

Ministry of Education

Operational Review Report Avon Maitland District School Board

June 2008

Table of Contents

Executive Summary	1
Introduction	1
Governance and School Board Administration	1
Recommendations:	3
Human Resource Management and School Staffing/Allocation	3
Recommendations:	4
Financial Management	4
Recommendations:	6
School Operations and Facilities Management	6
Recommendations:	7
1. Background and Overview	9
1.1 Board Profile and Structure.....	9
1.2 Key Priorities of the Board	9
1.3 Student Achievement.....	10
1.4 Fiscal Overview.....	11
1.5 Key Statistics	12
2. Governance and School Board Administration – Findings and Recommendations	14
Organizational Structure and Accountability	15
Development and Reporting of Annual Goals and Priorities	17
Stakeholder Engagement	18
Decision-Making Process	19
Recommendations:.....	19
3. Human Resource Management and School Staffing/Allocation – Findings and Recommendations	20
3.1 Organization	20
Development and Reporting of Annual Goals and Priorities	21
Organizational Structure and Accountability	22
Monitoring and Communication of Policy	22
Recommendation:.....	23
3.2 Human Resource Management	23
Attendance Management Processes/Programs.....	25

	Labour Relations.....	26
	Staff Recruitment	26
	Management of HR and Payroll Data	27
	Employee Performance Evaluation Processes	27
	Management of the Board's Benefit Plans.....	28
	Monitoring Staff Satisfaction	29
	Recommendations:	29
3.3	School Staffing/Allocation	29
	Planning and Processes for Annual Staffing and Allocation	30
	Monitoring and Reporting on Staff Allocation.....	31
	Benchmarking Costs with Other Boards and Funding	31
4.	Financial Management – Findings and Recommendations.....	32
4.1	Finance Organization.....	32
	Organizational Structure and Accountability	33
	Development and Reporting of Annual Goals and Priorities	34
	Monitoring and Communication of Policy	35
4.2	Budget Planning and Development.....	35
	Annual Budget Development Process	36
	Enrolment Forecasting Linked to Budget Development.....	37
	Identification of Risks and Mitigation Strategies.....	37
4.3	Financial Reporting and Analysis.....	38
	Integrated System for Variance Analysis and Financial Reporting	39
	Interim Financial Reporting Accountability	39
	Internal Audit Function	40
	Audit Committee	40
	Recommendation:.....	41
4.4	Treasury Management.....	41
	Cash and Investment Management	42
4.5	Non-Grant Revenue Management.....	42
	Policies to Support Non-Grant Revenues	44
	Technology to Support Registration and Collection of Revenue	44
	Managing the EPO Grants.....	44
	Recommendation:.....	45

4.6	Procurement	45
	Procurement Policies and Procedures.....	47
	Purchasing Levels of Authority	47
	Participation in Buying Consortia to Reduce Acquisition Costs	48
	Policies and Procedures for Purchase Card/Corporate Card Use	48
	Accounting for Completeness of Purchase/Payment Cycle	48
	Use of Electronic Funds Transfer for Greater Efficiency	48
	Recommendations:	48
5.	School Operations and Facilities Management – Findings and Recommendations	49
5.1	Organization	49
	Organizational Structure and Accountability	50
	Development and Reporting of Annual Goals and Priorities	51
	Monitoring and Communication of Policy	52
	Recommendation:.....	53
5.2	Custodial and Maintenance Operations	53
	Staffing Model Supports the Board’s Cleaning and Maintenance Standards	54
	Development of Annual and Multi-Year Maintenance Plan.....	55
	Training to Support Skills Development and Safety	56
	Standardization of Cleaning and Maintenance Supplies.....	56
	Project Management, Monitoring and Supporting Systems	56
	Evaluation of the Board’s Service Delivery Model.....	57
	Recommendations:	57
5.3	Energy Management.....	57
	Energy Management Plan	58
	Tracking and Reporting Energy Conservation	59
	Recommendations:	59
5.4	Health, Safety and Security	60
	Development, Monitoring and Tracking of Policies and Plans for Health, Safety and Security	60
5.5	Capital Plans, Policies and Procedures	62
	Development of Annual and Multi-Year Capital Plans	63

	Ongoing Monitoring and Maintenance of Data to Support Capital Planning	64
5.6	Construction Management.....	64
	Cost-Effective Practices in the Design and Construction of Facilities	65
	Monitoring and Reporting of Progress on Construction Projects	65
	Maintaining Current Approved Professional Service Providers.....	66
	Appendices	67
	Appendix A: Overview of the Operational Review	67
	Operational Review Objectives	67
	Operational Review Summary Scope	67
	Operational Review Summary Approach	68
	The Operational Review Team	71
	Limitations of this Review	71
	Appendix B: Summary of Recommendations	72

Executive Summary

This report details the findings and recommendations of the Operational Review of the Avon Maitland District School Board (the 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 four days beginning March 3, 2008.

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 best 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 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 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 review found that the Board is well-managed, based on the fact that it has adopted a significant number of the leading practices in all of the functional areas reviewed. 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 Board has adopted a governance structure that clearly delineates the roles and responsibilities of the Board of Trustees and the Director of Education. The Board of Trustees is responsible for the development of Board policies that provide direction for the Board and senior administration.

The Director of Education develops administrative procedures and implements those policies.

Detailed descriptions of the Board's governance structure, including the segregation of duties, roles and responsibilities, policy development process, mission and goals, are

documented as Board policies and posted on the Board's website. These policies are well understood by all staff.

Board policy mandates an annual review of all the existing policies. However, management indicated that in practice, some policies are updated only when required. It is also noted that most policies do not have an indication of the last review date.

The Board has over 140 procedures that are posted on the web site. Some of the procedures have a reference to a review/revised date. The majority of the procedures do not have an implementation date, which would be useful as a reference for both trustees and management, along with a reference date for review and revision.

The working relationship between the Board of Trustees and the senior staff appears to be positive. At the time of the review, the Director had announced plans to retire by the end of the school year. The senior administration has plans in place to ensure a smooth succession of the Director's position, and the chair of the Board has expressed confidence in finding a suitable successor for the current Director.

In 2006, management embarked on a pilot initiative to develop a balanced scorecard approach for strategic planning and performance measurement. This was partly in response to issues related to the accommodation review process and the increasing demand for better accountability. This systemlevel scorecard is based on five strategic goals, and provides performance measures, targets and accountability for each goal. The strategic goals of the Board are as follows:

- To improve student achievement in all areas of student learning, with a focus on literacy and numeracy;
- To develop positive citizenship qualities in our students;
- To attract and retain quality staff;
- To engage our community as partners in public education;
- To use Board resources efficiently and effectively.

The key performance indicators and targets are based on the provincial mandate and review of the Board's past performance. Departments have developed departmental balanced scorecards, which are linked to the system level strategic scorecard. At the time of the review, progress in developing and implementing the balanced scorecard approach varied across the departments.

Systematic communication of the achievement of the system goals is facilitated through the Director's annual report, the Directors' information reports to regular Board

meetings, updates from administrative divisions, school newsletters and the Board's website.

The balanced scorecard approach provides a basis to measure the Board's progress in a number of critical areas. Once fully implemented, it should significantly enhance the Board's ability to report on its accomplishments and contribute to improving its operations.

Recommendations:

- The Board should consider improving compliance with its annual policy review requirement, to ensure that all policies remain current. The Board may also consider changing the existing review cycle, based on the limited number of policies and the nature of each policy. The Board should also specify the last review/revised date for all policies, to demonstrate compliance. Management should consider extending these practices to its procedures.
- Management should continue to develop and finalize the balanced scorecard approach to strategic planning and performance measurement. All departments should develop and implement balanced scorecards linked to the system-level scorecard.

Human Resource Management and School Staffing/Allocation

The Human Resource (HR) department has demonstrated a good level of operational effectiveness overall. It has implemented many of the leading practices:

- The department engages staff and other departments during the development of its strategic priorities. Information was used from employee surveys obtained during the development of the department's goals.
- The department provides extensive professional development for all Board staff. It uses feedback from employee surveys to support the development of future training programs.
- The department has established procedures aimed at minimizing the incidence of grievances, such as the policy on hearings on teacher terminations and the procedure on positive workplace environment.
- Teacher qualifications and experience are formally tracked and HR records are current.
- The Board has established a performance appraisal system for all staff groups.

The HR department develops a high-level annual plan, based on system goals, discussions with staff in relation to proposed projects, and Ministry requirements. The development of departmental plans includes relevant input from employee satisfaction surveys. However, the HR department has not yet implemented the balanced scorecard approach adopted by other departments of the Board.

At the time of the operational review, the HR department had not established a formal attendance management program. Management plans to establish a program, and the Board has contracted consultants to complete a needs assessment process. The Board does not have sufficient data to track attendance and establish a baseline for comparison with other boards. Management believes that issues related to the integrity of its attendance tracking data (miscoding of reasons for absence) should first be addressed before proceeding further.

The Board has conducted an on-line employee satisfaction survey in the past. The survey was used to establish baseline data for future surveys, and to determine areas of strength in employee satisfaction. The department does not conduct exit surveys with employees. The information obtained from exit interviews would add to that obtained from the existing satisfaction surveys.

Recommendations:

- The department should consider adopting a balanced scorecard approach to planning and performance tracking. This will ensure consistency with other departments and establish a more formal process for annual goals development and reporting.
- The department should proceed with its plans to develop and implement a formal attendance management program, based on the needs assessment. HR should improve the accuracy and integrity of its attendance data, to facilitate formal trend analysis and assessment in the future.
- The department should continue to conduct regular board-wide staff satisfaction surveys, and should consider conducting exit interviews.

Financial Management

The finance department has demonstrated positive results by implementing many of the leading practices:

- The business and financial services department's goals and annual plan are aligned with the Board's strategic goals.

- There is an effective annual budget process that is transparent, clearly communicated, and incorporates input from all key stakeholders.
- The annual budget presented for approval is clearly linked to the Board-approved goals and priorities, and provides useful information for all stakeholders.
- Management uses a Board and school level approach for enrolment forecasts, by combining school based information with macro demographic information, multi-year forecasts, and regional planning information.
- The Board's integrated financial information system provides useful, timely and accurate information for management and stakeholders;
- Management has established adequate procedures in the treasury management function to minimize idle cash;
- Management has established administrative procedures for the use of facilities and detailed fee structure. Management is currently working to improve finance and accounting arrangements for the Board's e-learning program;
- Management has developed purchasing procedures and participates in a consortium for energy purchases.

The finance department prepares monthly financial reports for the senior administration and the Board. These interim reports compare the year-to-date actual expenditure with budget and express the year-to-date as a percentage of budget. The reports provide reasonable details to explain the variances from the expected level of expenditures to date compared to the actual expenditures. In addition, the reports include a comparison of the actual expenditures for the comparable corresponding prior year.

The Board has an audit committee composed of five trustees appointed by the finance committee, and three community members, who are appointed for a two-year term, on the basis of their financial training and experience. The Board does not have an internal audit function.

The continuing education and distance education programs use an electronic registration system. However, the Board does not have an electronic payment system for these programs.

The Board has established an administrative procedure on the use of corporate credit cards. The Board has a limited number of credit cards (six) in circulation. Based on results of a cost-benefit study on the use of PCards, management decided not to use this form of purchasing.

Recommendations:

- Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost for each option. Management's proactive assessment of need and cost would be a useful first step.
- Management should consider implementing an electronic payment system for its continuing education, e-learning and community use of facilities programs. In doing so, management should review the existing electronic solutions in place at several other school boards.
- Management should implement a procedure for the public advertising of tenders over \$25,000 on an appropriate electronic bulletin board. The Board's existing purchasing procedures should be revised and updated accordingly.
- Management should continually examine and pursue joint purchasing opportunities with other boards, municipalities and other local agencies.

