered by a work order.

All departments adhere to the following limits for securing supplier quotations:

- Up to \$50,000: at least three informal competitive bids (email, fax and verbal) are required
- Over \$50,000: at least three sealed bids are required using a formal bidding process.

The procedure notes several cases when discretionary purchases can be made:

- Emergency purchase: a purchase made in the case of emergency involving the safety of persons, protection of property or the prompt restoration of services to minimize interruption of the school board's activities
- Sole source purchases: sole source purchases are made only when items are unique and possess specific characteristics that can be filled by only one source
- Purchase by negotiation may be adopted by the Superintendent of facility Services, when architectural services are required relating to capital projects less than \$250,000 or professional or consulting services are required and the fee is less than \$20,000.

The Manager of Purchasing and Administrative Services, in consultation with the Superintendent of Business Services, can make purchases by negotiation in several cases which are established in the procedure. For example, purchasing by negotiation is permitted when there is only one known source of the goods or service, or goods are in short supply due to market conditions.

Policies and Procedures for Purchase Card/Corporate Card Use

Corporate credit cards have been issued to three employees, including the buyer at the purchasing department. Credit cards are used for purchases outside of Canada, on-line purchases, and payment for travel, meals and hospitality in compliance with established policies and procedures.

In 2007, management established administrative procedures on corporate credit card use, which are posted on the school board's website. The procedure notes that the following school board staff are authorized to have corporate credit cards: superintendents, executive officers, associate director, director, purchasing department staff, manager of director's office, chief information officer. The procedure includes the terms and conditions for the use of a corporate credit card and provides the expense claim process. The Superintendent of Business Services establishes individual credit card limits.

The school board has launched a pilot project for purchase cards (PCards). PCards have been issued to 200 employees. Management acknowledges that the use of PCards has increased efficiency, by simplifying the acquisition, receipt, and payment of low value purchases, reducing the amount of petty cash in schools, and enabling management to identify unusual transactions. The school board adheres to the Ministry's guidelines on the use of PCards.

Accounting for Completeness of Purchase/Payment Cycle

The school board has a commitment accounting process, where the purchase is encumbered to the general ledger after a purchase order is issued.

Finance staff have implemented a manual two-way matching between purchase orders and invoice. Management acknowledges the need for a three-way automated matching process between purchase orders, invoices, and receipts.

Management has not implemented an electronic supplier's interface for ordering, processing, and payment. However management has arranged summary billing with several suppliers.

Use of Electronic Funds Transfer for Greater Efficiency

The school board is currently moving to the use of EFT for vendor payment as part of the ongoing project to revitalize the administrative systems and processes.

Recommendations:

- Management should implement an automated three-way matching process using the capacity of the new financial system.
- Management should implement 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 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 field work, 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 operations and facilities department's goals and priorities are documented in an annual department plan that is aligned to the annual board improvement plan and is accessible by key stakeholders. The plan incorporates measurable targets, specific timelines, and identified accountability.	No

Organizational Structure and Accountability

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
The operations and facilities department has clearly defined organizational units and delineates respective roles and responsibilities. A current organization chart is available.	Yes
Senior operations and facilities staff have appropriate designations (e.g. P.Eng.) and relevant field experience.	Yes

Monitoring and Communication of Policy

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
Management has processes in place to monitor departmental policy compliance.	Yes
Processes exist to monitor new legislation and regulations and implement necessary changes.	Yes
Management provides scheduled policy and procedure awareness, and training to address ongoing skill development and emerging regulatory issues.	Yes

Development and Reporting of Annual Goals and Priorities

The facility services department is responsible for the maintenance, operations, and construction of all facilities at the school board. The department reports to the Superintendent of Facility Services.

The school board's annual operational plan provides several key priorities of the facilities services department including actions, timelines, and responsibilities. However,

the document is not supported by a formal departmental plan. The ongoing priorities of the facilities services department include several new construction, renovation, and accommodation review projects.

