Ministry of Education

Operational Review Report Huron-Perth Catholic District School Board

June 2010

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Executive Summary

This report details the findings and recommendations of the Operational Review of Huron-Perth Catholic District School Board (the school board or HPCDSB) conducted by the Operational Review Team composed of external consultants from PricewaterhouseCoopers LLP and Ministry of Education staff. The Operational Review was conducted over three days beginning March 23, 2010.

Introduction

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

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

The school board's student achievement results at the secondary and elementary levels demonstrate improvement in many areas since 2002-03. From an operations perspective, the review team found that the school board has adopted many of the leading practices. Noted areas of strength include an effective working relationship between the Board and school board administration, budget development process, interim financial reporting, and a focus on timely maintenance of school board facilities.

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

Governance and School Board Administration

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

- The Board has established a policy: *Role of the Catholic Trustee,* which outlines the role and responsibilities of the Board and the Director of Education.

- The school board has established four strategic pillars which are supported by expected outcomes, strategies, indicators of success, timelines and responsibilities. Overall, the current strategic plan of the school board contains operating goals, or strategies, for each year of the plan, and is therefore both a multi-year strategic plan and an annual operating plan. The Director is currently leading the development of a new strategic plan for the school board.

- The senior administration has an up-to-date organization chart that outlines the roles and organizational units. The school board has published its organizational chart on the website.

- The school board has a variety of formal mechanisms for communication and stakeholder engagement. The Director and supervisory and executive officers actively participate in many regional and province-wide sector committees and associations, and in a number of Ministry workgroups.

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

The Board establishes or updates policies when the Director identifies the need. There is no established review cycle for review of policies. The school board conducted its last review of all policies over three years ago. Some policies posted on the school board's website indicate that they were last reviewed in 2004. The Director intends to establish a review schedule to undertake another comprehensive review of all policies.

The school board has implemented several initiatives to support succession and talent development. The existing succession planning and leadership initiatives are mainly focused on academic leadership at the school board. Within the school board administration, there is informal mentoring and support for staff interested in pursuing supervisory officer qualifications. However, the school board would benefit from the establishment of a formal succession plan for key management positions, for both academic and non-academic positions.

Recommendations:

- The school board should continue with its intention to establish a formal policy review schedule to ensure that all policies are reviewed periodically.

- The school board should continue to align its leadership development programs and activities with the Ministry leadership initiatives. It should develop a formal Succession and Talent Development Plan in line with the Leadership Succession Planning and Talent Development Ministry Expectations and Implementation Continuum. This should include senior staff in both academic and non-academic functions.

Human Resources Management and School Staffing/Allocation

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

- The HR department's structure and lines of reporting are provided in an upto-date departmental organization chart.

- The HR department provides informal training for school principals on specific topics related to the HR policies and procedures. The HR department has also implemented many centralized processes which enable HR staff to monitor compliance with policies and procedures.

- The school board's open communication with the bargaining units is the result of both formal and informal practices. To address collective bargaining issues, the school board has established labour/management committees for all bargaining units.

- The department actively supports the professional development of HR staff and other staff groups, when appropriate.

- The Board's policy and administrative procedures for the hiring of teachers, subject coordinators, department heads, consultants and coordinators are published on the school board's website. The HR department has also established internal administrative procedures for the recruitment and hiring of employees.

- The HR department has established formal internal procedures for the staff allocation process. In addition, each year the department provides guidelines to school principals on the staffing allocation process.

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

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

The HR department identifies annual goals and priorities through an informal process. In addition, each year the department establishes a schedule of key recurring activities, which are linked to the performance appraisal cycle, staffing allocation, requirements of collective agreements, and various types of reports.

The Board has established a policy statement on evaluation, supervision and staff development program. There is formal guidance on the performance evaluation process for all staff groups. It is noted in the formal guidance that the evaluation, supervision, and staff development program of the school board is intended to be generic, to include all job classifications within the school board. The guidance document's appendices provide an overview of the process when employees receive an unsatisfactory performance evaluation. However, current procedures do not contain specific procedures for the performance evaluation process for all staff groups.

Management applies progressive discipline procedures in addressing staff issues. The HR department provides support to staff in understanding and applying the progressive disciplinary procedures. The school board has not established formal disciplinary policies and procedures for all staff, which would delineate job performance issues from behavioural issues.

Over the past two years, the school board has been working with external consultants to establish a formal disability management program. The consultants also provide assistance to the school board in managing the Workplace Safety and Insurance Board (WSIB) benefits. The HR department has implemented an informal stepped approach for attendance support, using the analysis of attendance data. However, the school board has not yet established a formal attendance support program.

The school board contracts external benefits consultants to regularly review the existing benefit plan, and negotiate new plans. The school board has not conducted independent compliance audits of its benefit plans.

Management has conducted several surveys across the system to collect staff feedback on professional development opportunities and leadership development

needs. However, management has not conducted confidential staff satisfaction surveys to obtain feedback on general attitudes of staff. The HR department does not conduct exit interviews.

Recommendations:

- The HR department's annual planning should be enhanced by establishing an annual departmental operating plan. The plan should include specific and measurable targets and indicators, and assign responsibilities and timelines for key activities. This would enable management to track and report on the progress of its defined priorities and goals throughout the year. In the development of the annual department operating plan, management should ensure alignment with the school board's annual operating plan.

- The HR department should build on the generic guidelines for performance evaluation of all staff groups and continue developing formal procedures for performance appraisal of each staff group. The procedures should include standard templates and supporting materials to be used by supervisors conducting performance appraisal.

- Management should continue identifying options for the development of a comprehensive attendance support program.

- Once the formal attendance support program is established, management should develop a mechanism to assess and report on the effectiveness of the attendance support process to senior administration and the Board.

- The school board should document and communicate formal disciplinary policies and procedures for all staff.

- Management should conduct independent compliance audits of the school board's insurance carrier to ensure adherence to the benefit plan's terms and conditions.

- Management should conduct periodic and confidential staff surveys, to improve communication with staff and provide input for professional development plans and HR policy.

- Management should consider conducting exit interviews to obtain input for HR policy, as well as process and program improvement.

Financial Management

The Finance department has implemented many of the leading practices:

- In 2009, the Business Services department conducted an internal review, with the goal of establishing short-term priorities for the department and further clarifying the roles and responsibilities within each function of the department. Using the results of the review, management has established an annual operating plan for the department.

- The Finance department establishes a budget procedures manual which is approved by the Board. The manual contains a summary of implications of the funding model, sets out an action plan and timelines, and summarizes the budget process, including the roles and responsibilities of the Executive Council, the Board and the community. The manual is distributed to all supervisory officers, principals, co-ordinators, and department managers.

- The Finance department has implemented a new interim financial reporting template using the recommendations of the Interim Financial Reporting Committee (IFRC). Management has provided two reports to the Board using the IFRC format of interim financial reporting.

- The Board has formal policies and procedures on school-generated funds, based on the OASBO template. There is also a policy for school fundraising. For large fundraising initiatives, such as new classroom or playground equipment, the Board maintains an account for these funds.

- The school board has a policy and procedures on purchasing which are posted on the school board's website. Management is currently working to update the policy and procedures, to ensure consistency with key requirements of the Supply Chain Guideline.

- The school board participates in group buying initiatives and purchasing consortia, and is taking part in the contract for purchasing of copiers and tendering for school supplies as part of the Ontario Educational Collaborative Marketplace (OECM).

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

Management is aware of key areas of budget risks for the school board. Throughout the budget development process, specific budget pressures are identified by management and incorporated into the budget. However, management

does not formally document budget risks and mitigation strategies in a single risk plan, or report that summarizes the nature, probability of occurrence, potential impact, and proposed mitigation strategies.

Monthly financial reports provided to and reviewed by the Executive Council form the basis for interim financial reports to the Board. There is no formal sign-off process for interim financial reports by senior management.

The Board does not have an audit committee. All audit issues are addressed by the Committee of the Whole. The external auditors report to the Board. Following the external audit, auditors prepare a management letter with audit findings and recommendations. Management provides an oral presentation to trustees on actions to address recommendations in the management letter.

Although finance staff conduct periodic internal audits of schools (focused on schoolbased funds), there is no internal audit function at the school board. The school board is awaiting progress in the implementation of the Ministry initiative on regional internal audit services.

The school board does not have an investment policy. Any interest earned is reported in financial statements.

The purchasing function of the school board is decentralized. This creates challenges in ensuring compliance with purchasing procedures. The facilities and IT departments of the school board have specific purchasing responsibilities, such as tendering for specific goods and services. The Manager of Business Services is responsible for purchasing of school supplies. Management noted that the purchasing portal implemented as part of the school board's financial system includes features that help ensure compliance with procedures.

The Manager of Business Services is currently working to set up electronic funds transfer arrangements (EFTs) with all vendors of the school board.

Recommendations:

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

- The school board should establish approval procedures for interim financial statements, and implement a formal sign-off process of these statements by senior management.

- Management should establish an internal audit function giving due consideration to the new Ministry's direction on internal audit.

- Management should ensure the internal and external audit plans are clearly documented, and that recommendations provided in audit reports are acted upon by senior management.

- Management and the board of trustees should consider establishing an audit committee that includes external advisors, in accordance with the Ministry's emerging direction on internal audit.

- The school board should establish an investment policy and report periodically to the Board on the performance of the investment activity.

- The school board should continue to improve its monitoring of purchasing activities to ensure compliance with the Board's procurement policies and procedures. For example, management could consider exploring opportunities with the co-terminus school board to establish a shared purchasing function as part of a cooperative arrangement.

- Management should continue identifying opportunities for the implementation of the electronic supplier interface for ordering, processing, and payment.

- The school board should continue setting up electronic funds transfer arrangements with all vendors of the school board.