School Operations and Facilities Management

The facilities management department employs many of the leading practices in its caretaking and maintenance operations. The following significant practices are noted:

- The facility services department's goals and annual plan are aligned with the Board's strategic directions.
- Management has implemented accountability mechanisms, including documented roles and responsibilities and appropriate professional designation for senior staff, to support effective and efficient maintenance and operations functions.
- The department has a well-defined caretaker allocation model in support of the Board's cleaning practices.
- The Board has developed appropriate health and safety procedures to ensure compliance with statutory health, safety and security requirements.
- Management has an approved multi-year capital plan.
- The Board's maintenance and renewal activities are re-assessed frequently through individual school assessments.

The department uses a custodial checklist which provides a schedule of regular tasks and a list of minor maintenance items to guide the custodial staff. The department does not have formal written standards for cleanliness at the school level.

Management has developed formal guidelines for maintenance and capital planning. A formal review of facilities is undertaken periodically, to establish priorities for maintenance work. Management develops an annual maintenance plan that addresses its preventative, critical and deferred maintenance, in accordance with the Board's standards. It is notable that the facilities department has developed a draft project-rating questionnaire as a tool for priority planning.

Management uses the ReCAPP database to guide the development of the annual major maintenance and renewal priorities. Management believes that current quality of data in ReCAPP is adequate, but notes that there are substantial opportunities for improvements in data integrity.

The facilities department has a manual process for tracking work orders. Management believes that the new maintenance management function (within the recently upgraded financial management system) will improve the process by providing a more structured approach. The custodial manager monitors custodial supplies use by inspecting supply rooms during regular school visits.

The department is implementing the Dearness Conservation Initiative, which aims to help schools conserve resources, address climate change and protect the environment. As part of this initiative, the Board has started to establish baseline consumption data for further analysis and development of an energy management plan. The Board has also implemented the EcoSchools program. These developments show that management recognizes the importance of establishing a formal energy management and conservation plan. Management has also implemented several other conservation initiatives.

Recommendations:

- The facilities department should continue its efforts to align its structure and operations with the Board's strategic direction and improve its effectiveness and efficiency.
- Management should complete their plan to establish consistent maintenance standards (particularly for major equipment and assets) for all facilities within the Board. Once the standards are established, management should ensure that results are monitored, measured, and reported annually.

- Management should dedicate resources to continually update the data contained in the ReCAPP database, to ensure effective use of the data for maintenance and renewal planning.
- Management should consider expanding its annual maintenance and renewal plan to a multi-year format, including the funding available to support the plan. This would provide a clear forecast of the Board's critical needs over the next several years.
- Management should consider undertaking a review of the costs and benefits of implementing an automated system for work orders.
- Management should consider establishing a formal multi-year energy management plan that incorporates quantifiable measures and is aligned with the strategic direction of the Board. Management should carefully consider the adequacy of the staff resources to support both the plan and the on-going requirements of its initiatives. As part of the plan, the Board should consider implementing a centralized technology to automate energy efficient practices.
- Management should use the utilities consumption data that is currently tracked at a school level to better monitor and analyze consumption patterns by facility, independent of pricing influences. This would enable the facilities management department to set benchmarks for utilities consumption and related cost savings from the Dearness Conservation Initiative, the EcoSchools program and other conservation initiatives.

1. Background and Overview

1.1 Board Profile and Structure

The Board operates 44 elementary and 10 secondary schools, and provides an extensive online distance education program. The Board has an enrolment of over 17,000 students.

The Board's enrolment has been in a slow decline for the past several years, and this is expected to continue for the next several years. Enrolment has declined by 8.8% since 2002-03 or by about 1,640. The elementary panel alone accounts for about 1,555 of the total, or about 13%. The Board's long-term capital plan addresses the impact of this on the Board's facilities and its programs and services.

The Board's senior administration:

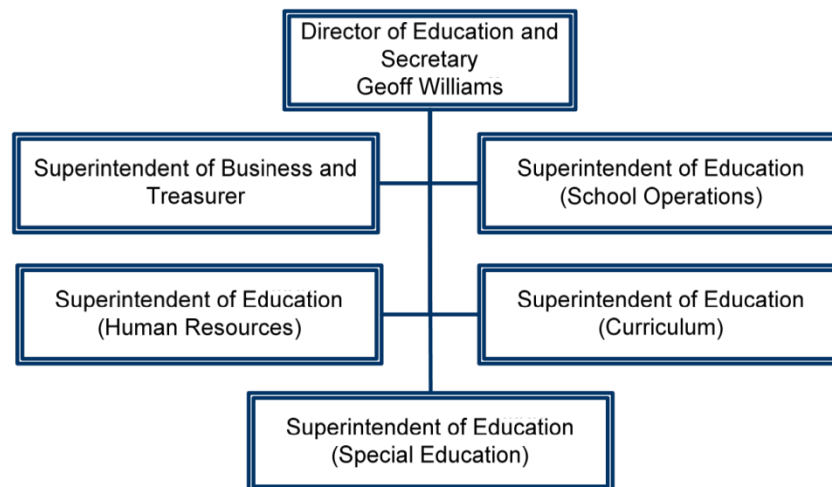


Figure 1

1.2 Key Priorities of the Board

The Board has developed its policy on strategic direction that is underpinned by five strategic goals as follows:

- To improve student achievement in all areas of student learning, with a focus on literacy and numeracy;
- To develop positive citizenship qualities in our students;
- To attract and retain quality staff;
- To engage our community as partners in public education;

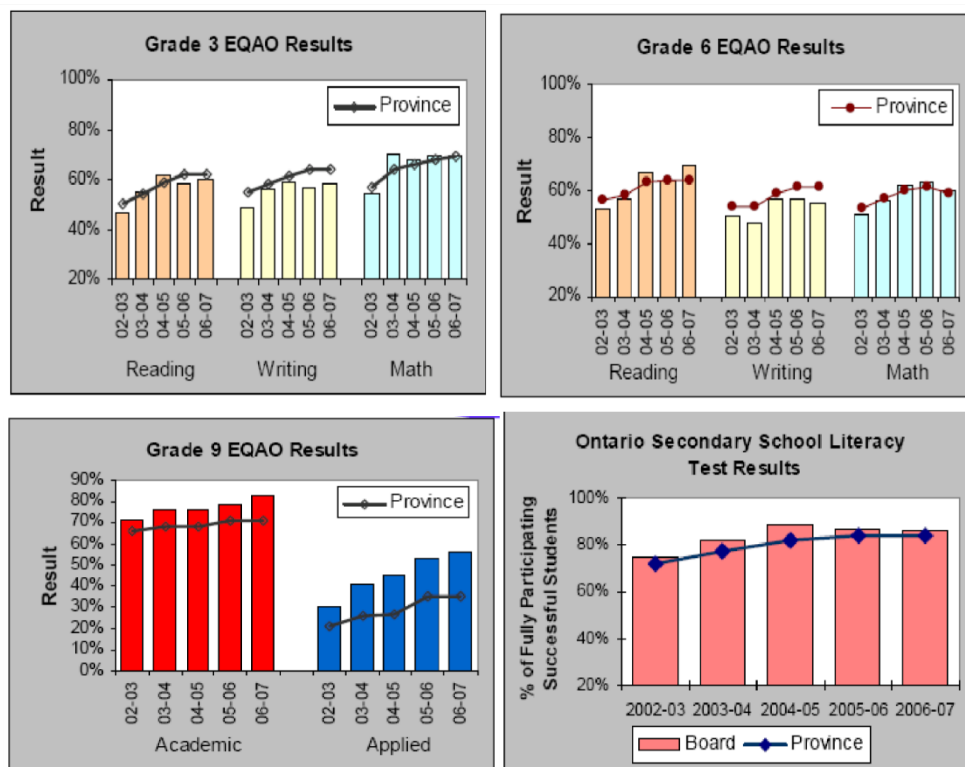
- To use Board resources efficiently and effectively.

Details of the development of the Board's goals and priorities can be found in Section 2 of this report.

1.3 Student Achievement

The Board's student achievement results have consistently been above or close to the provincial average as measured by the EQAO scores. Since 2002-03, student scores in Grade 3 reading and math have been above the provincial average, with a slight decline in reading results in 2005-06. The Grade 6 reading and math scores have been above the provincial average but reading experienced a slight decline in 2005-06 and math scores declined in 2006-07. Grade 9 scores have been consistently above average. The Board attributes the positive student achievement results to the focus on literacy and numeracy programs outlined in the Board's system goals.

The following charts illustrate the Board's EQAO and OSSLT results over the last five years.



1.4 Fiscal Overview

The Board has achieved a balanced budget over the past several years. Management has been able to achieve these results without the need to use its reserves. The Board's reserve for working funds is forecasting a balance of about \$1.8 million as of August 31, 2008.

The Board has developed a 10 year capital plan that forecasts its needs over that period and reflects the implications of the enrolment decline. The Board does not generate any New Pupil Place grants and has addressed its capital needs on a current basis. It currently does not have any debt except that associated with the Good Places to Learn renewal program initiative which is fully funded through Ministry grants.

Summary Financial Data (Revenues)

Revenues	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Legislative Grants	\$111,328,507	\$114,324,414	\$121,605,463
Local taxation	\$37,593,951	\$38,745,001	\$38,750,508
Board Revenues	\$1,631,669	\$1,981,551	\$2,322,790
Other Operating & capital Grants	\$3,995,767	\$2,275,699	\$2,289,307
Total Revenues (Schedule 9)	\$154,549,894	\$157,326,665	\$164,968,068

Summary Financial Data (Expenditure)

Expenditures:	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Operating expenditures	\$147,774,756	\$151,704,474	\$160,853,427
Capital Expenditures - Before transfers to reserves	\$4,301,479	\$6,209,614	\$4,721,570
Transfer to (from) Reserves	\$2,473,659	-\$587,423	-\$606,929
Total Expenditures	\$154,549,894	\$157,326,665	\$164,968,068
Surplus (Deficit)	\$0	\$0	\$0

School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues:	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Retirement Gratuities	\$584,608	\$256,661	\$256,661
Reserve for Working Funds	\$1,376,968	\$1,267,540	\$1,789,472
WSIB	\$300,000	\$300,000	\$300,000
Software Integration	\$200,000	\$142,381	\$42,381
Insurance Premium	\$100,000	\$100,000	\$100,000
School, Student Success	\$835,180	\$433,890	\$383,890
Framework Agreement	\$670,000	\$978,861	\$0
Total Reserve Funds (Schedule 5)	\$4,066,756	\$3,479,333	\$2,872,404
Special Education Reserve	\$240,927	\$390,436	\$41,063
Proceeds of Dispositions - School Buildings	\$569,682	\$593,523	\$593,523
Total Deferred Revenues (Schedule 5.1)	\$810,609	\$983,959	\$634,586
Total Board Reserves and Deferred Revenues	\$4,877,365	\$4,463,292	\$3,506,990

1.5 Key Statistics

The following table highlights key statistics for the Board. Of note are the decreasing elementary enrolment trend and the significant changes in the primary class size.

Day School Enrolment

Day School Enrolment	2002-03 Actual	2007-08 Rev. Estimates
Elementary Day School ADE	11,965	10,410
Secondary Day School ADE	6,833	6,742
Total Day School Enrolment	18,799	17,152

Primary Class Size

Primary Class Size	2003-04	2007-08
% of Classes Less Than 20	46%	89%
% of Classes Less Than 23	81%	100%
Average Class Size - Jr/Inter	27	27.1
% of 3/4 Classes 23 & Under	45%	100%

Primary Class Size	2003-04	2007-08
% of Combined Classes	46%	56%

Staffing

Staffing	2003-04	2007-08
School Based Teachers	1,068	1,061
Teacher Assistants	179	195
Other Student Support	107	102
School Administration	70	71
School Clerical	93	85
School Operations	112	115
Other Non-Classroom	54	45
Total Staffing	1,683	1,674
Teacher - Pupil Ratio	1:18	1:16
FTE Staff per 1,000 Pupils (ADE)¹	90.0	98.0
Total Salary & Benefits as % of Net Operating Expenditures	81.7%	84.5%

Special Education

Special Education	2003-04	2007-08
Special Education Incremental Expenditures	\$15,578,361	\$18,928,079
Special Education Allocation	\$16,480,006	\$18,928,079
Spending above Allocation (Reserve)	-\$901,645	\$0

School Utilization

School Utilization	2003-04	2007-08
Total Capacity (Spaces)	23,285	21,548
Capacity Utilization	80.70%	79.60%
Number of schools	53	53
Board Area (Km²)	5,673	5,673
Number of Trustees	9	9

¹ Note: Impacted by Class Size and Special Education

2. Governance and School Board Administration – Findings and Recommendations

The Board's governance model and administrative organizational framework make a significant contribution in helping the Board of Trustees, Director, senior administration and community stakeholders support both "**Student Achievement**" strategies and effective Board operations.