The development of an annual plan would enable management to better assign responsibilities, establish performance measures, and track and report the progress of its defined priorities and goals throughout the year.

Organizational Structure and Accountability

The facilities service department is led by the Superintendent of Facilities Services. The facilities services department has undergone a review of its organization, processes, and procedures as part of the ongoing project to revitalize administrative practices and processes.

As result, the facilities services department has recently established a new organizational structure, which includes an office supervisor, a regional supervisor of plant operations, a regional supervisor of maintenance, and a manager of capital projects. There are six plant operations field supervisors who report to the regional supervisor of plant operations. The facilities department has established a formal alignment of schools by field supervisors. Management noted that the new streamlined organizational structure has several key benefits for the school board. These include a single point of contact for each family of schools, and clear lines of reporting and responsibilities.

The roles and responsibilities of facilities staff are clearly outlined in their respective job descriptions. The department's organizational chart indicates the structure of the facilities services department and lines of reporting. The organizational chart is not posted on the school board's website. Senior facilities management staff have appropriate professional designations and experience.

Monitoring and Communication of Policy

The facilities services department maintains a set of administrative procedures covering pertinent aspects of facilities and operations management. These policies are published on the school board's website. The facilities services department does not have an established review cycle to ensure that its administrative procedures are current. At the time of the operational review, the school board was conducting a comprehensive review of all administrative procedures.

Appropriate training is provided to custodial and maintenance staff to address policy issues, and the need for compliance with the various regulatory requirements. Examples of this include mold, asbestos management, and well water testing.

Recommendation:

- Facilities management should develop an annual departmental plan that aligns with the objectives of the school board's annual operational plan. The plan should set targets, timelines and assigned responsibilities for key activities. This would enable management to track and report progress of its defined priorities and goals throughout the year.

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 for students;
- Whether the department has the appropriate organizational structure to effectively manage service delivery;
- Whether appropriate internal controls exist to 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 the Board's Cleaning Standards and Maintenance Requirements

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The board has adopted cleaning standards and has developed a standard set of processes and tools to monitor, manage, and report on results.	Yes
Management's custodial/maintenance allocation model optimizes use of staff.	Yes

Development of Annual/Multi-Year Maintenance Plan

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Using stakeholder input, management develops an annual/multi-year maintenance plan for deferred maintenance priorities and maintenance standards. Outcomes improve the learning environment. The plan optimizes the use of available funding (Annual Renewal Grant and Good Places to Learn funding) and is approved by the board.	Yes

Training to Support Skills Development and Safety

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

Standardization of Cleaning and Maintenance Supplies

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
An inventory system tracks and controls major cleaning and maintenance equipment.	Yes
Common standards ensure efficient procurement of supplies to minimize costs and promote energy and operating efficiency.	Yes

Project Management, Monitoring and Support Systems

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
A work-order system and process that records, monitors, and evaluates projects ensuring the effective use of resources.	No
Management regularly evaluates the overall effectiveness and efficiency of its maintenance and custodial service practices.	Yes

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

The custodial staffing model used by the school board for elementary schools is based on square footage, and includes additional factors such as portable classrooms, stairwells, and school density in terms of enrolment. The custodial staffing formula also considers how the school is used, including hours of rentals and day care programs. Management also considers additional factors, including special education programs,

hypersensitive students program, and grounds conditions, to establish additional staffing allocation for specific schools. The school board outsources custodial services for secondary schools. The school board maintains a list of occasional custodial staff.

The school board's cleaning standards have evolved over time, and include the green cleaning approach to custodial operations. Management acknowledges that, to help maintain specific levels of cleanliness, the cleaning standards must be revised. The school board is a recognized leader among other school boards in the province in adopting green cleaning practices through its 'Clean for Health' program.