School Operations and Facilities Management

The Plant Operation department has implemented a number of leading practices:

- Subsequent to the internal review of the Business Services department, the Plant Operation department has established an annual operating plan.

- The Plant Operation department establishes an annual and multi-year renewal plan for the school board. The multi-year plan is a rolling plan and spans 10 years.

- The Plant Operation department facilitates training for custodial and maintenance staff to support ongoing skills development, build awareness of regulatory changes, and ensure work safety.

- The Plant Operation department maintains an up-to-date inventory of major custodial and maintenance equipment.

- The school board has an approved pupil accommodation review policy.

- An accurate and current assessment of facility conditions is maintained, based on industry standards (using RECAPP methodology).

- Management follows a standard process for monitoring and reporting on the progress of construction projects.

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

The standard job description for custodial staff sets out common duties and responsibilities. School principals directly supervise custodial staff and monitor their performance, in line with the established responsibilities. The Plant Operation department has also documented key custodial duties (daily, weekly and monthly) and custodial duties during the evening shift. The Plant Operation department has not established formal cleanliness and maintenance standards or a process to monitor compliance. It is recognized, however, that due to the small size of the Plant Operations department, the school board may require additional resources to establish and track formal standards.

The Plant Operation department has been actively promoting and enhancing the use of green cleaning products across the school board. In implementing the green cleaning initiatives, the Plant Operation department works closely with the EcoSchools Committee. The Manager of Plant is a member of this committee. The school board's environmental policy and procedures state that it aims to develop environmentally sound practices consistent with what students are learning in the classrooms. The school board has not established a formal green clean program as part of its overarching Education Environmental Policy.

The school board has not implemented an electronic work order system. The Manager of Plant creates work orders in the purchasing system as a requisition. Custodians are responsible for following up on completion, and notifying the Manager of Plant.

The school board has implemented a number of energy management initiatives. The school board has hired external consultants to complete energy audits of all schools. Using the opportunities identified in the report and input provided by the school board's consultant engineers, management has identified energy efficiency priorities for the next several years. However, the school board has not yet developed a formal energy management plan.

The school board is not currently tracking energy consumption data by facility. The Manager of Business Services reviews invoices to identify any significant discrepancies. The school board has provided the data for the Ministry's Utilities Consumption Database initiative, and awaits implementation of the database to further improve monitoring and analysis of energy consumption data. The school board does not receive consolidated utility bills from providers.

The school board has established a Joint Health and Safety Committee. Its policy and procedures on safe working conditions is updated annually. However, the school board does not have an integrated health plan/strategy to reflect the existing policies and procedures regarding health and safety of school board employees and students.

Recommendations:

- The school board should consider establishing cleaning standards for schools and develop a standard set of processes and tools to monitor, manage and report on results. The mechanism for monitoring of cleaning standards should consider the limited resources in the Plant Operation department.

- The school board should review the Ministry's Green Clean Program Resource Guide and use it to develop a formal green clean program as part of its overarching Education Environmental Policy.

- The school board should consider establishing an automated (computerized) work-order system to process records and monitor and evaluate projects, ensuring the effective use of resources. As a starting point, management could examine work-order systems used by other school boards.

- Using the results of the energy audits, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the *Green Energy Act, 2009,*energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy

management and resource conservation. The plan should include short-term and long-term opportunities with milestones, roles, responsibilities and budgets with a process for ensuring community support.

- Once the energy management plan is established, management should provide formal annual reporting on the conservation savings achieved against the plan.

- As part of the energy management planning, the school board should establish a comprehensive system to budget expenditures, track and regulate consumption, and identify opportunities for further savings.

- The school board should continue identifying opportunities for consolidated billing from utilities and continue to participate in the Ministry's Utility Consumption Database initiative.

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

1. Background and Overview

1.1 School Board Profile and Structure

The Huron-Perth Catholic District School Board provides educational services to approximately 4,394 students in 16 elementary and two secondary schools.

From 2002-03 to the 2009-10 fiscal year, the school board's enrolment has decreased by 600 students, or about 12 per cent. This trend is expected to continue over the next several years.

The school board's Executive Council is as follows:
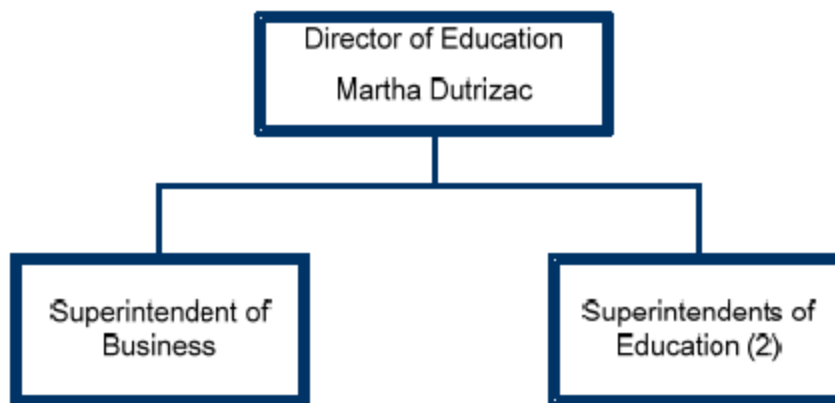
Figure 1: Huron-Perth Catholic District School Board Executive Council

1.2 Key Priorities of the School Board

The school board's mission statement is:

 "We are a Catholic school board. We serve our students, working with the home, parish and school community to:

- Nurture a Christ-centred environment;

- Provide student-focused learning opportunities;

- Support the growth of the whole person.

The 2007-2010 strategic plan of the school board identifies four strategic priority areas:

- Our Catholic Identity;

- Student Achievement and Accountability – Elementary;

- Student Achievement and Accountability – Secondary;

- Financial Accountability and Transparency.

1.3   Student Achievement

Since 2002-03, the school board has shown improvement in many areas assessed through the EQAO process. Grade 3 EQAO results in reading and writing have been improving since 2006-2007, and are above the provincial average. Grade 3 results in math have slightly declined since 2006-2007, but have improved in 2008-2009 and remain significantly above the provincial average. Grade 6 results in reading have been significantly above the provincial average since 2002-2003, and after a decline in 2006-2007, have been steadily improving. Grade 6 results in writing and math have been at a plateau since 2007-2008, with the results in math remaining above the provincial average.

Grade 9 academic results have steadily improved since 2003-04, with a decline in 2008-2009. Grade 9 applied results have also significantly declined since 2008-09, and are at the provincial average

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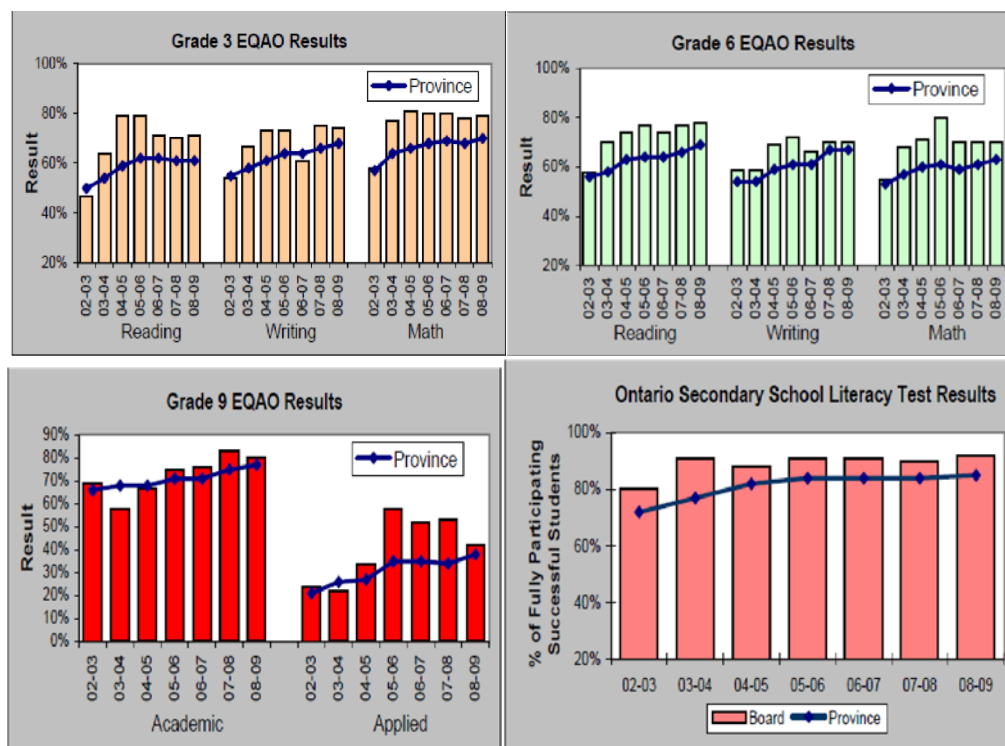
1.4 Fiscal Overview

The school board has achieved a balanced budget over the past several years. Declining enrolment and resulting reductions in grants for student needs remain as key fiscal challenges for the school board. In 2007-08 and 2008-09 the school board increased the reserves. The revised estimates for 2009-2010 show a transfer from reserves.