Governance and board administration processes are reviewed to:

- Understand how the governance model delineates the division of duties between the Board of Trustees and the administration and supports operational effectiveness;
- 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 the processes for the generation and maintenance of policies and related procedures;
- Assess whether staffing levels and organization structures provide for clarity of roles and accountability sufficient to carry out the 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 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 Board and our field work, which included interviews with the Chair, the Director and senior staff of the Board.

The following table summarizes the leading practices defined for governance and school 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.

Development and Reporting of Annual Goals and Priorities

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The Board of Trustees articulates annual goals/priorities and receives periodic/annual reports on the achievements against them.	Yes
The Director of Education and management develop annual plans which reflect the Board of Trustees' goals/priorities and report on their outcomes to the Board of Trustees and stakeholders.	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

Organizational Structure and Accountability

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
Organizational charts that clearly and accurately reflect the structure of senior management and illustrate roles, responsibilities and accountabilities are available to the public.	Yes

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, memoranda, town hall meetings, etc.).	Yes
Key senior staffs, of all functional areas, are members and participants in sector committees of provincial associations and/or Ministry work groups.	Yes

Organizational Structure and Accountability

The Board has adopted a governance structure that clearly delineates the roles and responsibilities of the Board of Trustees and the senior administration. Trustees are

responsible for the development and implementation of policies governing its own processes. The Board has a formal *ad hoc* policy committee, which is a special committee of the Board with an approved trustee membership. The Chair of the Board is a member of all Board committees *ex officio*. All trustees may attend meetings of the *ad hoc* committee and participate in discussion, but quorum resides with the assigned trustees approved by the Board, and voting privileges with the assigned trustees and chair of the Board.

The trustees and the Director of Education share the responsibility for implementation of policies relating to the Board/Director relationship. The Director is responsible for the development and implementation of the administrative procedures to address all other issues. The Board of Trustees receives advice regarding staff issues through the Director.

The senior administration and the system leader's council are created by the Director and serve as the forums for senior staff discussion. These groups have input into policy development and develop administrative procedures. The Director and members of the senior staff, acting on behalf of the Director, provide instruction to central departments (e.g. HR, accounting, special education and curriculum) and to the principals. The principals, in turn, may issue instructions to their staffs. Principals are also expected to inform their school councils and receive advice from them.

Detailed descriptions of the Board's governance structure, including the segregation of duties, roles and responsibilities, policy development process, and the Board's mission and goals, are documented formally as Board policies and posted on the Board's website. These policies are well understood by all staff.

Board policy mandates an annual review of all the existing policies. However, management indicated that in practice, some policies are updated only when required. It is also noted that most policies do not have an indication of the last review date.

The Board has over 140 procedures that are posted on the web site. Some of the procedures have a reference to a review/revised date. The majority of the procedures do not have an implementation date, which would be useful as a reference for both trustees and management, along with a reference date for review and revision.

There is a positive relationship among the Director, senior administration and the Board of Trustees. At the time of the review, the Director had announced plans to retire by the end of the school year. The senior administration has plans in place to ensure a smooth succession of the Director's position, and the chair of the Board has expressed confidence in finding a suitable successor for the current Director.

It is noted that the Board conducts two monthly board meetings. This practice has contributed to improved decision-making on the part of the trustees. The trustees have

adequate time to consider emerging issues before the final recommendation for approval is tabled.

One of the Board's key mechanisms to ensure accountability is the annual Director's evaluation process, based on the detailed policy *Director of Education Job Description*. This process is complemented by the Board Review/ Self Evaluation Committee which is composed of the Board and the Director of Education meeting in a committee of the whole. Each year the committee meets to:

- Review the action the Board has taken during the preceding 12 months;
- Review the Board's success in fulfilling its defined role and in developing and maintaining effective board/director relations.

The organization of the Board's senior administration appears to be well founded and operating effectively. The roles and responsibilities of the senior administration are documented on the Board's website.

Although there is no formal organizational chart on the Board's website, the Board provides detailed descriptions of the roles and responsibilities of the senior management team and key departmental staff.

Development and Reporting of Annual Goals and Priorities

The Board's activities are guided by its policy on mission, goals and principles. Senior management develops an annual system plan based on the system planning administrative procedure, which entails the following:

- The mission and goals of the Board provide overall direction for system planning.
- The planning process recognizes any corporate priorities identified by the Board.
- The planning process provides ample opportunity for input and meaningful involvement by persons from stakeholder groups.
- Formal processes are implemented each year for the system and its schools to develop, revise and extend the system plan that identifies priorities, courses of action, outcomes, measures, strategies and timelines for task completion.

In 2006, management embarked on a pilot initiative to develop a balanced scorecard approach for strategic planning and performance measurement. This was partly in response to issues related to the accommodation review process and the increasing demand for better accountability. The Board hired outside consultants to develop a set of balanced, measurable and easy-to-communicate score cards. From this

management established a set of key performance indicators and targets linked to the Board's system goals and based on the provincial mandate and review of past performance. The Board established a set of five system goals:

- To improve student achievement in all areas of student learning, with a focus on literacy and numeracy;
- To develop positive citizenship qualities in our students;
- To attract and retain quality staff;
- To engage our community as partners in public education;
- To use Board resources efficiently and effectively.

The Board's departments have developed their own balanced scorecards which are linked to the system- level strategic scorecard. At the time of the review, progress in developing and implementing the balanced scorecard approach varied across the departments. The Board recognizes that the balanced scorecard approach needs to be refined to become a strategic planning tool.

Achievement of the system goals outlined above is communicated through the Director's annual report, Directors' information reports to regular Board meetings, updates from administrative divisions, school newsletters, and the Board's website.

Stakeholder Engagement

The Board has demonstrated that it consistently administers its responsibilities in an open and transparent manner, both directly and through its committees. Various communication channels such as a subscription service for updates, website postings and newsletters keep key stakeholders engaged throughout the year. Examples include the development of the mission statement and public input in accommodation review. The Board website also lists formal administrative procedures describing guidelines for communicating with parents, staff, groups and other external organizations.

The establishment and periodic review of Board policies is another area where internal and external stakeholder input is sought. The Board has included a consultation process as part of policy making. Specifically, when consultation on a policy is required, the consultation involves all parties who can contribute to and/or are affected by it.

Decision-Making Process

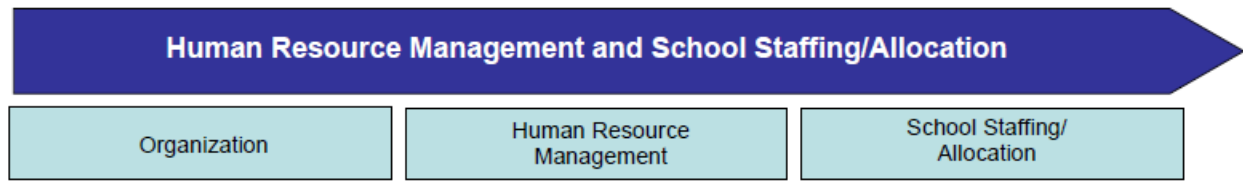
The Board has established a formal policy to provide broad guidelines for the effective operation of the Board, and a framework for consistent decision-making by the Director and staff.

The positive working relationship between the Director and the Board of Trustees contributes to effective agenda-setting and decision-making. The Board of Trustees develops an annual plan to set meeting agendas. The Director of Education can add specific issues to the agenda developed by the trustees by presenting the issues to the chair and vice-chair.

Recommendations:

- The Board should consider improving compliance with its annual policy review requirement, to ensure that all policies remain current. The Board may also consider changing the existing review cycle, based on the limited number of policies and the nature of each policy. The Board should also specify the last review/revised date for all policies, to demonstrate compliance. Management should consider extending these practices to its procedures.
- Management should continue to develop and finalize the balanced scorecard approach to strategic planning and performance measurement. All departments should develop and implement balanced scorecards linked to the system-level scorecard.

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



Effective management of human resources ensures that the staff allocations to schools and classrooms meet the Ministry’s class size requirements and are in line with the Board’s collective agreements and approved allocation models. The allocation models adopted by the Board are designed to ensure the most effective teaching and learning practices.

The following is a summary of our assessment of the Board’s adoption of the leading practices under the processes identified above. The findings are a result of a review of the data provided by the 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 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 Board’s directions;
- Whether an annual plan setting out the goals and priorities and their alignment to the Board’s strategic directions has been established;
- Whether the roles and responsibilities of staff support the key functions, activities and practices of HR;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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?
Departmental goals and priorities are aligned to the Board's strategic directives and are documented in an annual department plan accessible by key stakeholders.	No

Organizational Structure and Accountability

Leading Practices – Human Resource Organization	Evidence of Adoption?
Publicly-available HR organizational charts clearly illustrate roles, responsibilities and accountabilities.	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?
Management monitors HR policy compliance.	Yes
Management provides scheduled HR policy awareness, training, and education sessions.	Yes

Development and Reporting of Annual Goals and Priorities

The HR department's mission is to promote a work environment based on fairness and integrity. This approach attracts, develops, and retains quality staff, by providing professional support and knowledgeable service in a responsive and confidential manner. Management's approach to establishing departmental priorities aligns with the Board's strategic goals, Ministry programs, and the individual improvement plans of staff. The department develops a high-level annual plan based on system goals, discussions with staff in relation to proposed projects and the Ministry's requirements. The development of departmental plans includes relevant input from employee satisfaction surveys. Management indicated that progress in implementing the annual plan is tracked based on monthly staff meetings and several performance indicators developed for specific projects.

The department has not yet implemented the balanced scorecard approach adopted by other departments of the Board. The department should consider adopting the balanced scorecard approach to planning and performance tracking, to ensure consistency with

other departments and to establish a more formal process for annual goals development and reporting.

Organizational Structure and Accountability

The department reports to the superintendent of human resources. Senior staff have clearly defined roles and responsibilities, with clear lines of internal reporting.

The department has responsibility over the following functions:

- Negotiation and administration of collective agreements;
- Employee benefit administration;
- Attendance management;
- Teacher performance appraisals;
- Employee record maintenance;
- Principal and Vice Principal promotion;
- Staffing;
- Payroll.

The department provides detailed information on its staff and key responsibilities on the Board's website. The department staff have appropriate professional designations.

Monitoring and Communication of Policy

Detailed HR administrative procedures are posted on the Board's website. Management noted that a general review of procedures was undertaken two years ago.

The department does not have a formal process to monitor compliance with procedures. However, management ensures that school principals are informed on new procedures and changes in existing procedures through regular email updates and memos.

The department's staff development activities use a variety of approaches such as training sessions, reference materials (handbooks), and orientation days. Many of these activities facilitate broad awareness and understanding of the Board's HR policies and procedures. Recent staff development activities include:

- Occasional teachers – a handbook developed with input from the unions and school principals is to be published in the near future;

- Principals – training on monitoring and coaching, conflict resolution and teacher performance appraisal process;
- New teachers- orientation day, half-day training sessions on various issues;
- Non-teaching staff – training on soft skills;
- Support staff - informal training such as round table sessions to facilitate sharing good practices. The HR department developed a school office reference manual for support staff and new school principals.