Although the school board informed the bargaining unit about the custodial staffing model, it has not included the model in its collective agreement with CUPE staff. The school board has not compared its staff allocation model with other school boards.

Development of Annual and Multi-Year Maintenance plan

Management develops an annual and multi-year maintenance plan, based on consultations with principals and facility supervisors and ReCAPP data. The school board has established an internal Capital Renewal website, which school principals and facility supervisors use to input identified maintenance and renewal needs. Each year, the Capital Renewal Committee, which includes several school principals, reviews and prioritizes all requests.

In addition to the annual plan (which contains approved maintenance and renewal projects) management allocates a fixed amount of discretionary funding to individual schools to undertake small, usually aesthetic, renewal projects. The facilities services department has established eligibility criteria for these discretionary projects.

The ReCAPP database is updated by facilities staff twice a year.

Management noted that the facilities services department conducts preventative maintenance of all facilities and equipment. However, the school board does not have a system for planning and tracking preventative maintenance activities.

Training to Support Skills Development and Safety

The facilities services department develops an annual training plan for custodial staff. The plan includes mandatory and voluntary training on legislated requirements and cleaning standards. Management tracks registration and attendance, using an electronic system.

Management implemented an informal mentoring and supervision system to improve the performance of the custodians. Additional training has also been provided to custodians on the use of new equipment by vendors.

Standardization of Cleaning and Maintenance Supplies

The facilities services department does not maintain a significant inventory of equipment, as maintenance services are outsourced by the school board. Management uses a tracking system for existing pieces of equipment.

The facilities services department provides schools with budget allocations for cleaning and maintenance supplies. Monitoring of budget expenditure is implemented centrally in the school board's office. Schools use an electronic system for purchasing the supplies.

Project Management, Monitoring and Supporting Systems

The facilities services department does not use formal work orders. In the past, tracking was performed by maintenance contractors. Management noted that a formal work order system will be implemented as part of the ongoing project for revitalization of administrative processes and practices. The new financial system, which is planned to be introduced over the next several years, will include a work orders module.

Management acknowledges that the school board would benefit from introducing a work-order system, which would allow it to process records and monitor and evaluate projects, ensuring the effective use of resources.

Recommendations:

- The school board should continue revising its cleaning standards which will enable management to monitor, manage and report on cleanliness levels regularly. The school board should continue revising its cleaning standards to enable management to monitor, manage and report on cleanliness levels regularly.
- Management should develop a work-order system to record, monitor, and evaluate projects, ensuring the effective use of resources.
- With support from the Energy and Environment Coordinator, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and is aligned with its strategic direction.

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?
Management has established a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.	No
Purchasing practices support energy conservation objectives (e.g. Energy Star products, leveraging consortia membership).	Yes
Successful conservation initiatives are shared 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.	Yes
A comprehensive system exists to budget expenditures, track consumption and identify opportunities for further savings.	Yes
Billing for all school board facilities is consolidated from each utility.	No
Centralized technology that automates energy regulation and conservation (e.g. light control, desktop power) is used wherever practical.	Yes

Energy Management Plan

Management recognizes the importance of promoting energy conservation, and has recently hired an energy and environment coordinator to lead the school board’s energy management initiatives. The Energy and Environment Coordinator will focus on the creation of a multi-year energy plan, to enable management to establish quantifiable

targets for energy consumption and expenditures, and provide regular status updates to the Board.

The school board has an Energy Performance Contract with a third party provider. The project included mechanical and electrical capital improvements such as new lighting and control systems, heating equipment and new computers for custodial staff. Custodial staff can monitor and maintain school's ventilation, heating and airconditioning equipment and system. In addition, custodial staff can access email, electronic supply requisitions, and other related school board programs. Management noted that the project generated significant utility operational savings.

The school board also implements the Eco Schools program.