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

Summary Financial Data (Revenues)

Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Legislative Grants	$38,922,101	$40,505,490	$41,201,350
Local taxation	$7,957,774	$8,095,422	$8,105,800
Board Revenues	$217,669	$341,702	$63,000
Other Operating & capital Grants	$1,765,832	$1,418,478	$1,436,222
Total Revenues (Schedule 9)	**$48,863,376**	**$50,361,092**	**$50,806,372**

Summary Financial Data (Expenditure)

Expenditures	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Operating expenditures	$45,920,424	$47,684,721	$48,612,667
Capital expenditures - Before transfers from reserves	$2,556,528	$2,567,594	$2,467,794
Transfer to (from) Reserves	$386,423	$108,777	-$274,089
Total Expenditures	**$48,863,375**	**$50,361,092**	**$50,806,372**
In-year Surplus (Deficit)	**$0**	**$0**	**$0**

School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues:	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Retirement Gratuities	$452,453	$457,516	$457,516
Reserve for Working Funds	$735,765	$735,765	$735,765
School Activities	$89,541	$104,313	$104,313
WSIB	$400,000	$400,000	$400,000
Miscellaneous	$70,000	$208,076	$66,315
Pupil Accomodation Debt Reserve	$1,729,935	$1,815,244	$1,682,916
GPL Reserve	$235,893	$125,893	$125,893
Total Reserve Funds (Schedule 5)	**$3,713,587**	**$3,846,807**	**$3,572,718**
Improved Access for Special Education Reserve	$12,399	$12,399	$12,399
MECR/ BECR Reserve	$58,841	$58,841	$58,841
Energy Efficient School - Operating	$0	$53,911	$53,911
Energry Efficient School - Capital	$0	$142,645	$142,645
Total Deferred Revenues (Schedule5.1)	**$71,240**	**$267,796**	**$267,796**
Total Board Reserves and Deferred Revenues	**$3,784,827**	**$4,114,603**	**$3,840,514**

1.5   Key Statistics: Huron-Perth Catholic District School Board

The following table highlights key statistics for the school board.

Day School Enrolment:

Day School Enrolment	2002-03 Actual	2009-10 Revised Estimates
Elementary Day School ADE	3,345	2,893
Secondary Day School ADE	1,649	1,501
Total Day School Enrolment	**4,994**	**4,394**

Primary Class Size:

Primary Class Size	2003-04	2009-10
% of Classes Less Than 20	45%	92%
% of Classes Less Than 23	70%	100%
Average Class Size - Jr/Inter	25.13	24.32
% of 3/4 Classes 23 & Under	33%	100%
% of Combined Classes	59%	61%

Staffing:

Staffing	2003-04	2009-10
School Based Teachers	283	289
Teacher Assistants	79	67
Other Student Support	5	33
School Administration	17	21
School Clerical	23	23
School Operations	39	41
Other Non-Classroom	19	30
Total Staffing	**464**	**502**
Teacher - Pupil Ratio	**1:18**	**1:15**
FTE Staff per 1,000 Pupils (ADE)[1]	**93.0**	**114.3**

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[1] Note: Impacted by Class Size and Special Education

Staffing	2003-04	2009-10
Total Salary & Benefits as % of Net Operating Expenditures	**75.7%**	**81.2%**

Special Education:

Special Education	2003-04	2009-10
Special Education Incremental Expenditures	$3,634,546	$5,035,567
Special Education Allocation	$3,696,574	$4,341,674
Spending above Allocation (Reserve)	**-$62,028**	**$693,893**

School Utilization:

School Utilization	2003-04	2009-10
Number of schools	19	18
Total Enrolment (ADE)	4,994	4,394
School Capacity (Spaces)	4,532	4,895
School Utilization	**110.2%**	**89.8%**
Board Area (Km^2)	**5,599**	**5,599**
Number of Trustees	**5**	**5**

2. Governance and School Board Administration – Findings and Recommendations

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

Governance and school board administration processes are reviewed to:

- Understand how the governance model supports operational effectiveness and delineates the division of duties between the board of trustees and the administration;

- Assess the development of the annual plan (including the goals/priorities) and actions to engage and communicate with key stakeholders and the related reporting against the plan;

- Assess how policies and related procedures are generated and maintained;

- Determine whether staffing levels and organization structures provide for clarity of roles and accountability sufficient to carry out the school board's objectives;

- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

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

Establishment of an Effective Governance Model

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The school board's governance model clearly delineates the division of duties and responsibilities between the board of trustees and the director of education to support an effective working relationship.	Yes

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

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

Decision Making Processes

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees and senior administration have appropriate processes for decision making to address student achievement targets and operational performance.	Yes
The board of trustees and senior administration have appropriate processes for the establishment and regular maintenance of policies and administrative procedures for the efficient and effective operation of the board.	No

Organizational Structure and Accountability

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The organizational structure has clearly defined organizational units that delineate roles and responsibilities, minimize administrative costs and ensure effective and efficient operation.	Yes
A departmental organization chart (supplemented with a directory of key staff contact information) is publicly available on the board's website.	Yes

Succession and Talent Development

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
As part of the Ministry's Ontario Leadership Strategy, the director of education, with support from HR, has established a formal Succession and Talent Development Plan to build and sustain leadership capacity.	No

Stakeholder Engagement

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

Establishment of an Effective Governance Model

The Board has adopted a governance model which delineates its roles and responsibilities and those of the senior administration. The policy on the *Role of the Catholic Trustee* stipulates that the Board makes policy, while the school board implements and monitors the board's administration and monitors its effectiveness. The policy also contains definitions of the role and commitments of individual trustees, and the role of the Director of Education.

Each trustee of the Board has responsibility over specific types of issues, including management, education and personnel-related issues. Management noted that such assignment of responsibilities among trustees helps establish continuity of knowledge of the school board's history in each area, and provides a single first point of contact.

The Board's mission statement supports a collaborative approach to governance. The Board and senior administration have a positive working relationship, and there is openness and trust between trustees and school board administration. The Board has a clear understanding of the role of the Director as the sole employee of the school board with the responsibility for day-to-day operations.

The Director and the Board maintain open lines of communication, and share information in an open and transparent manner. The Director facilitates an open and positive relationship with the Board through regular formal and informal meetings. The Director initiated a Director's Symposium on Catholic Leadership – a spring retreat which brings together system leaders, trustees, and emergent leaders to celebrate Catholic education and the school board's mission statement. There are also two trustee dinners held each year and a Deanery dinner, which provide an opportunity for staff, trustees and the broader Catholic school board community to network and build relationships.

The Board should continue to review its governance model and relevant policies within the context of the Student Achievement and School Board Governance Act. The amendments to the Education Act clarify what is expected from school boards, trustees, board chairs, and directors of education to support improved student achievement. The Board should also consider establishing a code of conduct for trustees.

The standing committees of the Board include:

- Education Committee

- Management Committee

- Personnel Committee.

The Board's *ad hoc* committees also include:

- Special Education Advisory Committee

- Catholic Education Team ☐ Transportation Committee

- Calendar Committee.

The Board has started working to establish an Audit Committee.

The Board does not have a formal self-evaluation process, but trustees have informal discussions on improvements in the Board's performance.

Development of the Board's Strategic Directions/Plan

The Board's current strategic plan 2007-2010 is based on four strategic pillars:

1. Our Catholic identity;

2. Student achievement-elementary;

3. Student achievement, system accountability and secondary schools, safe schools and school councils;

4. Financial accountability and transparency.

Each strategic priority is supported by expected outcomes, strategies, indicators of success, timelines, and responsibilities. The documented plan contains an area for status tracking. Overall, the current strategic plan of the school board contains operating goals, or strategies, for each year of the plan, and is therefore both a multiyear strategic and annual operating plan of the school board.

As the Board's current strategic plan is approaching completion, the Director and the Board have recognized the need for establishing a new strategic plan. This would set a long-term direction and goals for the school board and identify key processes in the academic and business areas to help support the school board's overarching strategic goals. The Director of Education, with support from the Board and the senior administration, has embarked on a new strategic planning initiative, the *Strategic AlignmentProcess*. As part of the strategic alignment process, the school board has adjusted its management structure to enable the administration team to focus equally on the Board's multi-year strategy (three-year timeline) and operations (one-year timeline). The Director has preliminarily established two strategic themes for the new strategic plan: Growing as a Whole Person, and Delivering Excellent Service.

The new strategic plan will also strengthen the link between the academic programs and operations/resources management of the school board. As a starting point in the development of a new multi-year strategic plan the Director has presented the *Evidence of Our Growth* document, which highlighted the school

board's achievements in three areas: Our Catholic Identity ("who we are", Student Achievement and System Accountability, K-12 ("where we are") and Financial

Accountability and Transparency ("how we mobilize"). Using the *Evidence of Our Growth* document, the Director has been conducting numerous meetings with system stakeholders to collect feedback and input for the development of the new strategic plan. The strategic planning process is also regularly discussed with the senior administration, as it requires decisions on re-allocation of resources.

The school board has hired an external consultant from the Ontario Institute for the Studies in Education (OISE) to support senior administration in identifying strategic priorities in the area of student achievement, through a process of collaborative inquiry.

The school board has incorporated its strategic priorities into the 2009-10 Board Improvement Plan (BIP), which contains the current year and multi-year goals focused on student achievement. The BIP is reviewed annually.

Once the school board establishes a new strategic plan, management should continue establishing annual operating goals and priorities for academic and business functions. These annual priorities should be aligned with the strategic plan, and documented in a school board's operating plan, with accompanying indicators of success, timelines and responsibilities.

The Director provides periodic reports to the Board on progress against the strategic priorities. In the past, the Director provided reports in the fall and in the spring. The reporting cycle has changed to provide monthly reports on student achievement goals and strategies during Board meetings. The Director also prepares an Annual Report, which is focused on student achievement, but also addresses the key aspects of school board operations.

Decision-Making Process

The Board by-laws include protocols for conducting activities of the Board. The bylaws include elections of a chairperson and vice-chairperson, order of business, meetings of the Board, rules of order, rules for the Committee of the Whole and *incamera*meetings of the Board, and rules for *ad hoc* committees of the Board. The Executive Council identifies items that require Board approval. Some issues for Board discussion are identified as result of previous presentations made at Board meetings.

The Director and the Chair establish the agenda for Board meetings. The Board bylaws contain the standard order of business of the Agenda. Any person or a

delegation wishing to bring a matter to the attention of the Board has to discuss the matter with the Director of Education (or designate).