Recommendation:

- The department should consider adopting a balanced scorecard approach to planning and performance tracking. This will ensure consistency with other departments and establish a more formal process for annual goals development and reporting.

3.2 Human Resource Management

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

- Planning and processes are in place for the recruitment 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;
- There are adequate systems and procedures 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.

Attendance Management Processes/Programs

Leading Practices – Human Resource Management	Evidence of Adoption?
Attendance management policies and processes support employees and minimize absenteeism costs.	No

Labour Relations

Leading Practices – Human Resource Management	Evidence of Adoption?
Management and Board of Trustees have established labour/ management committees.	Yes
Established policies and procedures minimize the incidence of grievances.	Yes

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.	Yes
New hire policies and procedures are standardized in packages for respective staff groups.	Yes

Management of HR and Payroll Data

Leading Practices – Human Resource Management	Evidence of Adoption?
Payroll processing is segregated from payroll and employee data changes.	Yes
Teacher qualifications and experience are formally tracked and HR records are current.	Yes
An approved pay equity plan is reviewed periodically and amended as necessary.	Yes

Employee Performance Evaluation Processes

Leading Practices – Human Resource Management	Evidence of Adoption?
Management maintains and communicates formal disciplinary policies and procedures for all staff.	No
Management has implemented an employee evaluation system for all staff.	Yes

Management of Board's Benefit Plans

Leading Practices – Human Resource Management	Evidence of Adoption?
Management periodically conducts independent compliance audits of the Board's insurance carrier to ensure adherence to benefit plan's terms and conditions.	Yes
Data is automatically synchronized between HR benefits and payroll and external carriers such as TPP and OMERS.	Yes
Policies and procedures ensure the Board's benefit plans are managed appropriately.	Yes

Monitoring Staff Satisfaction

Leading Practices – Human Resource Management	Evidence of Adoption?
Confidential staff satisfaction surveys are performed periodically.	Yes
Confidential exit interviews are performed for all staff.	No

Attendance Management Processes/Programs

The Board has not established a formal attendance management program for all staff, but management indicated it is working to develop such a program in the near future. The Board's existing attendance management processes are supported by a formal administrative procedure which has been posted on the Board's website.

The Board has contracted with a consultant to complete a needs assessment process for the planned attendance management program. Management noted that the results of the assessment will identify gaps in the Board's current attendance management processes, provide recommendations for enhancements, and establish a baseline for measuring costs related to attendance management policies. In addition, the department conducted focus groups to collect staff views on current attendance

management activities. The Board is awaiting the consultant's recommendations to enable the design and implementation of the planned attendance management program. Management indicates that they will seek appropriate input from the unions in the development of the program.

The Board does not currently have sufficient data to track attendance and establish a baseline for comparison with other boards. The Board's attendance tracking system (Smart Find Express) allows tracking of attendance data, but there are data integrity issues due to inconsistent coding of reasons for absence. Accurate and timely attendance data will enable management to better monitor its attendance management policies through measurable metrics.

The Board has also developed a return-to-work administrative procedure and toolkit. The department indicated it is a well-established and effective process. There is no designated staff to oversee the program.

Labour Relations

There is open and positive communication with the unions, which could be attributed to the formal and informal practices followed in dealings with them. The Board ensures a pro-active approach to dealing with issues. As a result, very few grievances go to arbitration. At the time of the review there were five outstanding grievances.

There is a labour management committee at the Board which is convened to address serious labour issues. For the negotiation of collective agreements, the Board establishes teams representing various staff groups.

Staff Recruitment

The HR department has developed and documented detailed procedures for hiring and recruiting staff. The department continually evaluates and seeks improvement for its recruiting processes. For example, the department implemented the use of the Apply to Teach website as the basis for recruiting activities. The "Apply to Teach" website is an employment job board which connects candidates with over 185 Canadian school boards and 300 private employers. Recruitment is an on-going process and the Board also established recruiting teams consisting of principals and teachers to work with five faculties of education. The Board recruits non-teaching staff based on current needs.

The recruitment of French language and technology teachers continues to pose challenges for the Board. This reflects the general shortage of these specialized teaching staff in the province. It was noted that the Board receives many unsolicited applications from the community due to its reputation as an employer that hires local employees if possible.

The Board also recognizes that there is a need for succession planning, and has had discussions with other boards in relation to the shortage of principals and vice-principals.

The department has implemented mentoring and development programs for all new employees, which includes the Ministry-supported New Teacher Induction Program (NTIP).

Management of HR and Payroll Data

The payroll processing function reports to the HR department. Payroll implements an integrated HR and payroll system, and there are appropriate control mechanisms (such as verification of information and payroll change notice forms) to ensure the integrity of personnel and payroll data. The department is planning to improve the existing controls by adding a dedicated data coordinator for the integrated system (iSYS) and two staff assigned to the payroll function.

The HR information system enables management to systematically monitor teacher qualifications and experience data, so that HR records can be updated as new teacher information is received. There are two staff dedicated to tracking and updating classification information, through regular downloads from the Ontario College of Teachers database.

Teachers are required to provide a copy of their Qualification Evaluation Council of Ontario (QECO) statement of evaluation upon hiring, and they are also required to provide their statement of qualification for a position classification review within a specific timeline established by the Board. The department monitors the data recorded in the payroll and finance databases, and performs periodic data reconciliations with the finance department. These measures enable management to have greater certainty that the “teacher qualification and experience” that forms a part of the Ministry’s grant determination is accurately reported.

Employee Performance Evaluation Processes

The Board has developed performance appraisal processes for all staff. These processes are supported by a formal administrative procedure which has been posted on the Board’s website. The Board has separated its staff performance appraisal procedures into two categories – one for teachers and one for non-teaching staff:

- Teaching staff – the Board has followed the Ministry’s requirements for Experienced Teacher Performance Appraisal effective April 2007;
- Non-teaching staff – the Board has developed its own approach for staff performance appraisal, known as the “Growth and Direction Module”.

The Growth and Direction Module includes several stages in the performance appraisal process:

- Directed growth – process for employees during their probationary period;
- Individual goal setting – process for employees who have successfully completed the directed growth stage. Each employee is required to develop two goals annually: one related to system goals and the other may be personal or related to system goals;
- Directed supervision – process for employees who require directed growth. This process is implemented with the involvement of bargaining units. Based on the directed supervision report the employee will proceed to individual goal setting or to a protocol for employees at risk ;
- At risk – process for employees who have not successfully completed directed supervision. This process is implemented with the involvement of bargaining units. As part of this process, employees are provided with performance improvement opportunities and an action plan. As result of the process employees may either return to directed supervision or be duly dismissed.

The above procedures are clearly documented and communicated to all staff through the Board's staff intranet. A conference on the intranet contains the working document, templates and supporting information. A copy of some of the information to be included in the conference, including system goals and examples of goals for staff members, is included in the guideline under the title *First Class Conference for Growth and Direction*.

The department tracks compliance with the established performance appraisal cycle. Management reports good compliance among elementary teaching staff and approximately fifty per cent compliance at the secondary level.

The HR department has no formal disciplinary policy or procedure. Behavioral issues are usually addressed by school principals, although management noted that there have been very few such instances. The Board has a formal standard allowing principals to conduct an additional appraisal if required.

Management of the Board's Benefit Plans

HR has established processes to continually review the performance of its benefit provider, and to ensure adherence to the terms and conditions of its plans. The department has implemented procedures to ensure its benefit plans are managed to minimize costs for the Board. The department engages a third party consultant/ broker to assist with this process.

In addition, the department undertakes periodic statistical analysis of its benefit data. This is accomplished via assistance and input from the Board's benefit consultants.

Monitoring Staff Satisfaction

HR conducts evaluations of employee satisfaction after Professional Development (PD) days or workshops to gauge effectiveness, support continued improvement, and get input on topics for future PD activities. The Board conducted an on-line employee satisfaction survey in 2007. The survey was used to establish baseline data, and to determine areas of strength in employee satisfaction. The HR department does not conduct exit interviews. Information from exit interviews would complement the information obtained from the existing satisfaction surveys.

Recommendations:

- The department should proceed with its plans to develop and implement a formal attendance management program, based on the needs assessment. HR should improve the accuracy and integrity of its attendance data, to facilitate formal trend analysis and assessment in the future.
- The department should continue to conduct regular board-wide staff satisfaction surveys, and should consider conducting exit interviews.

3.3 School Staffing/Allocation

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

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

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

Planning and Processes for Annual Staffing and Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Established policies and procedures govern the annual staff allocation models or procedures.	Yes

Monitoring and Reporting on Staff Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Systems monitor adherence to key Ministry and/or Board policy parameters such as: class size, prep time and collective agreement requirements.	Yes
Systems report 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
A mechanism allows for adjustment of staff allocations for school based staff, if estimates for enrolment and/or 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 department is responsible for annual staff planning and allocation as part of the budget process, and consolidates school-by-school staffing projections prepared by principals. The department works closely with finance staff and school principals to determine the allocation of teaching and support staff at the school level.

The department has detailed procedures that govern the determination of total staff requirements and their allocation. Similar to other district school boards, the allocation of the Board's teaching staff is primarily formulabased, and takes into account factors such as enrolment projections, class size requirements, and specific student needs. This is forecasted at a detailed level including breakdowns by school, grade and month.

It is notable that the Board has contained total spending for special education in line with available funding. The superintendent for special education ensures that allocation of staff is consistent with available funding by working closely with the finance department. There is also a formal process for allocation of education assistants, where

the superintendent of education meets with all school principals to develop a school allocation chart for all students requiring an education assistant. The chart provides a comprehensive overview of education assistant allocations across all schools, and allows adjustments of existing allocations when there are new special needs requirements. In addition, this tool facilitates continuous monitoring of education assistant allocations. For example, if a special needs student moves to another board, the existing education assistant position is terminated. This prudent approach is in line with the collective agreements and supported by the unions. As a result of this approach to special education staffing, the Board has established a small special education reserve fund.

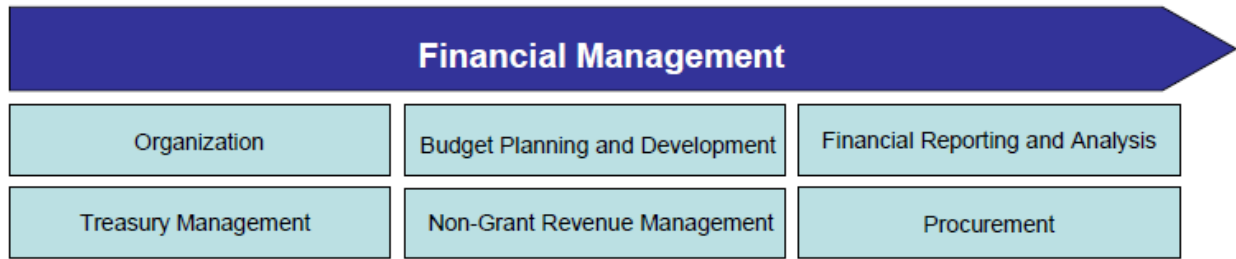
Monitoring and Reporting on Staff Allocation

The department has established procedures for monitoring teacher allocations. HR and finance departments work closely to ensure that staff allocations are consistent with enrolment projections, funding and specific student needs. During the school year, the department conducts periodic comparisons of the original approved staff allocation plan and budget versus the actual allocation.

Benchmarking Costs with Other Boards and Funding

To ensure efficient use of resources, the department periodically compares teaching and support staff costs with those of similar boards. Management believes that the results of the comparative analysis demonstrated that the Board's compensation costs are consistent with comparator boards. This information is used to inform budget decisions.

4. Financial Management – Findings and Recommendations



The financial management of the Board contributes to the efficient and effective use of fiscal resources. Financial management ensures that the annual budget is developed within the Ministry's allocation and is aligned with student achievement targets, and that appropriate financial policies and procedures are in place to manage resources.

The financial and related business processes contribute to an appropriate level of transparency in the allocation and use of the budget by the various departments. They also ensure that the reporting of results to the Board of Trustees and other Board stakeholders reflects the approved goals/priorities relating to student achievement.