Tracking and Reporting Energy Conservation

Management tracks utilities consumption at the school level annually. As part of the Energy Performance project management tracked year one savings to use as a baseline for monitoring project performance. Management acknowledges that the school board needs to conduct monthly tracking of utilities consumption. Currently, most of the consumption data is obtained from utility invoices and entered manually.

As part of the energy performance project, the school board has implemented centralized technology that allows staff to monitor and regulate energy consumption at the schools.

Management noted that the utilities do not provide the school board with consolidated billing.

Recommendations:

- With support by the Energy and Environment Coordinator, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and is aligned with its strategic direction.
- Management should continue discussions with the utilities regarding consolidated billing for all school board facilities.

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.

Development, Monitoring, and Tracking of Policies and Plans for Health, Safety and Security

Leading Practices – Health, Safety and Security	Evidence of Adoption?
The maintenance of health, safety and security policies and the development of appropriate plans ensure compliance with statutory health, safety and security requirements.	Yes
The security code policy includes alert codes that reflect the situation and threat level, and identify departmental responsibilities.	Yes
Security incidents are tracked by type of incident (e.g. property damage, intrusion, etc.).	Yes
Operations management follow Ministry guidelines, policy and legislation on healthy schools.	Yes
Safe school teams responsible for school safety (e.g. PPM 144) are implemented in every school.	Yes
Water and air quality standards are monitored and issues are reported for corrective action.	Yes

Development, Monitoring and Tracking of Policies and Plans for Health, Safety and Security

The human resources department is responsible for the school board’s occupational health and safety program. HR develops an occupational health and safety plan which is updated annually.

Management maintains administrative procedures for occupational health and safety, including general guidelines and procedures, template safety reports, and a health and safety orientation checklist for new staff. The HR department has also developed

administrative procedures regarding workplace safety and insurance board (WSIB) issues, and safety and health for staff working with students with special needs.

The school board follows Ministry guidelines, policy and legislation on healthy schools, including health support services in the school setting. Management has also established administrative procedures detailing how staff are to deal with cases of anaphylaxis. All of the school board's health policies and procedures are available on the website.

The school board's safe schools procedures and programs are developed and monitored by one superintendent of education. The school board implements a range of safe schools programs, including the Halton Opportunities Program for Expelled Students and Drug Awareness Resistance Program. There are also numerous bullying prevention and cultural sensitivity projects.

The facilities services department is responsible for school security policies and procedures. The Superintendent of Education responsible for safe schools policies and programs oversees emergency policies and procedures and police protocols. Management has developed a decision-making tree for responding to security incidents. The police protocol provides description of emergency types and procedures. Management noted that the police-school board protocol will be reviewed pending the release of a directive from the Ministry of Education and Ontario Police Chiefs.

Management tracks vandalism incidents and associated costs.

The HR department monitors air quality standards as part of its occupational health and safety management. The facilities services department is responsible for monitoring water quality standards. Custodial staff receive regular mandatory training on flushing procedures.

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 program 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 utilization.	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
An accurate and up-to-date assessment of facility conditions is maintained, based on industry standards (using RECAPP methodology).	Yes

Development of Annual and Multi-Year Capital Plans

The school board has developed its five year capital plan, *Long Term Accommodation Plan*, and submitted it through the Ministry’s SFIS web site. The school board considered a range of factors as part of the development of the plan, including enrollment forecasts, program trends, accommodation/boundary issues and municipal planning and development changes. The capital plan is reviewed and updated annually. Annual adjustments in the capital plan are reported to the Board.

It should be noted that the facility services department works closely with the business services department to determine the board's Long Term Capital Planning Process (LTAP). This process is managed through the business services department and executed by the facility services department.

The school board obtained public input for the capital plan through a series of public consultations. The school board has held meetings in each municipality to seek public input and comments.

The Long Term Accommodation Plan has been approved by the Board.

The Ministry requires that the plan include both projects with identified funding and those where the funding is unknown. This data is required by the Ministry to provide an understanding of the potential needs of all school boards over that time period. The school board submits the capital liquidity template to the Ministry.