The Board establishes new policies or updates the existing policies when the Director identifies the need. Senior administration prepares a draft policy, which is reviewed and discussed by the Board, and finalized through iterative reviews by the trustees. The Board's policies are supplemented with administrative procedures and integrated in one document. All policies are posted on the school board's website.

The school board last conducted a review of all policies over three years ago. Some policies posted on the school board's website indicate that they were last reviewed in 2004. There is no established review cycle for the review of policies. Currently, an update to an existing policy is only initiated when issues are identified in the existing policy or due to regulatory changes. The Director intends to establish a policy review schedule for another comprehensive review of all policies.

Organizational Structure and Accountability

The school board's senior administration is represented by the Executive Council, which consists of the Director, the Superintendent of Business Services, and two superintendents of education. The Executive Manager of Employee Relations and representatives from school principals are invited to take part in the monthly Executive Council meetings. All supervisory officers and the Executive Manager of Employee Relations report to the Director.

The senior administration has an up-to-date organization chart that outlines the roles and organizational units. The school board has published its organizational chart on the website.

Succession and Talent Development

The school board has implemented several initiatives to support succession and talent development. The *Growing Our Accountable Leadership Program* (GOAL) provides a learning opportunity for academic staff who have completed their qualifications for leadership and have indicated a strong interest in school leadership at the vice principal level. The *Catholic Leadership Development Program* provides professional development opportunities for educators who are interested in leadership opportunities. Management also supports teachers who aspire for leadership positions by providing placements in vice-principals positions. In line with the Ontario Leadership Strategy, the school board has implemented several initiatives for succession planning and talent development to support new

and experienced principals and vice principals. These initiatives include the *Annual Director's Symposium* and the *Catholic Leadership Framework Mentoring Program.* The three components of the differentiated mentoring program include mentoring to administrators with two years or less in their current position, collaborative learning partners, and coaching priorities.

Within the school board administration, there is informal mentoring and support to staff interested in pursuing senior management positions. The two superintendents of education are currently taking part in the two-year leadership development program with the Ontario Directors of Education Institute on Leadership and Strategic Impact. This is an executive development program developed by the Learning Partnership, in association with the Council of Ontario Directors of Education (CODE) and the Rotman School of Management. One school principal has recently completed the supervisory officer qualification requirements, and three principals have completed post-graduate degrees with the intent to continue with the supervisory officer qualification program.

The school board has not established a formal succession plan. Management noted that it awaits guidance and templates from the Ontario Leadership Institute to formalize the school board's succession plan. A formal succession plan would help the board manage retirements and resignations of key executives, superintendents, administrators and managers and would include senior staff in both academic and non-academic functions.

Stakeholder Engagement

The school board has a variety of formal mechanisms for communication and stakeholder engagement. The Director publishes a monthly newsletter on the school board's website. The newsletter provides information to the system on the latest news within schools and the community, highlights activities and achievements by both staff and students, and lists upcoming events. The Director's Newsletter is distributed monthly to parents, staff and the wider community.

The school board has recently improved its website and revised the format of communication materials. Management has prepared a draft survey to collect stakeholders' feedback on the effectiveness of the school board's communication efforts. The results of the survey will be used to inform the school board's communication strategy. Management is currently considering a proposal to hire an external communications consultant to further improve communication activities.

The Director or the Chair acts as the school board spokesperson, depending on the nature of the issue. In communicating with the stakeholders, the Chair and the Director always work closely together to ensure a consistent message.

The Director and supervisory officers take part in a number of regional and provincial committees. The Director serves on a number of professional committees, such as

Ontario Catholic Supervisory Officers' Association (OCSOA), Council of Ontario Directors of Education (CODE) and has been actively involved in Ministry of Education Curriculum Council. The Superintendent of Business serves on the Ontario Association of School Business Officials (COSBO) and the superintendents of education have taken active roles in the Catholic Principals' Council of Ontario (CPCO).

Recommendations:

- The school board should continue with its intention to establish a formal policy review schedule to ensure that all policies are reviewed periodically.

- The school board should continue to align its leadership development programs and activities with the Ministry's leadership initiatives. It should develop a formal Succession and Talent Development Plan in line with the Leadership Succession Planning and Talent Development Ministry Expectations and Implementation Continuum. This should include senior staff in both academic and non-academic functions.

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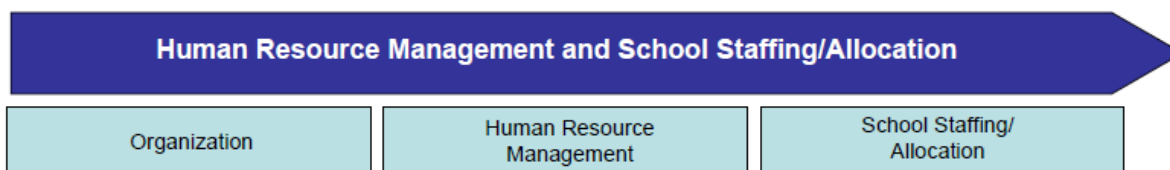
Effective management of human resources ensures an adequate number of qualified staff throughout the organization can perform their prescribed duties. Policies and procedures to develop staff are in place, through performance appraisals, professional development and support services. Staff allocations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

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

3.1 Human Resource Organization

The review of the organization of the HR department assesses:

- Whether appropriate policies and procedures have been established and maintained to support the HR functions and required priorities, and whether they are aligned with the school board's directions;

- Whether an annual departmental plan setting out the goals and priorities and their alignment to the school board's strategic directions has been established;

- Whether the roles and responsibilities of staff support the key functions, activities and practices of HR;

- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Development and Reporting of Annual Goals and Priorities

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

Organizational Structure and Accountability

Leading Practices – Human Resource Organization	Evidence of Adoption?
The HR department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available to the public.	Yes
Senior HR staff have appropriate designations (e.g., Certified Human Resource Professional, etc.).	Yes

Monitoring and Communication of Policies

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

Development and Reporting of Annual Goals and Priorities

The HR department identifies annual goals and priorities through an informal process. Each year, the department establishes a schedule of key recurring activities, which are linked to the performance appraisal cycle, staffing allocation, requirements of collective agreements, and various types of reports. The

department has established a four-year schedule of key dates within collective agreements.

The HR department conducts monthly staff meetings to discuss issues and upcoming events and activities. The Executive Manager of Employee Relations is a member of the Executive Council, and provides regular updates to the senior administration team on the activities and initiatives of the department.

Organizational Structure and Accountability

The Executive Manager of Employee Relations provides leadership for the department and makes regular updates to the senior administration team. There are four positions reporting to the Executive Manager: the Human Resources Officer, the Human Resources Secretary, Payroll/Pensions Clerk, and Payroll/Benefits Clerk.

The Executive Officer reports to the Director of Education, and collaborates with the Superintendent of Business and Manager of Finance on matters affecting payroll, employee benefits and employee/union relations. The department plays a key role in providing services to the academic staff of the school board, by ensuring qualified professionals are supporting the school board's goal of student success. The HR department has an up-to-date organizational chart and has documented all positions with formal job descriptions. The organization chart is published on the school board's website. The directory of the school board's administration is accessible on the school board's website.

HR staff members are qualified as per job specifications, based on their experience and qualifications. Currently, the HR Officer is working towards the Certified Human Resources Professional (CHRP) certification.

Monitoring and Communication of Policies

The HR department is responsible for implementing Board policies on hiring and recruitment, performance appraisal, administration and management of all employee benefit plans, and employee assistance and support programs. All policies are published on the school board's website, and are accompanied by administrative procedures. In addition, the HR department has established a number of internal administrative procedures.

The HR department informs employees of the school board on changes in HR policies and procedures. The HR department has implemented many centralized processes, which enable HR staff to monitor compliance with the existing policies

and procedures. The HR department also informs school principals on specific topics related to the HR policies and procedures during regular principals meetings.

Recommendation:

- The HR department's annual planning should be enhanced by establishing an annual departmental operating plan. The plan should include specific and measurable targets and indicators, and assign responsibilities and timelines for key activities. This would enable management to track and report on the progress of its defined priorities and goals throughout the year. In the development of the annual department operating plan, management should ensure alignment with the school board's annual operating plan

3.2   Human Resource Management

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

- Planning and processes are in place for the recruitment and hiring of the appropriate number of qualified staff to support the student achievement targets;

- Appropriate processes are in place to promote the personal and professional growth of all staff;

- Adequate systems and procedures are in place to manage employee compensation plans, labour relations, employee performance and attendance, and other support services to foster employee satisfaction;

- Opportunities to support continual improvement in the effectiveness and efficiency of all processes can be identified.

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

Staff Recruitment/Hiring

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

Labour Relations

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

Employee Performance Evaluation Processes

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

Attendance Management Processes/Programs

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

Leading Practices – Human Resource Management	Evidence of Adoption?
Management periodically reports on the effectiveness of the attendance management processes/programs to senior management and the board.	No

Management of HR and Payroll Data

Leading Practices – Human Resource Management	Evidence of Adoption?
Payroll processing is segregated from employee data records and changes to data are adequately controlled.	Yes
HR records are current, including the formal tracking of teacher qualifications and experience.	Yes
HR management has implemented an approved pay equity plan, which is reviewed periodically and amended as necessary.	Yes

Management of School Board's Benefit Plans

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

Monitoring Staff Satisfaction

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

Staff Recruitment/Hiring

The Board's policy and administrative procedures for the hiring of teachers, subject coordinators, department heads, consultants, and coordinators are published on the school board's website. The HR department has also established internal administrative procedures for recruitment and hiring.

Management noted that over the past several years, the most effective recruitment tools have been advertising on the school board's website and *Apply to Education*. There is ongoing recruitment for casual staff. The HR department receives and screens all applications before they are considered for any positions. All applications are kept on file for one year.