The following is a summary of our assessment of the 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 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 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?
Departmental goals and priorities are aligned to the Board’s strategic directives and are documented in an annual department plan accessible by key stakeholders.	Yes

Organization Structure and Accountability

Leading Practices – Finance Organization	Evidence of Adoption?
Publicly available finance department organization charts clearly illustrate roles, responsibilities and accountabilities.	Yes
Senior finance, treasury and procurement staff has appropriate designations or related experience.	Yes

Monitoring and Communication of Policy

Leading Practices – Finance Organization	Evidence of Adoption?
Management monitors finance department policy compliance.	Yes
Management provides scheduled finance policy awareness, training and education sessions.	Yes

Organizational Structure and Accountability

The financial management function resides within the Board’s finance and purchasing department (the finance department) which is part of the Board’s business and finance department. The finance department has responsibility over banking, accounts payable and accounts receivable. The purchasing department is also part of the Board’s finance department and is responsible for the procurement function in supporting schools, curriculum, special education, facilities departments and maintenance.

The finance department is responsible for developing and monitoring the Board’s annual budget process, in consultation with the HR department.

There are clear and well-documented roles and responsibilities, including segregation of duties, and these are well understood by departmental staff. The Board provides information on the department's organization structure and key personnel on its website.

There is a finance/ facility officer position responsible for liaising with the facilities department, which is also part of the Board's business and finance department.

All senior financial management staff have professional designations where appropriate.

Development and Reporting of Annual Goals and Priorities

The finance department has developed a formal mission statement, which is: *"To provide timely, efficient service with accurate data to enable others to make effective decisions."*

For the 2007-08 fiscal year, the finance department has undertaken a new process for goal setting. This will facilitate development of an action plan and provide a mechanism for constant, regular evaluation of the department's performance against its goals. This process entails the following:

- A focus on priority-setting instead of goal-setting, to reflect the constantly evolving nature of many projects and initiatives;
- Input by all managers based on personal and divisional goals and Board's established goals;
- A process to re-evaluate priorities on a monthly basis and assign level of importance;
- Monthly priority document issued to all staff at monthly finance department meeting;
- Monthly reflection by managers on priority status;
- Assigning management responsibility for each priority;
- Regular reports on the status of annual priorities to the superintendent of business.

The finance department develops annual priorities that are aligned with the system goals. The annual priorities document describes the process for achievement, the manager responsible, what other staff are involved, the assigned priority level and a reflection on progress.

The finance department engages Board staff throughout the development of its annual priorities. The development process includes monthly internal meetings to solicit input from staff and monitor progress during the planning stage.

Monitoring and Communication of Policy

The finance department has established detailed administrative procedures to support its functions. These procedures are available on the Board's website. The finance department does not have an established review cycle for procedures. However, management indicated that all administrative procedures are continually updated to reflect modifications and additions mandated by the Ministry or the Board. Changes and additions to existing procedures are discussed within the department annually, and significant modifications are communicated to principals and staff through the Board's intranet or email. Major changes in finance administrative procedures are discussed at principals' council. Minor changes are usually communicated through school secretaries.

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), the Board of Trustees and the community.	Yes

Leading Practices – Budget Planning and Development	Evidence of Adoption?
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 annual budget process is transparent, clearly communicated, and incorporates input from all key stakeholders. The Board's budget development and implementation administrative procedure outlines the annual budget process and timelines. In addition, the Board has posted *Understanding the Budget Process* document on the Board's website. The finance department has also developed a 24-month budget process timeline to enable longer-term budget and financial planning.

Each January, the finance department initiates the budget planning process by consulting with the senior administration and developing financial assumptions, including enrolment projections. As part of the budget development process, the department conducts budget workshops and discussions with school principals to obtain their input. The finance department works with each department to develop a department budget based on historical budgeting and adjustments. All departments have access to other departments' budgets to enable transparency throughout the budget planning process.

The Board has established the finance committee, which consists of all trustees of the board, which is responsible, among other areas, for overseeing the budgeting process. The finance committee reviews the annual budget estimates prior to its presentation to the Board for approval.

The finance department creates a system-wide budget, based on all the inputs from the various areas. Pending confirmation of the Board's revenue with the issue of the GSN, a draft budget is reviewed by the finance committee. Following submission of preliminary draft budget to the finance committee, the Board communicates the results of the budget process with the broader community through town hall meetings.

In June of each year, the draft budget is presented to the Board of Trustees for approval. It is notable that the finance department has developed a program costing model to provide trustees with a budget planning document that clearly demonstrates how the Board's expenditures are aligned with its goals. The program costing report provides a structured summary of the Board's revenue and expense estimates by program area, including indication of the Ministry's schedule, grant description, detailed description, previous two years actual results and budget year revised estimates. Management indicated that the next phase in development of the program costing model will entail program costing of actual expenditures.

As part of the budget planning process, the finance department has established a revenue continuity schedule to account for all required revenue changes. The schedule provides previous estimates, estimates with revenue enhancements, and total impact of enhancements for the budget year. The finance department also prepares regular expenditure status overview reports and expenditure grids by code.

Enrolment Forecasting Linked to Budget Development

The department is responsible for enrolment forecasting. The Board retained third party consultants to undertake 15 years of enrolment projections. Annual enrolment projections are prepared early in the budget planning cycle and circulated to superintendents and school principals for review. The finance department has developed formal enrolment projection processes for elementary and secondary levels. The final enrolment projection is then provided to finance staff and HR to project all staffing requirements, prepare the annual budget and determine the Board's grant allocations.

Identification of Risks and Mitigation Strategies

The Board identifies the key risk areas in the budget planning process. At present, management believes that the most significant budget risk is retirement gratuities beyond the normal level that has been budgeted. The department mitigates the risk by closely monitoring retirement trends and costing retirement projections. The use of

reserves is also carefully monitored and clearly explained in the program costing document.

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 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 and appropriate explanations for a clear understanding of the current year’s budget and the outlook for the year.	Yes
Senior management is accountable for the integrity of financial reporting, through formal sign-off and approval procedures.	Yes

Internal Audit

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Management maintains an independent internal audit function where appropriate.	No
Internal and external audit plans are clearly documented. Audit report recommendations are acted upon by management.	No

Integrated System for Variance Analysis and Financial Reporting

The Board has recently completed a major upgrade to its integrated financial information system (Navision), which provides useful, timely and accurate information to management, staff and the Board. In addition to the reporting functionality, the integrated system enables expenditure variance analysis.

Management has a number of ongoing initiatives to further enhance the performance of the financial information system. In particular, the finance department is working on further integrating the financial information system with the HR information system (iSYS). Other initiatives related to financial reporting include:

- Develop and implement a capital asset reporting strategy;
- Make connection between budgeting and reporting;
- Develop reporting tools for miscellaneous grants;
- Bring trust funds to Navision and use as reporting tool.

These initiatives should enable the finance department to improve the efficiency in the financial reporting process. The Operational Review Team encourages management to continue with the implementation of these initiatives as per plan.

Interim Financial Reporting Accountability

The finance department prepares monthly financial reports for review and approval by senior management and submission to the Board for information, in accordance with Board procedure. It should be noted that superintendents with budget responsibility are formally required to sign off on their respective budget variances. This ensures that management is formally held accountable for the development of fiscally prudent budgets for the Board.

The financial report provides a comparison of the year-to-date actual expenditure with budget and percentage expenditure to budget. The report presents a two page

summary of expenditures by category. The finance department also prepares variance analysis, benchmarks and explanatory notes. The financial summary also includes a comparison of the comparable prior year's expenditures. The comparison includes the percentage increase of the current period compared to the prior year's results. While the comparison with the prior year is useful, an improvement to the information presented could be to express the prior year's expenditure as a percentage of the prior year's budget. This would enable the reader to see if the current year to date pattern is comparable to the prior year to date expenditure pattern. Significant variances in this comparison would also need to be explained.

The Operational Review Team notes that the format of reporting is reasonably consistent with good financial reporting standards. The quality of the detailed variance analysis was not assessed in detail.

Internal Audit Function

The Board does not have an internal audit function. Although management recognizes the importance of the function, they believe that the resources are not available to support the additional cost to establish the function at the present time. Finance department staff do perform audits of school funds as well as the external auditor also audits a sample of schools as part of their annual audit.

The establishment of a formal internal audit function would assist the Board administration and the Board of Trustees in their overall governance and accountability roles. The primary function of internal audit would be to provide added assurance that internal controls established by management are operating effectively and in compliance with the policies and procedures. The internal audit function can also assist in the development of performance measures and indicators to determine whether programs and services are meeting their overall objectives. The function should report to the audit committee of the Board. The annual audit plans would be presented and approved by the committee, and all reports would be presented to the committee.

Audit Committee

The Board has an audit committee composed of the five trustees appointed by the finance committee and three community members appointed for a two-year term on the basis of their financial training and experience. The audit committee is responsible for overseeing the audit process for the finance committee and communicating with the external auditor concerning the auditor's roles and responsibilities within the financial reporting process. In fulfilling this role, all members of the audit committee are expected to perform the following functions:

- To oversee the financial reporting process, the accounting standards, policies and procedures used to prepare the board's financial statements, the

implementation and maintenance by management of the accounting standards, policies and procedures, and the risks and controls related to the financial reporting process;

- To report on its activities and make recommendations as necessary to the finance committee after each meeting;
- To review the audit plan with the external auditor and to understand the scope of the auditor's work;
- To review the financial year-end audited statements, which require approval by the board;
- To inquire into management's systems and procedures regarding the adequacy and effectiveness of the accounting and financial reporting systems of the board;
- To review the results of the external audit and any change in accounting practices or policies and the financial statement impact thereof;
- To review any significant recommendations made by the auditors for the strengthening of internal controls.

Recommendation:

- Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost for each option. Management's proactive assessment of need and cost would be a useful first step.

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
Staff and management periodically review the Board’s investment policy and investment performance reports.	Yes
Staff and management periodically compare the Board’s banking terms and conditions to those of similar school boards.	Yes
Management monitors financial risk related to cash/investment management and has a plan to mitigate associated risks.	Yes

Cash and Investment Management

Finance staff have demonstrated that there are adequate procedures in place related to the treasury management function to minimize idle cash. There is a designated member of staff performing daily tracking of account balance and transactions. The finance department also periodically compares the Board’s banking terms and conditions with those of similar school boards.

Finance ensures adherence to the procedures through active monitoring of cash activities such as tracking daily balance and transactions and monthly bank reconciliations performed by dedicated staff.

The Board monitors its cash flow requirements and does not borrow externally to meet capital funding requirements. Capital funding is operated on the basis of available cash, and the Board has not established any debentures beyond Ministry funding.

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 Board. The Board receives Education Programs –Other (EPO) funding from the Ministry for specific initiatives, which requires the Board to focus on the nongrant 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 to Support Non Grant Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
The board has established policies on the application of its fee structure, and obtains credit/risk assessments.	Yes

Technology to Support Registration and Collection of 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.).	Yes

Monitoring Procedures for all Non-Grant Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
Staff monitors all sources of revenue to ensure completeness and compliance with policies. Action plans and processes maximize collections.	Yes

Managing Education Programs – Other (EPO) Grants

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
Board budget identifies revenue and expenditure for each EPO program. Management monitors activity to ensure compliance with terms and conditions.	Yes

Policies to Support Non-Grant Revenues

The Board has developed a draft administrative procedure for administering, recording and reporting of non-board funds.

The Board has developed an administrative procedure on the use of facilities and a standard permit application form. The procedure provides a detailed fee structure. The Board tracks community usage of schools for reporting purposes and conducts analysis of historical data. The facilities department has reciprocal agreements with large community partners. There are no rental charges or custodial fees charged for use of school facilities for any activities under reciprocal agreements. Overall, the Board reports that revenue from community rentals is not significant.