Along with the capital plan and capital liquidity template, management submits detailed businesses cases for its capital projects, including all sources of funding. The key sources of funding for the school board's capital plan include New Pupil Places Renewal/Good Places to Learn, Primary Class Size grants, proceeds of disposition and debentures. Business cases for priority capital projects include an overview of the current state in capacity utilization, funding, enrolment and fiscal challenges. Business cases also provide a detailed evaluation of priority projects based on growth school funding criteria: capital liquidity template, purchased sites, board-approved long-term capital plan, enrolment pressures for elementary and secondary, alternative accommodation, consistency in planning area, and development and approval of a construction budget.

Management established administrative procedures for a pupil accommodation review in 2007. The procedure is available on the school board's website. The review involves extensive public consultation. The school board established the process for review of boundaries which is implemented to manage accommodation challenges and the planning and accommodation review committee process. The review of boundaries process also involves extensive public consultation, and any changes in boundaries are approved by the Board.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

The monitoring and planning of school capacity is reported through the School Facilities Inventory System ("SFIS"). All renewal projects are consistently tracked using the ReCAPP database.

There is a designated staff member who oversees regular updates of the databases. This individual acts as a liaison between the business services department and the facilities services department.

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 uses cost-effective designs, standard footprints, energy conservation and economical construction practices to minimize construction, maintenance and operation costs.	Yes
Management maintains standard policy and 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?
Management evaluates and updates the approved list of contractors, architects and related professionals periodically, ideally in five-year cycles.	Yes

Cost-Effective Practices in the Design and Construction of Facilities

Since 2002, the school board has had at least one new construction project per year. Currently, the school board has 16 ongoing construction projects. There are several areas of significant growth in the school board area.

The school board uses a standard school design blueprint. Management has adopted a prudent approach to planning of new construction projects. Management does not develop several options for school design, given the significant number of school construction projects and construction costs. However, during the design approval stage, management conducts consultations with program coordinators to identify specific construction requirements. Following a construction project, management seeks input from program staff regarding potential improvements for future school buildings. The school board is represented in the Ministry's Expert Panel on Capital, and proactively compares its design and construction costs with other school boards, to ensure that overall construction costs are reasonable.

Management minimizes expenditures on construction, renovation and operation costs through the use of cost-effective designs and economical construction practices. The school board also uses energy efficient heating and cooling systems in all new construction projects.

Monitoring and Reporting of Progress on Construction Projects

The Manager of Capital Projects closely monitors the costs of construction projects. Monthly project reports are prepared and the business services/facility services liaison monitors budget expenditure and approves payments. Management conducts site meetings every two weeks.

The Board is informed about any significant issues arising during construction projects.

Maintaining Current Approved Professional Service Providers

Management maintains a list of pre-qualified general contractors which is updated for every project. The pre-qualification announcement is posted in local newspapers, and management establishes a list of up to 10 contractors. For architectural services, the school board maintains a five-year rotating roster of architects.

Appendices

Appendix A: Overview of the Operational Review

Operational Review Objectives

In order 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.