The HR department's internal administrative procedures outline standard processes for the hiring of all staff groups. The HR department facilitates the staffing process by discussing a potential vacancy with the principal or supervisor, approving all postings, approving recommendations to hire, and conducting reference and criminal background checks.

Upon approval by the Director of Education, the Executive Manager of Employee Relations posts the position internally on the school board's intranet. If no qualified internal applications are received or are currently on file, the vacancy is posted externally on *Apply to Education*. Depending on the position, interview teams may consist of two principals or vice-principals, one curriculum leaders and one principal and/or manager, or one manager and a supervisory officer. Trustees are involved in hiring of the senior administrative staff and principals.

The HR department staff participates in all interviews for supply non-teaching staff, support staff, and principals. The HR department contacts all selected candidates, based on screening of applications, and schedules interviews. The department also provides interview teams with the necessary training, advice, standard interview questions, and evaluation sheets. Subsequent to the interview, the interview team completes the summary sheets and meets with the Executive Manager of Employee Relations. The HR department checks references for the candidates recommended for hiring, and makes the final recommendations.

The OECTA collective agreement sets out the procedure for recruitment and hiring of long-term occasional teachers. All long-term occasional teacher positions are first advertised internally, and priority of consideration is given to occasional teachers who have completed their probationary period. To maintain a list of short-term occasional teachers, the school board conducts a series of interviews in the spring.

Similar to other school boards, the school board experiences some difficulties recruiting specialist teachers, such as French-language or other qualifications.

Labour Relations

In general, the school board has open lines of communication with the unions, which includes both formal and informal practices. To address collective bargaining issues, the school board has established committees for all bargaining units:

- Joint OECTA Elementary Staffing Committee

- Joint OECTA Elementary Professional Development Committee

- Joint OECTA Secondary Staffing Committee

- Joint OECTA Secondary Professional Development Committee

- Local School Staff Advisory Council – OECTA Elementary and Secondary

- Board Benefits Committee

- Cooperative Communications Committee – OECTA

- Union Management Committee – CUPE

- Board's Cooperative Communication Committee – all staff.

Management noted that the school board has a positive working relationship with CUPE. The custodial staff of the school board are non-union, and represented by an association. Management noted that it is working closely with OECTA to further develop a positive working relationship and address potential grievances informally.

The trustees have not been directly involved in the negotiations process. However, management keeps trustees informed about the negotiations' process.

The school board maintains a timely and effective approach in response to labour issues. HR staff provide advice and support to school principals in addressing potential grievances.

Employee Performance Evaluation Processes

The Board has a policy statement on evaluation, supervision, and the staff development program. There is formal guidance on the performance evaluation process for all staff groups. It is noted in the formal guidance that the evaluation,

supervision, and staff development program of the school board is generic, and includes all job classifications.

It is also emphasized that the various employee groups have been, and will continue to be, involved in the development, implementation and review of procedures appropriate for their occupational classifications, based on the guidelines. The guidance document contains appendices with an overview of the process for unsatisfactory performance evaluations. While there is formal generic guidance on the performance evaluation process for all staff groups, there are no specific formal procedures for the performance evaluation process for all staff groups.

The HR department provides notifications to principals and supervisors regarding outstanding performance evaluations. Completed performance evaluations are signed by the principal or supervisor and sent to the HR department. The HR information system allows for tracking of completion of evaluation appraisal and scheduled evaluations.

In line with the Ministry's *Supporting Teaching Excellence* document, the school board evaluates its experienced teachers on a five-year cycle. The school board has established formal policy and procedures on appraisals of teachers. New teachers are reviewed during the first and second year as part of the New Teacher Induction Program (NTIP). At the beginning of each year, the HR department notifies principals on appraisals due to be completed.

The Director's contract outlines an annual performance evaluation process. Each year, the trustees meet with the Director to discuss performance and identify next steps.

Management applies progressive discipline procedures in addressing issues among staff. For unionized staff, the provisions of collective agreements guide any disciplinary actions. The HR department provides support to staff in understanding and applying the progressive disciplinary procedures. The school board has not established formal disciplinary policies and procedures for all staff, which would identify issues in job performance from behavioural issues.

The HR department supports the professional development of HR staff and other staff groups, when appropriate. The HR department is actively involved in planning professional development activities for support staff. The HR department coordinates mandatory training for all staff groups, including health and safety training and Religious Education Part 1 for teaching staff. The school board has developed a booklet which identifies professional development opportunities for

teaching staff and all employees of the school board in the areas of faith, the induction program for new teachers, leadership development and mentorship, and support for new and experienced school leaders. The booklet is updated annually. The HR department is working with the unions to identify professional development priorities for unionized staff.

Attendance Management Processes/Programs

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

Over the past two years, the school board has been working with external consultants to establish a formal disability management program. The consultants also provide assistance to the school board in managing WSIB claims and issues. The HR department has implemented an informal stepped approach for attendance support, using the analysis of attendance data. However, the school board has not yet established a formal attendance support program.

The HR department uses a fully automated attendance reporting and tracking system. Absence notification is entered into the system directly by employees, and an automated message is sent to supply staff. Employees reporting absence are not required to notify their supervisor directly. Management could consider establishing such a requirement in addition to the automated notification as a way to support staff attendance. With assistance from the external consultants, the HR department has established formal procedures for attendance reporting as part of the disability management program. The HR Officer reviews attendance reports generated by the system bi-weekly, and identifies trends and significant deviations. Once the attendance data is reviewed, it is uploaded in the HR information management system. The HR department uses the analysis of the attendance data to initiate informal discussions with employees to review the accuracy of absence reports, identify issues, and offer support.

HR's internal administrative procedures mandate that for any absence of three or more consecutive working days related to illness or injury, the employee's immediate supervisor may request documentation from a medical practitioner. If the documentation identifies medical restrictions/limitations that are preventing employees from working, the Executive Manager of Employee Relations, or designate, are notified.

When the employee is going to be absent for more than 10 consecutive working days, the employee is required to notify his or her immediate supervisor. The immediate supervisor notifies the employees that the HR department will be notified of the employee's absence, to enable early intervention and facilitate a safe and timely return to work. The return to work plan and accommodation plan are developed jointly by the employee and the HR department, on a case-by-case basis. The HR department's internal administrative procedures also include procedures for sick leave benefits, responsibilities of employees' supervisors, the HR department and the Director of Education, accommodation and return to work procedures, and development of a remain at work (RAW) or return to work (RTW) plan, employee leave requests, and resignations/retirements.

The HR department approves all employee requests for personal days, floater days, and discretionary days without pay. Immediate supervisors or managers must approve requests for vacation days. Vacation days are entered by the employee directly in the attendance tracking system or a request is sent to the HR department to record vacation days in the system,

Management of HR and Payroll Data

The payroll function is part of the HR department. Management maintains appropriate control mechanisms to ensure the segregation and integrity of personnel and payroll data. Each member of the HR and payroll staff has a security profile which determines specific access to the database modules. HR staff are solely responsible for entering or changing the employee personnel file. This information then flows to payroll. The database maintains an audit trail of all changes, indicating the username, date and time of change. The school board contracts out payroll processing.

The HR department collects QECO certificates as part of the new-hire process to determine qualification levels. Teachers are required to submit their request to QECO to have qualifications evaluated, and then submit the QECO certificate to the HR department for the position to be reclassified. Each year in September, the HR department synchronizes its data with the Ontario College of Teachers.

The school board has current pay equity plans for all staff groups. The school board last conducted a review of all pay equity plans in 2005-06.

Management of the School Board's Benefit Plans

The HR department is responsible for ensuring that all eligible employees are aware of the available benefit plans and options, and are enrolled in the plans.

The school board contracts external benefits consultants to regularly review the existing benefit plan, and negotiate new plans. The school board's benefit consultants also take part in the Employee Benefits Committee. Management uses comparative market information from benefit consultants to ensure that the benefit plans are competitive. The benefit consultants also provide quarterly reports on the school board's benefit plans, which are shared with the Board.

The school board has not conducted independent compliance audits of its benefit plans. Management noted that the school board has recently modified the long term disability benefits plan to reduce costs.

Data transfer among benefits, payroll and OMERS is automated and synchronized through "e-access". The Ontario Teachers' Pension Plan (OTPP) information is submitted via the Teacher Information Management system (TIM).

Monitoring Staff Satisfaction

Management has conducted several surveys across the system to collect staff feedback on professional development opportunities and leadership development needs. However, management has not conducted confidential staff satisfaction surveys to obtain feedback on general attitudes of staff. The HR department does not conduct exit interviews.

Recommendations:

- The HR department should build on the generic guidelines for performance evaluation of all staff groups and continue developing formal procedures for performance appraisal of each staff group. The procedures should include standard templates and supporting materials to be used by supervisors conducting performance appraisal.

- Management should continue identifying options for the development of a comprehensive attendance support program.

- Once the formal attendance support program is established, management should develop a mechanism to assess and report on the effectiveness of the attendance support process to senior administration and the Board.

- The school board should document and communicate formal disciplinary policies and procedures for all staff.

- Management should conduct independent compliance audits of the school board's insurance carrier to ensure adherence to the benefit plan's terms and conditions.

- Management should conduct periodic and confidential staff surveys, to improve communication with staff and provide input for professional development plans and HR policy.

- Management should consider conducting exit interviews to obtain input for HR policy, as well as process and program improvement.

3.3 School Staffing/Allocation

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

- Assess whether accurate and efficient processes are in place to forecast and plan for staffing needs to support student achievement target strategies;

- Ensure that staff optimization allocation processes are in place, supported by an effective attendance management system;

- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Processes for Annual Staff Planning and Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
The school board policies and procedures govern the development of an annual staffing plan and allocation process that reflects the priorities of the Board and Ministry initiatives.	Yes
The staff allocation process monitors adherence to key Ministry and board policy parameters, such as: class size, prep time, collective agreement requirements and other board directions.	Yes

Monitoring and Reporting on Staff Allocation

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

Processes for Annual Staff Planning and Allocation

The HR department has established formal internal procedures for the staff allocation process. In addition, the department provides guidelines to school principals on the staffing allocation process each year.