Management has identified continuing education as a significant source of non-grant revenues, and plans to develop a multi-year business plan to support growth in this area. The Board applies cost-recovery based pricing model to continuing education. The Board also administers a distance education centre (AMDEC) which is an online secondary school. The Board is currently working to improve finance and accounting arrangements for the Board's e-learning program.

Technology to Support Registration and Collection of Revenue

The continuing education and distance education programs make use of an electronic registration system. However, the Board does not have an electronic payment system for these programs. This is also true for the issuing and payment for community use permitting. The Operational Review Team believes that implementation of electronic payment systems should enable the Board to more efficiently manage its non-grant revenue collection processes.

Managing the EPO Grants

Finance staff indicated that there is a designated member of staff responsible for spending decisions for each significant EPO grant received. The finance department has established adequate procedures for the recording and tracking of the various EPO grants received. Finance uses the program costing model mentioned in section 4.2 to

plan for the use of EPO grants. Program costing reports clearly demonstrate grant description and program area funded.

Recommendation:

- Management should consider implementing an electronic payment system for its continuing education, e-learning and community use of facilities programs. In doing so, management should review the existing electronic solutions in place at several other school boards.

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

Participation in Buying Consortia to Reduce Acquisition Costs

Leading Practices – Procurement	Evidence of Adoption?
The acquisition strategy includes the participation in consortia/ cooperatives for cost savings.	Yes
Vendor selection criteria include elements other than lowest cost, such as total cost of ownership, value, and quality.	Yes
Regular reporting is used to monitor compliance and develop strategies to increase purchasing power and to minimize the costs of goods and services procured.	Yes

Purchasing Levels of Authority

Leading Practices – Procurement	Evidence of Adoption?
Procurement authorization levels are commensurate to job title/role, and are monitored by the department head.	Yes

Policies and Procedures for P-Card/Corporate Card Use

Leading Practices – Procurement	Evidence of Adoption?
Policies and procedures for P-Card 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.	Yes
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.	Yes

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

The Board has approved procurement administrative procedures which have been clearly communicated to all authorized users of the system. The Board has developed a purchasing procedure manual in Navision. The Board has also established administrative procedures for purchasing authority and the use of corporate expense cards.

Purchasing Levels of Authority

The Purchasing Authority administrative procedure provides for appropriate authorization levels commensurate with job titles and roles. These are monitored for compliance by the respective department officials. The procurement procedures outlines that all departments adhere to the following limits for securing supplier quotations:

- Up to \$500 may be ordered orally without a purchase order number (the name of the person placing the order must be used in place of order number);
- \$500-\$1,000 – requires a formal purchase order. All purchase orders are to be processed through the electronic purchase requisition system or a written requisition sent to the purchasing department. For miscellaneous supplies or service, formal competitive quotations are not required;
- \$1,000 - \$5,000 – requires oral competitive quotations;
- \$5,000 – 25,000 – requires three written quotations;
- Over \$25,000 - requires formal processes including request for tender, request for proposal, request for quote and formal tender;
- Over \$100,000 – requires formal tender process plus Board approval.

There is no specific reference to the requirement for a formal requisition process or request for proposal to be advertised on an electronic bulletin board. It is becoming more common for organizations to advertise for formal requisition process and/or requests for proposal over a certain dollar threshold. The Board should consider amending its purchasing procedures to make it mandatory to advertise for purchases over \$25,000.

Each year the Board provides a school catalogue to schools through its integrated financial management system. The catalogue contains pre-set unit costs based on results of tenders, and allows schools to request the required number of items.

Participation in Buying Consortia to Reduce Acquisition Costs

The Board participates in one consortium for energy purchases (gas and electricity). The Board indicated that participation in the electricity purchasing consortium has resulted in cost savings. The Board has periodically assessed the costs and benefits of participating in other buying consortia beyond energy purchases, but has so far decided not to do so.

The Board's vendor selection criteria include elements other than lowest cost, such as value and quality.

Policies and Procedures for Purchase Card/Corporate Card Use

The Board has established an administrative procedure on the use of corporate credit cards. The Board has a limited number of credit cards (six) in circulation. It should be noted that the Board conducted a study for implementation of purchase cards (PCards) and identified that costs would significantly exceed benefits of using PCards.

Accounting for Completeness of Purchase/Payment Cycle

The Board has an automated requisition system (Purchase Requisition System (RQS). Finance staff has implemented automated three-way matching between purchase orders, receipt/invoice and inspection.

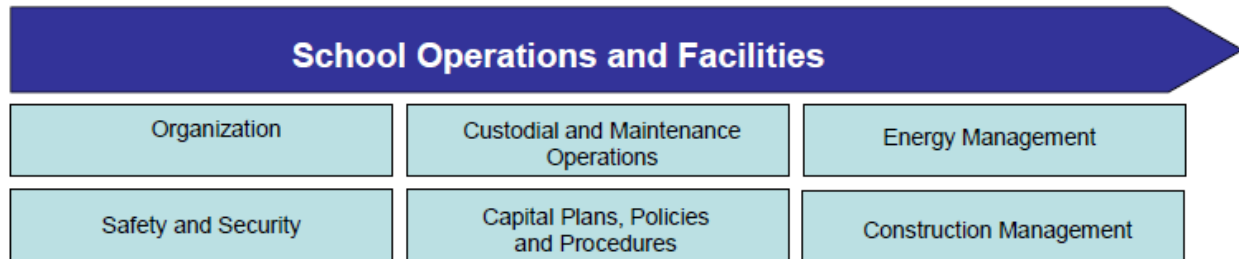
Use of Electronic Funds Transfer for Greater Efficiency

The Board is currently implementing the use of Electronic Funds Transfer (EFT) for payments to suppliers. It is anticipated that, over time, the EFT implementation plan will result in significant efficiency improvements in payment processing for the Board.

Recommendations:

- Management should implement a procedure for the public advertising of tenders over \$25,000 on an appropriate electronic bulletin board. The Board's existing purchasing procedures should be revised and updated accordingly.
- Management should continually examine and pursue joint purchasing opportunities with other boards, municipalities and other local agencies.

5. School Operations and Facilities Management – Findings and Recommendations



Efficient and effective management of the Board's facilities (particularly schools) is an important factor in student achievement targets and strategies. Along with providing a positive learning environment for students, teachers and staff, it also helps the Board achieve a standard of cleanliness and maintenance that meets the expectations of the school community.

The following is a summary of the assessment of the Board's adoption of leading practices under the processes identified above. All findings are a result of the review of data provided by the 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 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?
Departmental goals and priorities are aligned to the Board’s strategic directives and are documented in an annual department plan accessible by key stakeholders.	Yes

Organizational Structure and Accountability

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
Publicly available organizational charts clearly illustrate roles, responsibilities and accountabilities.	Yes
Senior operations and facilities staff have appropriate designations (e.g. P.Eng., Project Management Professional). and/or relevant field experience.	Yes

Monitoring and Communication of Policy

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
Management monitors operations and facilities department policy compliance.	Yes
Management provides scheduled policy awareness, training and education sessions.	Yes

Organizational Structure and Accountability

The Board has embarked on a review of the department to improve the effectiveness of the facilities organizational structure and operations. The Board engaged a third party consultant to assist in this process and analyze and develop options for organization development. The restructuring of the department has been a work in progress.

The Board has implemented changes to the organization structure by creating a maintenance manager position reporting to administrator of facilities. Based on the new

structure, the administrator of facilities now reports to the superintendent of business. The Board's capital planning function reports to the superintendent of business through the finance/ facilities liaison. The key roles and responsibilities of the finance/ facilities liaison include, among others, the following:

- Finance contact for facilities budget activities;
- Financial reporting for facilities-related activities;
- Activities related to community use of schools and school rentals;
- Assistance in development and maintenance of long term capital plans.

Currently, the review process is focused on the development of new business processes, procedures and guidelines.

The Board has also established a strategic team and a go-forward team to enable progress in the review process. Specifically, the go-forward team is responsible for developing further actions for the facilities department.

As part of the restructuring process, the strategic facilities team has developed clear and well-documented roles and responsibilities, including segregation of duties, and these are communicated to departmental staff. The Board provides detailed description of roles and responsibilities of the facilities senior management team on its website.

Key department staff have appropriate professional designations and/or related field experience.

Development and Reporting of Annual Goals and Priorities

The facilities department has developed a formal mission statement, which is to *“provide an inviting, safe and clean learning environment through excellence in facilities management”*.

In 2006, management developed a balanced scorecard for the facilities department (with assistance from outside consultants) before the organizational review was launched in the spring of 2007. This was part of the process to align the facilities department with the Board's strategic goals. The facilities department is one of the first departments in the Board to implement the balanced scorecard approach to planning and performance measurement. The balanced scorecard sets out the strategic goals, measures, targets and owners of the department. The three strategic goals are as follows:

- Continuously improve and maintain infrastructure to more effectively meet the needs of schools and students;

- Develop and maintain a cohesive and efficient team with a common purpose aligned to facilities priorities;
- Upgrade learning spaces to meet evolving curriculum needs within financial constraints.

The facilities department has developed broad annual goals for 2007-08 that are aligned with the Board's system goals. However, the department has not yet developed strategies for implementing the current year priorities, measurement tools, resources and timelines. The annual goals include the following:

- Teamwork – to promote and foster an environment of professionalism that values teamwork;
- Stewardship- to be recognized through facilities leadership as the stewards of the Board's assets;
- Customers – to anticipate and understand facilities clients' needs, enabling the department to provide effective quality services;
- Process improvement – to provide optimal productivity through standardized processes with measured results;
- Communication – to share accurate and reliable information to the right people at the right time;
- Integration – to become a fully integrated organization.

Based on the review process facilitated by its external consultants, the facilities department engages Board staff throughout the development of its annual priorities.

Monitoring and Communication of Policy

The facilities department maintains a comprehensive set of procedures and guidelines. These procedures and guidelines have been posted onto the Board's website. Management indicated that all procedures were reviewed in 2006 as part of the Board's governance review, but there is no established review cycle. The Operational Review Team encourages management to develop a formal review cycle for its administrative procedures, and ensure that publicly accessible procedures are identified with appropriate implementation and review/revised dates.

Management ensures that any changes to existing policies and procedures are communicated to staff. Specifically, all reviewed procedures are posted on the electronic conference on the Board's intranet for all system users.

Recommendation:

- The facilities department should continue its efforts to align its structure and operations with the Board's strategic direction and improve its effectiveness and efficiency.

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.

Staffing Model Supports the Board's Cleaning and Maintenance Standards

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The school board has set cleaning/maintenance standards for schools and reports annually on results.	No
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.	No

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.	Yes
Management regularly evaluates the overall effectiveness and efficiency of its maintenance and custodial service practices.	Yes

Staffing Model Supports the Board's Cleaning and Maintenance Standards

The department uses a custodial checklist which provides a schedule of tasks and a list of minor maintenance items. The department has established formal written standards for cleanliness at the school level. The Board's custodial allocation model provides for the optimal use of resources in support of Board's cleaning practices. A detailed staffing formula for custodial work considers a number of factors, including the number of

students per school, complexity of plant, number of floors, and if other programs are offered at the location.

Management frequently meets with custodial staff to ensure that communication is facilitated between management and custodial staff regarding their concerns, suggestions and observations.

Development of Annual and Multi-Year Maintenance Plan

The Board has developed formal guidelines for maintenance and capital planning. The guidelines outline an annual process for site tours and the use of ReCAPP. A formal facilities review is undertaken periodically to establish priorities for maintenance work. The guidelines also set out a prioritization approach, which assigns the following categories to individual projects:

- No action needed or action only at the Board's discretion
- Immediate action required
- Plan for replacement or repair in the next five years
- Plan for replacement or repair in the next 10 years

Management develops an annual maintenance plan that addresses its preventative, critical and deferred maintenance, in accordance with the Board's standards. The plan includes projected costs for budgeting purposes, planning budget for the year, school renewal expenditure commitment for the year and Good Places to Learn expenditure commitment for the year.