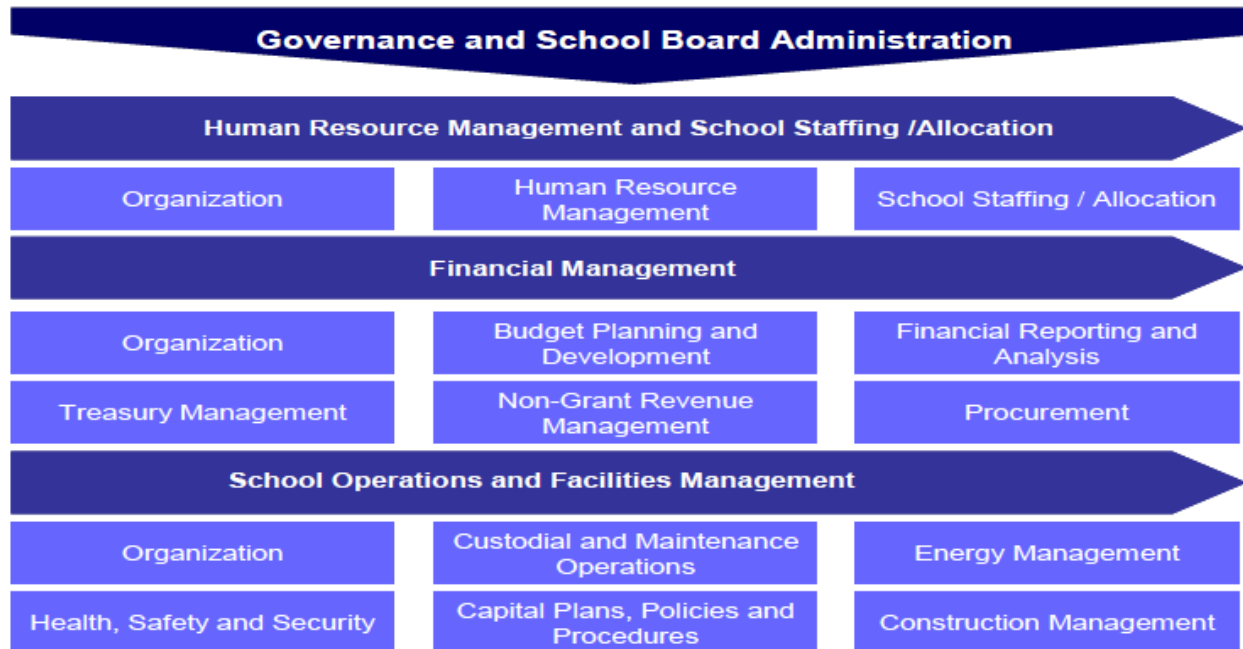
Recognizing the unique characteristics of each DSB, the specific purpose of the Operational Reviews is to:

- Strengthen management capacity in school boards by developing recommendations that support improvement in non-academic operations;
- Highlight existing successful business practices used by school boards, to the sector and to school board communities;
- Leverage “Best Practices” across the education sector;
- Provide support and assistance to ensure that school boards are financially healthy, well managed, and positioned to direct optimum levels of resources to support student achievement;
- Provide the Ministry with important input on DSB capacity/capabilities for consideration in 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 school boards under each functional area.

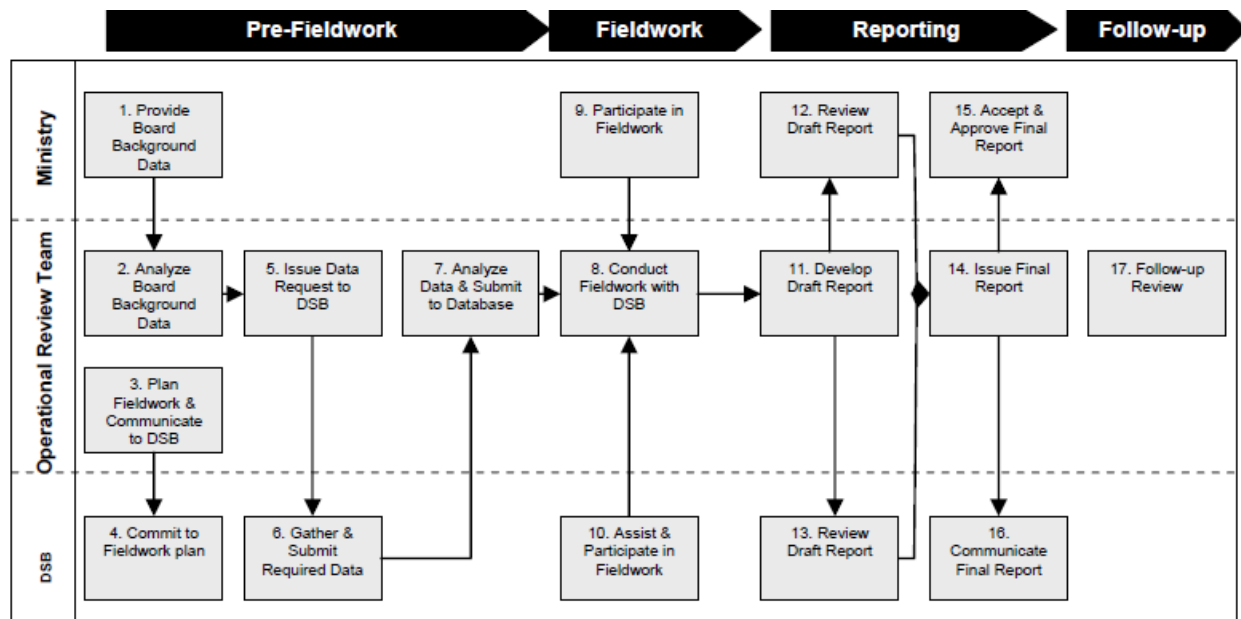
Each of the processes was examined based on its activities and its adoption of sector agreed leading practices, including alignment and support of student achievement strategies.