The allocation model for elementary teachers is based on the provisions of collective bargaining agreements, primary class size requirements, enrolment projections, and other considerations, which are clearly outlined in the allocation guidelines. Each January, staffing allocation worksheets based on current enrolment numbers and projections for the next school year are sent to school principals. Once the preliminary worksheets are completed, the superintendents of education and the Executive Manager of Employee Relations meet with each principal to determine the allocation of staff for each school. The Director of Education approves the final class structures. Approved staffing worksheets are shared with the principals. The HR department is responsible for managing personnel changes resulting from the staff allocation process.

The Director of Education determines the allocation for secondary schools, based on the previous year's enrolment data and projected enrolment for the next school year. Staffing worksheets, with the staffing levels pre-approved by the Director, are then sent to school principals, who determine staff assignments and requirements for the next school year.

Special education staffing allocation is based on needs identified by the special education department. A team of special education staff visits all schools to determine student needs and determine an appropriate level of special education staffing.

The staffing allocation is approved by the Board as part of the budget development process. In September, actual allocation and variance from the original allocation is also reported to the Board.

Allocation of school principals follows a historical pattern which assigns one principal to each school. There is a principal in each school with one exception where a single principal is responsible for two schools. The Executive Council makes decisions on allocation of principals, vice-principals, and school clerical staff.

Monitoring and Reporting on Staff Allocation

As part of the staff allocation process, management ensures compliance with key Ministry and school board policy directives, such as class size, prep time, collective agreement requirements and other board parameters. The board of trustees is not directly involved in the development or monitoring of staff allocations.

The Business Services department is responsible for enrolment projections. Enrolment projections are reviewed carefully during the first two weeks in September to determine if staffing allocation adjustments are required. All required teacher staffing adjustments are presented to the Executive Council for review and approval prior to being implemented. Once actual enrolments have been confirmed for October 31, any significant variances from September enrolment numbers are reviewed by the Executive Council to determine if further teacher staffing adjustments are necessary.

HR will only post relative positions where there are vacancies according to the level in the staffing allocation model.

Management periodically reports on the actual allocation of staff compared to the original approved allocation plan and budget. Management provides reports to the Executive Council, which approves any variances in the original staff allocation. As part of interim financial reporting, management provides reports on staffing to the Board.

4. Financial Management – Findings and Recommendations

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

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

4.1 Finance Organization

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

- The establishment of policies and procedures to support the key finance functions, activities and required business priorities and their alignment with student achievement targets;

- Finance department support of the overall goals/priorities and accountability measures established by the school board;

- The efficiency and effectiveness of the departmental structure and support of the roles and responsibilities for the key functions, activities and practices;

- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Finance Organization	Evidence of Adoption?
The finance department's goals and priorities are documented in an annual departmental operating plan that is aligned to the annual board operating plan accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified accountability.	Yes

Organization Structure and Accountability

Leading Practices – Finance Organization	Evidence of Adoption?
The finance department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available.	Yes
Finance department staff have the appropriate finance/accounting designations and experience.	Yes

Monitoring and Communication of Policies

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

Development and Reporting of Annual Goals and Priorities

In 2009, the Business Services department conducted an internal review, with the goal of establishing the short-term priorities for the department and further clarifying the roles and responsibilities within each function of the department. Using the results of the review, management established an annual operating plan for the department which was presented to the Executive Council in January 2010. The

department plan presented to the Executive Council sets out annual, monthly, and weekly tasks, identifies projects to be completed over the course of the year, indicates responsibilities, and includes estimated time commitments for all tasks and projects. The department managers meet weekly to monitor progress in implementing the plan.

In the development of the annual operating plan, management has ensured alignment with the school board's strategic plan, leading practices identified in the Ministry operational review guide, and feedback received from the senior administration team following the first presentation of the draft plan to the Executive Council. The establishment of the annual operating plan has created a framework for formalizing processes of the Business Services department. The process has also led to clarifying the mandate for each function within the department. As part of the internal review and planning process, the management team of the Business Services department has had several professional development and capacity building retreats.

The management team of the Business Services department meet weekly following the Executive Council meetings to discuss key issues raised at the Executive Council meeting, and discuss issues reported by each department's function. The Superintendent of Business has recently provided an update to the Executive Council on the operating plan of the department. Subsequent reports will be given to the senior administration team on a quarterly basis.

The Board makes decisions on financial matters of the school board in the Committee of the Whole *in-camera* meetings and in regular sessions in accordance with the Board By-laws. The meetings of the Board which are dedicated to financial issues are chaired by the trustee who is responsible for management issues of the Board.

Organizational Structure and Accountability

The Business Services department is responsible for the finance function of the school board. The Manager of Finance manages the day-to-day operations of the finance department, and reports directly to the Superintendent of Business. The Manager of Business Services is responsible for some aspects of the financial management and leads specific initiatives such as the implementation of EFTs and tangible assets tracking. The Finance department also includes a Business Analyst, who is responsible for school-generated funds, support to users of the financial system and administration of the payroll system.

The Business Services department has an organization chart. The school board's website provides contact information for key staff in the Business Services department. There are formal job descriptions for all finance staff. Finance staff have appropriate professional designations and experience.

Management noted that the school board does not have a dedicated purchasing function. The school board's web-based purchasing portal has been designed to help ensure that appropriate authorizations are completed before purchases are made.

Monitoring and Communication of Policies

The Finance department has established formal policies and procedures pertaining to fiscal management, including purchasing, staff expenses, school budgets and school-based funds. A number of policies and procedures are posted on the school board's intranet.

In addition to the policies and accompanying procedures, the department has established many documented procedures to guide its day-to-day operations. For example, there are documented accounts payable processes, which are used for staff training and business continuity planning. The Business Services department also provides electronic memoranda to school administrators on specific processes. For example, the department has provided instructions to schools on the allocation of the principal budgets to various accounts. Management noted that the department is currently working on cataloguing all documented instructions and guidance in a manual.

Each school has a copy of the manual with finance-related policies and procedures. The Finance department is reviewing its administrative procedures on purchasing, and working to develop new administrative procedures for the investment of surplus funds.

The Finance department provides formal training sessions on financial policies and procedures for school principals and vice-principals at the beginning of each school year as well as during the course of the year. The department has also implemented various approaches to the training of school secretaries and other budget managers. Management noted that school secretaries and budget managers find one-on-one training to be most useful and effective. All changes in policies and administrative procedures are communicated to relevant staff. Various announcements, tips and postings related to business processes and procedures are posted on the school board's intranet. There is a shared documents area on the

intranet that includes all documented processes pertaining to financial management.

4.2   Budget Planning and Development

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

- Understand the linkages between the board of trustees' goals and priorities and the operational budgeting process;

- Assess whether sufficient transparency and controls exist in the budget planning and development process;

- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Annual Budget Development Process

Leading Practices – Budget Planning and Development	Evidence of Adoption?
The annual budget development process is transparent, clearly communicated and incorporates input from all key stakeholders including management (with principals), board of trustees and the community.	Yes
Management has adopted an integrated (at school board and school level) approach to enrolment forecasting that drives the budget process.	Yes
Budget planning processes account for all required cost and revenue changes.	Yes
Staffing costs are compared with similar school boards and the funding model to ensure efficient use of resources.	Yes

Risk Mitigation and Board Approval

Leading Practices – Budget Planning and Development	Evidence of Adoption?
Management identifies and documents all significant risks during the budget planning process and develops strategies to mitigate the risks of spending beyond authorized/budgeted levels.	No

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

Annual Budget Development Process

In February, the Board approves a budget procedures manual prepared by management. The manual contains a summary of implications of the funding model, sets out an action plan and timelines, and summarizes the budget process. This, includes the roles and responsibilities of the Executive Council, the Board and the community. The manual is distributed to all supervisory officers, principals, coordinators, and department managers.

The budget development process begins in January, when enrolment information is collected from principals and overall enrolment patterns and projections are prepared and analyzed. Once the GSN is announced, management begins to prepare revenue projections and provides a report to the Board on potential impacts on the school board's budget.

In March, the departments and individual schools prepare departmental expenditure estimates, based on the guidelines provided by the Business Services department. The Business Services department provides a standards template to each department and school for budget requests. All budget holders have access to historical budget data, which is used as the basis for the budget request. Each budget holder is provided with an opportunity to speak to the Executive Council to explain their plan for the year, specific initiatives, and needs. The Executive Council and the Finance department discuss budget requests and prioritize to reach a balanced budget. This prioritization is based on the alignment with the key goals of the school board's strategic and annual plans.

Superintendents responsible for departments communicate budget decisions made by the Executive Council to the budget holders. The Finance department uses the financial system to record each draft of the budget. This enables the department to compare each draft with the previous draft and budget information from previous years.

Throughout the budget development process management conducts several meetings with trustees. In April, management discusses any high-level information pertaining to projected revenues with the trustees. Once the GSN is finalized in midMay, management conducts a full-day budget meeting with the trustees to discuss expenditures. During this meeting, superintendents present their sections

of the budget and explain how estimated expenditures have been prioritized based on Board priorities. Following this meeting, the special education budget is presented to SEAC. The school board also provides an opportunity for the community to provide input and feedback, through presentations to the Parent Council.

In June, the final draft budget is presented to the Board for approval. Management noted that in the past, the Executive Council took decisions on overall budget reductions across the discretionary areas of expenditure, or within specific budget lines.