Based on the maintenance planning guidelines, the Board's maintenance and renewal activities are re-assessed annually through individual school assessment, with consultation from custodial, maintenance and school staff. It is notable that the facilities department has developed a draft project rating questionnaire as a tool for priority planning. Prioritization of projects helps ensure that schools are maintained in the best condition possible.

The development of a multi-year maintenance and renewal plan (e.g. three to five years) would give the Board and its stakeholders a better understanding of the system's needs over an extended period. This plan would be refreshed each year to account for changes and/or new priorities. The annual assessment could be expanded to provide the multi-year perspective of the needs of both planned (regular) and urgent maintenance and renewal requirements. This plan could also be supported by the funding sources available for related costs, which include annual operations, renewal

grants and the Good Places to Learn allocation. This would provide management and the Board with a better planning perspective.

Training to Support Skills Development and Safety

Management takes a proactive approach to raise awareness of facilities upkeep, maintenance and safety standards among staff and students. Currently the Board is developing a training program to provide ongoing skills development to maintenance and custodial staff, school principals and all staff. In addition, the Department has developed an orientation course for custodial staff in electronic format (CD-ROM) and is planning to deliver this training in the near future.

Standardization of Cleaning and Maintenance Supplies

The custodial manager manual tracks the inventory of custodial equipment at a school level. The transport manager maintains an inventory of vehicles and tracks ageing vehicles. In general, all vehicles are required to be reported to the depot every night. The facilities department does not have an inventory of tools and equipment used by maintenance and custodial staff due to small number of such equipment.

The Board uses bulk tenders for custodial supplies and does not participate in any purchasing consortia. Purchases of maintenance tools and equipment are approved by the maintenance manager, and maintenance staff may have their own stock of frequently used items. Management does not currently track usage of custodial supplies. The custodial manager monitors usage of custodial supplies by inspecting supply rooms during regular school visits. The Operational Review Team believes that inventories of equipment would enable management to have an increased level of confidence that staff are held accountable over the use of the Board's assets.

Project Management, Monitoring and Supporting Systems

Management has implemented a manual process for tracking work orders. The new maintenance management function within the recently upgraded financial management system promises to improve the process by providing a more structured approach. The department should consider undertaking a review of costs and benefits of implementing an automated system.

The Board uses ReCAPP as a tool to assist in tracking deferred maintenance requirements for its facilities, and makes an ongoing effort to continually improve the integrity of the data within ReCAPP. As mentioned previously, management believes the current quality of data in the Board's ReCAPP database is adequate, but acknowledges that substantial opportunities for improvement in data integrity exist.

Evaluation of the Board's Service Delivery Model

Maintenance services are delivered primarily through contracted employees. The Board reviewed its custodial service delivery model at the time of amalgamation and removed split shifts and twinning arrangements.

Recommendations:

- Management should complete their plan to establish consistent maintenance standards for major equipment for all facilities within the Board. Once the standards are established, management should ensure that results are monitored, measured, and reported annually.
- Management should dedicate resources to continually update the data contained in the ReCAPP database, to ensure effective use of the data for maintenance and renewal planning.
- Management should consider expanding its annual maintenance and renewal plan to a multi-year format, including the funding available to support the plan. This would provide a clear forecast of the Board's critical needs over the next several years.
- Management should consider undertaking a review of the costs and benefits of implementing an automated system for work orders.

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.	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 plan.	Yes
A comprehensive system exists to budget expenditures, track consumption and identify opportunities for further savings.	Yes
Billing for all board facilities is consolidated from each utility.	Yes
Centralized technology that automates energy regulation and conservation (e.g. light control, desktop power) is used wherever practical.	No

Energy Management Plan

The Board has been implementing several conservation initiatives, including the Dearness Conservation Initiative and the Eco Schools program. The Dearness Conservation Initiative aims to increase sustainability by helping schools to conserve resources, address climate change and protect the environment. Dearness Conservation is a non-profit organization working with school boards for energy conservation across western Ontario. Key elements of the program implemented at the Board include the following:

- Teacher training in using the Dearness Conservation Curriculum;
- Custodial training on reducing energy consumption;
- Student training on implementing strategies in reducing energy within the building;
- Parent/ community education and partnerships.

As part of the Dearness Initiative, the Board has started establishing baseline consumption data to enable further analysis and development of an energy management plan. The Board has also implemented the EcoSchools program. These developments indicate that management recognizes the importance of establishing a formal energy management and conservation plan.

It is also noteworthy that management has implemented several conservation initiatives, including:

- Upgrading electrical distribution;
- Upgrading to energy efficient lighting systems and low flush sensors;
- Mechanical upgrades.

The Board has not developed a formal energy management and conservation plan. Given the number of initiatives that management have or are in the process of implementing, it would be useful for the Board to have an approved short/long term conservation plan. This would set out the initiatives and the expected savings.

Tracking and Reporting Energy Conservation

The Board has started establishing baseline consumption data on a school level basis. Detailed expenditure and consumption data is logged for each school by Board staff using spreadsheets. The Board intends to undertake detailed analysis of consumption data to identify opportunities for cost savings and develop targets/benchmarks for individual facilities. The Board's utilities bills are not currently consolidated.

Management has indicated that it plans to consider using a centralized technology to automate energy efficient practices.

Recommendations:

- Management should consider establishing a formal multi-year energy management plan that incorporates quantifiable measures and is aligned with the strategic direction of the Board. Management should carefully consider the adequacy of the staff resources to support both the plan and the on-going requirements of its initiatives. As part of the plan, the Board should consider implementing a centralized technology to automate energy efficient practices.
- Management should use the utilities consumption data that is currently tracked at a school level to better monitor and analyze consumption patterns by facility, independent of pricing influences. This would enable the facilities management department to set benchmarks for utilities consumption and related cost savings

from the Dearness Conservation Initiative, the Eco Schools program and other conservation initiatives.

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 plans and policies ensures 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
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 Board’s health and safety portfolio is part of the responsibilities of the superintendent of business. Management is currently developing a balanced scorecard as part of the Board-wide initiative. Management has established detailed health and

safety procedures which have been posted on the Board's website. There is no defined cycle for the review of the procedures. However, staff have indicated that the department takes a proactive approach to review and modify the procedures. This ensures that all the procedures are up-to-date. These procedures have been monitored to ensure that they reflect the Board's policy directives as well as legislative requirements. For example, the Board has instituted an anaphylactic policy in accordance with Sabrina's Law.

Each school has established its own safety teams and there is also a joint health and safety committee at the Board. The committee performs annual or (in high-risk areas) semi-annual inspections of school facilities. Health and safety teams at the school level perform monthly inspections.

The Board has been using numerous information management systems and tools relevant to health and safety:

- Accident analysis system (Parklane) – used to track incidents and accidents;
- Hazardous Materials Inventory System (Hazmat Inspector);
- Water quality Excel spreadsheets – used to store water quality data from schools with water supplies from underground wells;
- Paper based data sources – used to store inspection forms and reports completed by the joint health and safety committee and school health and safety teams.

To integrate various environmental health and safety data sources and create a central environmental health and safety data management system, the department is implementing a Geographical Information System (GIS). The system will serve as a comprehensive hazard/ risk management tool and a spatial decision support system for managing environmental health and safety at the Board.

The health and safety committee engages the community and other stakeholders through various formal and informal channels, including the publication of updated administrative memos and reports on health and safety matters on the Board's website and intranet.

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 multi-year capital programs;
- Identify appropriate controls and transparency within the current planning process;
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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 Plans

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

Leading Practices – Capital Plans, Policies and Procedures	Evidence of Adoption?
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 RECAP methodology).	Yes
Funding allocations are analyzed to determine if they meet the current and forecasted needs of the school board's capital requirements.	Yes
Management tracks compliance and monitors new legislation or changes to existing legislation.	Yes

Development of Annual and Multi-Year Capital Plans

The capital planning function reports to the superintendent of business. Management has established the role of finance/ facilities liaison to facilitate coordination between finance and facilities staff in developing the Board's capital plans.

The Board has developed and submitted its 10-year capital plan to the Ministry through the Ministry's SFIS web site. This plan includes the Board's capital requirements over the next 10 years as well as the facility renewal needs for the same time period. This data is required by the Ministry to enable understanding of the potential needs of all school boards over that time period.

The Board submitted a draft capital plan, developed in consultation with trustees, on January 31, 2006. This plan was to be revised for Board approval in the fall of 2006 following community consultation. As part of the community consultation, senior administration and trustees held regional meetings with school councils throughout the spring of 2006. The meetings were organized into nine planning areas. Senior administration and trustees provided details of the capital plan for each school, and school councils provided valuable input. Other data shared included a 10-year cost summary of infrastructure requirements by school from the ReCAPP database, community use of schools data, and projections of program related capital requirements for the next 10 years. The Board of Trustees approved an updated capital plan in fall 2006. This plan is posted on the Board's website.

The Board has deliberately taken a conservative approach to finance its capital projects, by only committing to new capital projects when the funding is available. As a result, the Board has not issued any debentures beyond Ministry funding since amalgamation. This conservative approach to capital planning has been endorsed by trustees. As a result of their capital funding approach, the Board has developed detailed capital related cash flow forecasts on as-needed basis only.

The Board has an approved pupil accommodation review policy and process which is available on its website. The Board has also initiated three accommodation review committees. Management indicated that trustees expressed their willingness to discuss review of the existing accommodation review process.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

The monitoring and planning of school capacity is reported within the framework of the Student Facilities Inventory System (“SFIS”). The Board maintains accurate and up-to-date inventories of school capacity and utilization facilitated by the Facilities/ finance Liaison.

Facility staff currently use ReCAPP as a tracking tool for facility condition and as input for assessing renewal needs.

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 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

Over the past few years, the Board completed one extension to an existing school building funded by proceeds from property disposition and two additions funded from the Primary Class Size grant. Due to the small number of construction projects, the Board has not established standard footprints. However, the Board has set standards for building content for each project and presented them to the Board of Trustees.

It is noteworthy that the Superintendent of Business participates in the Council of Senior Business Officials (COSBO) capital advisory committee which had its first meeting in March 2008. The purpose of the committee is to develop reasonable standard construction costs for the sector. The Superintendent of Business is also involved in the Green Schools Committee.

Management minimizes expenditures on construction, renovation and operation costs through the use of cost-effective designs and economical construction practices. The Board secures this expertise by hiring external architects, engineers and designers.

The Board maintains standard procedures for procurement to control school renewal and construction costs. These include the use of pre-qualified general and subcontractors for bigger projects, and selecting contractors out of a pool of contractors shared with other Boards.

Monitoring and Reporting of Progress on Construction Projects

For both renewal projects and new construction, external contractors are hired for construction management, using board approved procurement policies. During the construction/implementation phase, management conducts frequent site visits to

monitor the progress of the project. Change orders follow approved procurement policies, and generally require Board approval.

Each construction project is approved by the Board of Trustees. The Board uses fixed fees and change orders to control costs. These measures help the Board mitigate the risk of cost overruns.

Maintaining Current Approved Professional Service Providers

Given the limited number of local contractors, the Board is currently developing a process to pre-qualify a list of vendors in cooperation with neighbouring boards. This process will enhance the shared pool of contractors. To reduce costs, the Board commissions contractors from the shared pool of pre-qualified contractors without a tender process.

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.