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-Field Work

Key Activity	Description
Provide School Board Background Data	The Ministry collects and maintains significant quantities of school board data. The Operational Review team has developed a standardized data request from the Ministry to provide background data for each board.
Analyze School Board Background Data	Before the start of the fieldwork, the Operational Review team reviews school board background data to understand the financial and operating characteristics. This review identifies specific issues and focus areas.
Plan Fieldwork and Communicate to School Board	The Ministry and the Operational Review team develop a review schedule that is communicated to school boards before the start of the next review cycle.
Commit to Fieldwork Plan	Boards are required to commit to the Operational Review schedule. The Ministry and the review team will attempt to accommodate scheduling conflicts.
Issue Documentation Request to School Board	Before the start of fieldwork, a request for supporting documentation is generated to gather operating and other information for each focus area. The review team uses this information to enhance its understanding of the school board before the start of field work.
Gather and Submit Required Documentation	Upon receipt of the request for supporting documentation, each school board compiles the requested data. School boards have at

Key Activity	Description
	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 school board and adds the results to a sector-wide database to compare the results for each school board.

Phase: Field Work

Key Activity	Description
Conduct Fieldwork with School Board	The fieldwork is conducted for each school board according to the previously agreed upon review cycle. The time required for fieldwork ranges between five and 10 days, based on the size of the school board
Participate in Fieldwork	Ministry staff support the review team in the performance of fieldwork, to ensure continuity and knowledge transfer of school board operations.
Assist and Participate in Fieldwork	School board staff participate in the fieldwork. The number of participants involved will vary depending on the size of the school board.

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 school board senior staff to review and obtain feedback.
Prepare Final Report	The review team incorporates the feedback from the both the Ministry and the school board and prepares a final report.
Accept and Approve Final Report	The final report is issued to the Ministry for approval and release.
Communicate Final Report	The Ministry issues a final report to the school board.