The use of the financial systems for budget development has improved transparency among the departments in the budget development process. Finance staff provide ongoing support to budget holders in improving budget accountability and budget management practices.

Management monitors the provincial staffing benchmarks through OCSTA and various provincial discussion tables. Staffing costs for non-teaching staff of the school board account for market conditions within the school board's areas and other school boards. Management also considers non-teaching staffing costs in other comparable Catholic school boards.

Risk Mitigation and Board Approval

Management is aware of key areas of budget risk for the school board. Throughout the budget development process, specific budget pressures are identified by management, and incorporated in the budget. However, management does not formally document budget risks and mitigation strategies in a report that summarizes the nature, probability of occurrence, potential impact, and proposed mitigation strategies.

Management has implemented several key controls to mitigate the risk of spending beyond authorized levels. For example, the school board's financial system requires an authorization by the Superintendent of Business for any purchase that exceeds the established budgetary limit. The Human Resources department has implemented controls in hiring of staff. Each request for additional staffing is presented to the Executive Council for consideration. The HR department and Finance department conduct ongoing monitoring of staff allocation through regular reconciliation of the actual and budgeted full time equivalent staff. This comparison is reported to the Board through interim financial reports.

The school board maintains reserves for working funds to deal with future budget pressures. Reserve funds are earmarked for specific purposes, and their use requires Board approval.

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

At the beginning of the budget cycle:

- Identification of significant expenditures not explicitly included in the budget, but may arise due to unforeseen circumstances.

- Assessment of the probability of occurrence for each budget risk, as well as a quantification of the impact to the budget should the risk materialize.

- Proposed mitigation strategies to minimize the probability of occurrence for each risk, as well as contingency measures that management will undertake should the risk materialize.

Throughout the budget cycle:

- Periodic reporting of material budget variances that may negatively impact the financial outcome of the board - this may be communicated through the interim financial reports.

- An update on the probability of occurrence, quantification and impact of each of budget risk identified formally at the beginning of the budget cycle.

- Any new budget risks not previously identified.

The level of detail of the budget risk mitigation plan will depend on the preferences of management and the Board. At a minimum, the Finance department should consider consolidating key risks and mitigation strategies into a single risk management plan/report, which could include a summary outlining the above elements in a table format.

Recommendation:

- Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and

updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels.

4.3   Financial Reporting and Analysis

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

- Assess whether procedures are in place to ensure that management, the board of trustees and the Ministry receives timely, accurate and complete financial information of all school board activities;

- Identify opportunities to support continual improvement in the effectiveness and efficiencies of all processes;

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

Integrated System for Variance Analysis and Financial Reporting

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

Interim and Annual Financial Reporting

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Interim financial reports provide sufficient detail (including a comparison of actual to budget and to appropriate benchmarks and with appropriate variance explanations) for a clear understanding of the status of the current year's budget and the outlook for the year.	Yes
Senior management is held accountable for the integrity of financial reporting through formal sign-off and approval procedures.	No
Management completes and files all financial reports in accordance with established timelines.	Yes

Audit

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

Integrated System for Variance Analysis and Financial Reporting

The school board has an integrated financial system that provides adequate, timely, and accurate information to management, school staff, and the board of trustees.

The financial system includes the following modules: accounting, accounts receivable and account payable. Management noted that the chart of account module of the system has been aligned with Schedule 10 in the EFIS financial reporting. The school board is also using the Portal feature of the financial system to post announcements, reminders and shared documents, including finance-related procedures. The financial system is integrated with the attendance tracking system and the HR information management system to enable tracking of supply teachers costs. The Manager of Finance sets new GL accounts.

The school board takes part in a user group with other school boards using the same financial system. The group meets periodically with vendors for feedback and to discuss emerging issues.

All budget holders have online access to financial reporting information and the purchasing module. The Finance department provides training for school administrators and other budget holders on the use of the financial system, for monitoring of department/school budgets and generating financial reports.

Interim and Annual Financial Reporting

The Finance department prepares several types of interim financial reporting. The department provides periodic reports to the Board, using the format recommended by the Interim Financial Reporting Committee (IFRC). The department also prepares a monthly financial report for the Executive Council.

Management noted that it provided two reports to the Board using the IFRC format of interim financial reporting. The trustees noted that the graphic presentation and summary information provided in the report is useful. Management intends to provide further orientation to trustees on the content and structure of the interim financial reports.

The Finance department prepares a more detailed monthly report for the Executive Council. This report is generated using the reporting feature in the financial system. The format of the report is similar to the structure of the budget that facilitates tracking of budget performance during the year. In addition, all departments may generate financial reports on an as-needed basis, using the financial system.

Audit

The Board does not have an audit committee. All audit issues are addressed by the Committee of the Whole. The external auditors report to the Board. The Board has an opportunity to conduct *in-camera* meetings with external auditors. Management noted, however, that the Board has not recently conducted *in-camera* meetings with the auditors.

Following the external audit, auditors prepare a management letter with audit findings and recommendations. Management provides an oral presentation to trustees on actions to address recommendations in the management letter. The school board has a long-standing relationship with the external auditors.

Finance staff conducts periodic internal audits of schools focused on school-based funds. However, there is no internal audit function at the school board. Management noted that the school board is awaiting progress in the implementation of the Ministry's initiative on regional internal audit services.

In December 2009, the Ontario legislature passed the Student Achievement and School Board Governance Act. These amendments to the Education Act clarify what is expected from school boards, trustees, board chairs, and directors of education to support improved student achievement. The amendments also promote good governance practices and sound financial management, by establishing audit committees. Now that the legislation has passed, the Ministry intends to bring forward a regulation on audit committees specifying the composition and requirements of these committees. Management noted that draft guidelines were presented to trustees who offered feedback and questions.

Recommendations:

- The school board should establish approval procedures for interim financial statements, and implement a formal sign-off process of these statements by senior management.

- Management should establish an internal audit function giving due consideration to the new Ministry's direction on internal audit.

- Management should ensure the internal and external audit plans are clearly documented and recommendations provided in audit reports are acted upon by senior management.

- Management and the board of trustees should consider establishing an audit committee that includes external advisors in accordance with the Ministry's emerging direction on internal audit.

4.4   Treasury Management

The purpose of reviewing treasury management processes is to assess:

- Whether processes are in place to ensure the optimal use of cash, investments and borrowings within school board;

- Whether sufficient internal controls exist to support cash management, investments and borrowings;

- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Cash and Investment Management

Leading Practices – Treasury Management	Evidence of Adoption?
Existence of an efficient cash management process to maximize interest income, using short-term investments where appropriate and to ensure that the board's debt service costs can be met to maturity.	Yes
Cash management activities consolidated with a single financial institution.	Yes
Management periodically reports to the board on the performance of the investment activity and the approved investment policy in accordance with the Education Act.	No
Management periodically compares the school board's banking terms and conditions to those of similar school boards.	Yes
Management monitors financial risk related to cash/investment management and has a plan to mitigate associated risks.	Yes

Cash and Investment Management

Management noted that the school board has negotiated favourable interest rates on the current account, and as a result is not currently making short-term investments.

In the past, the Finance department performed formal cash flow monitoring for capital projects.

The Manager of Business Services, who reports directly to the Superintendent of Business, conducts monthly bank reconciliations, using the school board's financial system. This responsibility has been assigned to the Manager of Business Services to ensure the segregation of duties between staff who conduct reconciliations and finance staff who are responsible for bank deposits. The Finance Manager reviews and approves the reconciliations. The school board uses electronic cheques.

The school board has been using the services of its current financial institution for over 15 years. The original agreement with the financial institution was part of a cooperative purchasing agreement among several school boards prior to amalgamation. Each year, management reviews the banking arrangements with the current financial institution and conducts informal comparisons with banking arrangements of other public sector organizations. Management also regularly reviews and analyzes offers provided by other financial institutions. The school board has conducted comparisons of financial terms with other school boards

through the OASBO Finance committee, which conducts surveys to compare terms and conditions.

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

The school board's cash management activities are consolidated with one financial institution. The school board has one general bank account, one payroll account, one trust accounts, and eight deferred salary accounts and an account for school fundraising. There is also an account for the school board's sinking fund. Management encourages but does not require schools to use the school board's financial institution, recognizing that some schools may not have convenient access to this financial institution. Schools are allowed to have only one general operating account and may also have a school council account and other accounts required by legislation.

There is no formal investment policy, and any interest earned is reported in financial statements.

Management has established many controls in cash/investment management activities. The school board only uses wire transfers for payments related to debentures. Payment instructions are forwarded to the bank which requires confirmation of the request. Wire transfers are authorized by the Superintendent of Business and the Director. Where possible, important documentation (including contracts) are kept in a safe or a secure vault. There is also an off-site back-up of all electronic data.

The school board tracks and reconciles the amount of school taxes from the large number of municipalities. The school board receives quarterly payments and the Finance department tracks payments and conducts reconciliation at year-end with the amounts reported by each municipality.

The school board maintains one sinking fund for repayment of debt. The Finance department tracks the sinking fund and defines and makes annual contributions, to ensure that there are sufficient funds at the time of debt maturity. Management estimates that the debt will be paid out within four to five years.

Recommendation:

- The school board should establish an investment policy and report periodically to the Board on the performance of the investment activity.

4.5 School-Based Funds and Non-Grant Revenue Management

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

- Assess whether procedures are in place to ensure the timely, complete and accurate recording of the different types of school-based funds and non-grant revenue;

- Assess whether internal controls exist to support appropriate cash handling and cash management;

- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

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

Management of School-Based Funds

Leading Practices – School-Based Funds and Non-Grant Revenue Management	Evidence of Adoption?
Management ensures adequate controls are in place to safeguard school-based funds and coordinate the annual reporting of revenues and expenditures from schools and school councils.	Yes

Management of Non-Grant Revenue

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

Management of School-Based Funds

The Board has formal policies and procedures on school-generated funds, based on the OASBO template. There is also a policy for school fundraising. For large fundraising initiatives, such as new classroom or playground equipment, the Board maintains an account. Each school has a one general operating account and one account for school council funds. Management noted that three schools have combined bank accounts for school council funds. Schools may also have additional account as required by legislation.