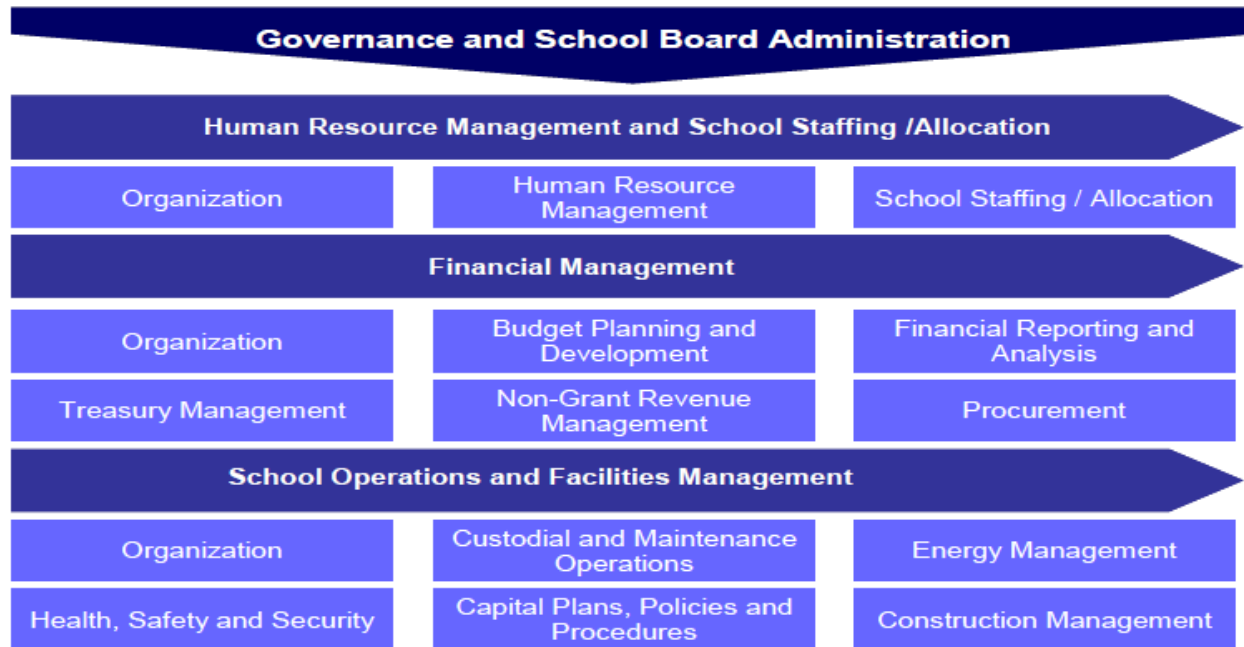
Recognizing the unique characteristics of each DSB, the specific purpose of the Operational Reviews is to:

- 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 Boards under each functional area.

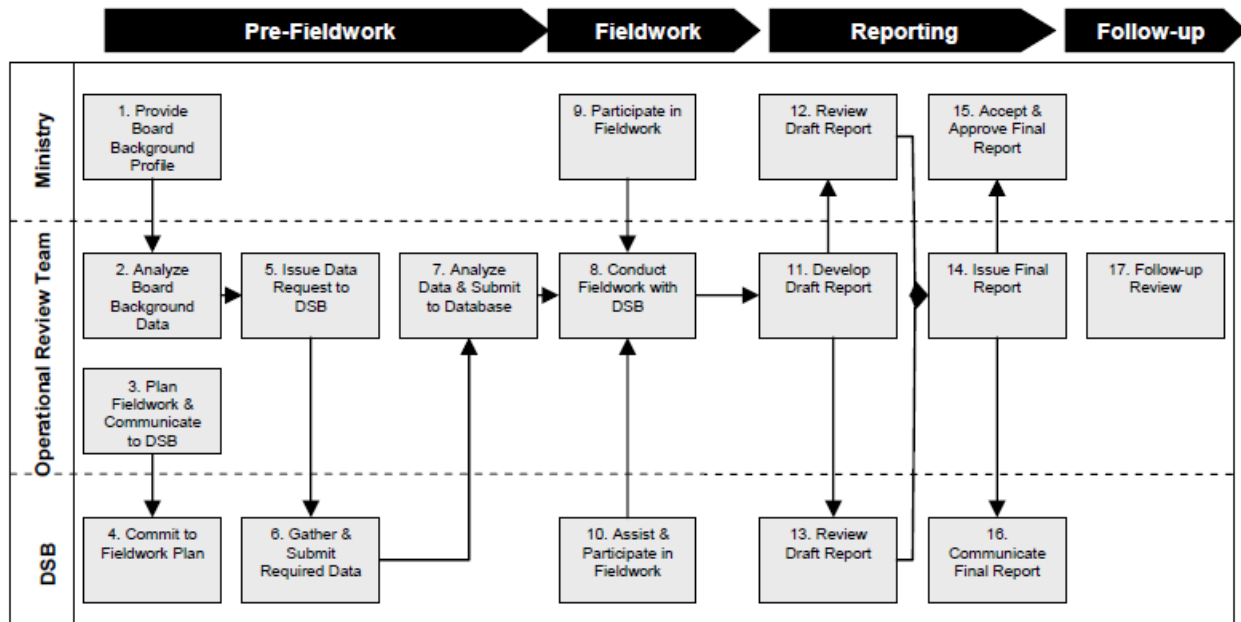
Each of the processes was examined based on its activities and its adoption of sector agreed leading practices, including alignment and support of student achievement strategies.



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 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 leading practices.



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

Phase: Initial Planning and Analysis

Key Activity	Description
Provide Board Background Data	The Ministry collects and maintains significant quantities of Board data. The Operational Review team has developed a standardized data request from the Ministry that will be used to provide background data for each Board.
Analyze Board Background Data	Prior to launching fieldwork, the Operational Review team will review Board background data to understand the financial and operating characteristics. This review will identify specific issues and / or focus areas for the review.
Plan Fieldwork and Communicate to Board	The Ministry and the Operational Review team will develop a rolling, quarterly review schedule that will be communicated to Boards prior to the start of that quarter.
Commit to Fieldwork Plan	Boards will be required to commit to the Operational Review schedule. The Ministry and the review team will attempt to accommodate scheduling constraints faced by Boards.
Issue Data Request to Board	Prior to the start of fieldwork, a data request will be generated to gather operating and other information for each of the focus areas. The review team will use this data to enhance its understanding of the Board prior to the start of field work.
Gather Required Data	Upon receipt of the data request, each Board will compile the requested data. It is envisioned that Boards will have at least three weeks to complete this process prior to the start of the fieldwork.
Analyze Data and Submit to Database	The review team will analyze the data provided by each Board, calculate key performance indicators where appropriate, and add the results to a

Key Activity	Description
	sector-wide database that will be used to compare the results for each Board.

Phase: On Siteview

Key Activity	Description
Conduct Fieldwork	The fieldwork will be conducted for each Board according to the previously agreed review cycle. The duration required to complete fieldwork will range between five to 15 days, based on the size of the Board.
Participate in Fieldwork	Ministry staff will support the review team in the performance of fieldwork to ensure continuity and knowledge transfer of Board operations and upfront data support.
Assist and Participate in Fieldwork	Board staff will assist with and participate in the fieldwork. The number of participants involved will vary depending on the size of the Board.

Phase: Develop Final Report

Key Activity	Description
Develop Draft Report	Based on the results of the fieldwork and data analysis, the operational review team will prepare a draft report. The draft report will contain a synopsis of findings and, where appropriate, recommendations for improvement.
Review Draft Report (Ministry)	The Ministry will review the draft report and provide feedback to the review team.

Phase: Board Report Review

Key Activity	Description
Review Draft Report (Board)	The review team will meet with Board senior staff to review and obtain feedback.

Phase: Final Report

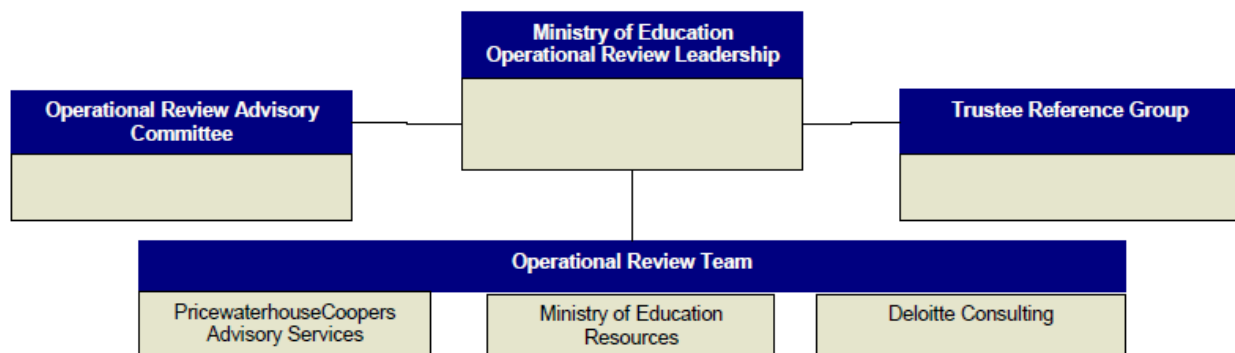
Key Activity	Description
Issue Final Report	The review team will incorporate the feedback from the both the Ministry and the Board and prepare a final report.
Accept and Approve Final Report	The final report will be issued to the Ministry for approval and release.
Communicate Final Report	The Ministry will issue a final report to the Board.

Key Activity	Description
Follow-up Review	Six to 12 months after the submission of the final report, the review team will conduct a follow-up review. This will determine the extent of the Board's adoption and implementation of the recommendations,

The Operational Review Team

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

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



Limitations of this Review

The purpose of this Report is to document the results of the Operational Review of the Avon Maitland 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.	The Board should consider improving compliance with its annual policy review requirement, to ensure that all policies remain current. The Board may also consider changing the existing review cycle, based on the limited number of policies and the nature of each policy. The Board should also specify the last review/revised date for all policies, to demonstrate compliance. Management should consider extending these practices to its procedures.
2.	Management should continue to develop and finalize the balanced scorecard approach to strategic planning and performance measurement. All departments should develop and implement balanced scorecards linked to the system-level scorecard.

HR Management and School Staffing/Allocation

No.	Recommendation
3.	The department should consider adopting a balanced scorecard approach to planning and performance tracking. This will ensure consistency with other departments and establish a more formal process for annual goals development and reporting.
4.	The department should proceed with its plans to develop and implement a formal attendance management program, based on the needs assessment. HR should improve the accuracy and integrity of its attendance data, to facilitate formal trend analysis and assessment in the future.
5.	The department should continue to conduct regular board-wide staff satisfaction surveys, and should consider conducting exit interviews.

Financial Management

No.	Recommendation
6.	Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost for each option. Management's proactive assessment of need and cost would be a useful first step.
7.	Management should consider implementing an electronic payment system for its continuing education, e-learning and community use of facilities programs. In doing so, management should review the existing electronic solutions in place at several other school boards.
8.	Management should implement a procedure for the public advertising of tenders over \$25,000 on an appropriate electronic bulletin board. The Board's existing purchasing procedures should be revised and updated accordingly.
9.	Management should continually examine and pursue joint purchasing opportunities with other boards, municipalities and other local agencies.

School Operations and Facilities Management

No.	Recommendation
10.	The facilities department should continue its efforts to align its structure and operations with the Board's strategic direction and improve its effectiveness and efficiency.
11.	Management should complete their plan to establish consistent maintenance standards (particularly for major equipment and assets) for all facilities within the Board. Once the standards are established, management should ensure that results are monitored, measured, and reported annually.
12.	Management should dedicate resources to continually update the data contained in the ReCAPP database, to ensure effective use of the data for maintenance and renewal planning.
13.	Management should consider expanding its annual maintenance and renewal plan to a multi-year format, including the funding available to support the plan. This would provide a clear forecast of the Board's critical needs over the next several years.
14.	Management should consider undertaking a review of the costs and benefits of implementing an automated system for work orders.
15.	Management should consider establishing a formal multi-year energy management plan that incorporates quantifiable measures and is aligned with the strategic direction of the Board. Management should carefully consider the adequacy of the staff resources to support both the plan and the on-going requirements of its initiatives. As part of the plan, the Board should consider implementing a centralized technology to automate energy efficient practices.
16.	Management should use the utilities consumption data that is currently tracked at a school level to better monitor and analyze consumption patterns by facility, independent of pricing influences. This would enable the facilities management department to set benchmarks for utilities consumption and related cost savings from the Dearness Conservation Initiative, the Eco Schools program and other conservation initiatives.