Phase: Follow up

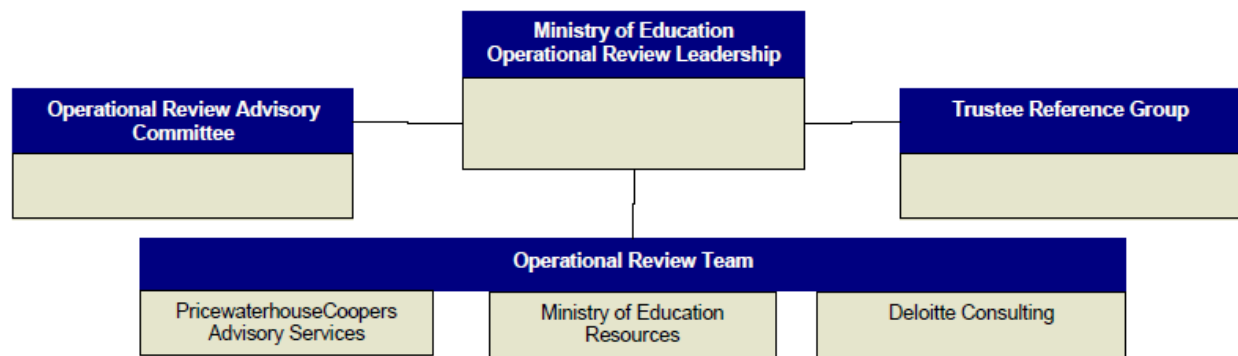
Key Activity	Description
Follow-up Review	Eight to 12 months after the release of the final report, the review team conducts a follow-up review to determine the extent the

Key Activity	Description
	school 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 Halton District School Board. 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.	Senior administration should publish the organizational chart on the school board's website.
2.	The school board should develop a formal succession plan to manage changes in senior management positions.

Human Resources Management and School Staffing/Allocation

No.	Recommendation
3.	The HR department should develop an annual departmental plan that aligns with the objectives in the school board's operational plan. The plan should set targets and timelines and assign responsibilities for key activities in the HR department. This would enable management to track and report the progress of its defined priorities and goals throughout the year.
4.	Management should establish formal hiring and recruitment policies and procedures for all staff groups. Existing hiring and recruitment practices should be formalized and communicated to staff involved in hiring and recruitment.
5.	Management should establish cycles for performance appraisals for nonteaching staff, and establish formal procedures for the performance appraisal of principals and vice-principals.
6.	Management should establish formal disciplinary procedures for all teaching and non-teaching staff. Existing progressive discipline practices should be formalized and communicated to all staff.
7.	The HR department should develop a comprehensive attendance management program, with policies and procedures for specific categories of absenteeism. This would provide a consistent and structured approach to improving attendance, including positive reinforcement for employees and standardized practices across all employee groups.
8.	Management should conduct independent compliance audits of the school board's insurance carrier, to ensure adherence to the benefit plan's terms and conditions.
9.	Management should conduct periodic and confidential staff surveys, to improve communication with staff and provide input for professional development plans and HR policy.
10.	Management should conduct exit interviews. These interviews would provide input for HR policy, as well as process and program improvement.

Financial Management

No.	Recommendation
11.	The business services department should develop an annual departmental plan that aligns with the objectives in the school board's annual operational plan. The plan should set targets and timelines and assign responsibilities for key activities in the finance department. This

No.	Recommendation
	would enable management to track and report progress of its defined priorities and goals throughout the year.
12.	Management should provide an expanded level of interim reporting, in the format suggested in section 4.3 of this report. This would further simplify communication and increase the Board's focus on key issues during year to-date reporting.
13.	Management should implement the electronic supplier interface for ordering, processing and payment.
14.	Management should implement an electronic payment and registration system for community use of facilities programs.
15.	Management should implement an automated three-way matching process using the capacity of the new financial system.

School Operations and Facilities Management

No.	Recommendation
16.	Facilities management should develop an annual departmental plan that aligns with the objectives of the school board's annual operational plan. The plan should set targets, timelines and assigned responsibilities for key activities. This would enable management to track and report progress of its defined priorities and goals throughout the year.
17.	The school board should continue revising its cleaning standards which will enable management to monitor, manage and report on cleanliness levels on a regularly.
18.	Management should develop a work-order system to record, monitor, and evaluate projects, ensuring the effective use of resources.
19.	With support from the Energy and Environment Coordinator, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and is aligned with its strategic direction.
20.	Management should continue discussions with the utilities regarding consolidated billing for all school board facilities.