The school board has implemented web-based software to assist schools in managing their funds. Each month, the Finance department reviews information in the system to ensure that all reconciliations are completed in a timely manner. Every three months and at the end of the year school, administrators are required to submit bank statements. Schools are required to follow the same procedures and reporting requirements for school council funds.

The school board's external auditors usually include a review of at least two schools per year. The Finance department also undertakes periodic internal audit reviews of school-based funds.

Each school prepares an annual plan for fundraising activities. A large fundraising activity, such as fundraising for school trips, requires approval by the Superintendent of Business.

For new school administrators or secretaries, the Finance department provides oneon-one training on management of school-based funds. The Finance department also provides training to secretaries on using the school banking software.

Management of Non-Grant Revenue

The key source of the school board's non-grant revenue is the long-term lease of land and facilities. There is also a small flow of revenue from cafeteria services provided in high schools, community use of services, and continuing education courses. However, the amount of these revenues is relatively small to the school board's total revenue.

The school board has a community use of schools policy and procedures which covers three categories of use and fees: fee-exempt use, fees established on a cost recovery basis, and revenue-generating fees. Management notes that most users of the school board facilities are non-profit organizations eligible for fee exemption. The community use is managed at the school level during the school year, and by the central school board office in the summer.

Management has established procedures to record and track the various EPO grants received. The Manager of Finance and the Executive Council review all new EPOs and identifies responsibility for each grant. The Finance department has discussions with the program areas regarding allocation and management of EPOs. The Finance department allocates EPO grants to different accounts and tracks expenditure using the financial system. The Manager of Finance maintains a binder that contains all key documentation pertaining to the EPO grants. The Finance department has also established a spreadsheet to track the reporting requirements for various grants. The spreadsheet is regularly reviewed by the Executive Council.

4.6   Supply Chain/Procurement

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

- Whether supply chain/procurement policies and practices are in place to ensure that the school board acquires goods and services through an open, fair and transparent process;

- Whether appropriate internal controls support the procurement and related payment process;

- Whether school board processes ensure value for money from all acquired goods and services;

- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Policies and Procedures

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
Approved supply chain/procurement policies and practices are clearly communicated to staff with purchasing authority and are periodically reviewed and updated.	Yes
Approved procurement policies clearly outline circumstances under which the board will use competitive versus noncompetitive procurement methods.	Yes
Contract award criteria include elements other than the lowest cost, such as total cost of ownership, value, quality, vendor performance, etc.	Yes
Purchasing managers monitor purchasing activities for compliance with the Board's procurement policies and procedures.	No

Participation in Group Purchasing Initiatives

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

Purchasing Levels of Authority

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

Policies and Procedures for PCard/Corporate Card Use

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
Policies and procedures for the use of PCards and corporate credit cards are documented and communicated to users through regular training and monitoring.	Yes

Accounting for Completeness of Purchase/Payment Cycle

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

Use of Electronic Funds Transfer

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
Management maximizes use of electronic funds transfer (EFT) for vendor payments.	No

Policies and Procedures

The school board has a policy and procedures on purchasing which are posted on its website. Management is currently working to update the policy and procedures, to ensure consistency with key requirements of the Supply Chain Guideline. The updated policy and procedures will also include a code of ethics.

Management noted that the school board's decentralized purchasing function creates challenges in ensuring compliance with purchasing procedures. The facilities and IT departments of the school board have specific purchasing responsibilities, such as tendering for specific goods and services. The Manager of Business Services is responsible for purchasing of school supplies. Management noted that the purchasing portal (implemented as part of the financial system) includes features that help ensure compliance with procedures.

The Finance department provides regular formal training and support to staff on purchasing procedures and the use of the purchasing portal.

The school board has established policies and procedures on employee reimbursement and trustee expenses.

The current purchasing procedures outline some circumstances under which the school board may use non-competitive procurement methods. It is stated in the policy that specialized goods and services, such as banking services, employee benefits, insurance, legal and audit services and student transportation, are exempt from the policy as they stem form long-term arrangements. The Director of Education and/or Superintendent of Business and Treasurer may place a call for tenders and/or requests for proposals for such services when deemed necessary. It is recognized in the procedure that some goods and services are, by their nature, available from only one supplier. Therefore, the opportunity for competitive pricing is precluded or restricted. When purchasing such supplies, the procedure requires that sufficient justification must be established.

The purchasing policy states that the school board shall obtain maximum value in all purchases of supplies and services, considering such factors as quality, service, standardization, and the environment. It is also stated in the purchasing policy that the school board shall consider other factors, including Canadian made products and services, "environmentally conscience" products and products and/or services that are produced and/or provided under humane working conditions that comply with local labour laws and international standards.

The purchasing procedure contains provisions on electronic tender advertising. It is stated that tender calls will be posted on the school board's website with the appropriate documents attached.

The Business Services department communicates the procedures to the system through periodic reminders and updates and provides training sessions for new staff.

Participation in Group Purchasing Initiatives

The school board participates in group buying initiatives and purchasing consortia, including arrangements with the co-terminus board and an energy consortium for purchase of gas and electricity. The school board is also taking part in the contract for the purchasing of copiers and tendering for school supplies as part of the Ontario Educational Collaborative Marketplace (OECM). The school board is continually looking for opportunities to increase purchasing power and minimize the cost of goods and services.

Purchasing Levels of Authority

The purchasing procedures set out approval authority level for purchasing as follows:

- Managers are authorized to make and authorize purchases and routine supplies up to $1,000 for as it pertains to the department

- Principals are authorized to make and authorize purchases up to $1,000 for specific school related goods and/or services on pre-approved budget

- The Learning Coordination team is authorized to make purchases up to $1,000 for specific program related goods and/or services on pre-approved budget or other funding sources as required

- Superintendents can make and authorize purchases of up to $20,000

- The Director of Education approves all purchases over $20,000.

The purchasing procedures set out the process for the establishment of a preferred vendor list (bidders list) for some categories of purchases. Each year, the school board places an advertisement in the local newspapers inviting vendors to submit a price matrix for products or services they wish to sell to the school board. Based on submissions, a preferred vendor list or "bidders list" is prepared, and prospective bidders are required to complete a standard vendor qualification form. At the appropriate time of calling tenders, proposals or quotations, the vendors included in the bidders list receive a notification. The procedure also identifies the categories of good and services for which the school board receives annual tenders including:

- Construction and Maintenance Contractors

- Service Contractors

- Maintenance Supplies

- Office Supplies (e.g. paper and toner).

The Manager of Plant and Manager of Business Services are responsible for maintaining a list of suppliers and contractors, or bidders list, who have expressed an interest in providing the school board with products and services in these categories.

The preferred vendor list expires after a two-year period. The procedure establishes circumstances when a vendor may be removed from the list.

The school board has established the following thresholds for purchases:

- $50 and under - a purchase order is not required. Original receipts must be obtained, signed by the approving personnel with the applicable account and program clearly identified on the receipt.

- $50 - $1,000 - a purchase order is required. For purchases of goods and/or services that fall within the above amount due consideration of value and cost should be given by the purchaser.

- $1,000 - $5,000 - a purchase order is required. For purchases of goods and/or services that fall within the above dollar values three verbal quotations should be obtained and be kept on file for future reference if required.

- $5,000 - $50,000 - for purchases of goods and/or services that fall within the above dollar values three written quotations are required and do not require a formal bid process.

- $50,000 - $100,000 - for purchases of goods and/or services that fall within the above dollar values a formal tender process must be undertaken.

- Over $100,000 - a formal tender process must be undertaken. The tender process must be approved by the Board.

Policies and Procedures for PCard/Corporate Card Use

The school board's purchasing procedures contain guidelines for the use of corporate credit cards. The corporate cards are used mainly for travel-related expenses. There are approximately eight cards in total. Corporate cards are provided to the superintendents of education, the Superintendent of Business, courier driver, and the Director of Education. The limits on the corporate card are commensurate with the position of the card holder, and vary between $500 and $5,000. Each cardholder is required to submit a monthly summary of purchases once the statement is received, and forward it to the appropriate supervisor for approval. Charges to the card must follow the established purchasing procedures. Corporate credit cards can be used for some purchases such as books.

Management noted that, after analyzing potential costs and benefits of implementing purchasing cards (PCards), the school board does not plan to introduce purchasing cards. In particular, without having a dedicated purchasing department, management would have difficulty in monitoring compliance with PCardprocedures. Management also noted that in the absence of PCards,

employees, in particular, custodians and maintenance staff, have a more careful approach to procurement planning. Management should continue to further investigate the use of PCards as a means to increase efficiency by simplifying the acquisition, receipt and payment of low value purchases.

Accounting for Completeness of Purchase/Payment Cycle

The purchasing policy and procedures are set out in the general requisitioning procedures. Requisitions can be made by requestors at schools and departments, using the financial system. Each user of the system has a profile set up for the requisitioning process, including the established purchasing levels of authority. The requisition form in the purchasing portal allows users to enter the specific vendor from the pre-approved list and indicate the product code. However, the school board has not yet implemented on-line catalogues. The purchasing portal is linked to the budget information. For each requisition, there is an automated check of budget availability for the selected budget code. Once the requisition is submitted, an automated notification requesting approval from the appropriate delegation of authority. If the requisition is approved, the system automatically creates a PO which is then emailed directly by requestors from the system to the vendor. Occasionally, POs may be faxed to the vendor.

Schools and departments are responsible for the receipt of goods and entering receipt information into the system. All packing slips are forwarded to the Accounts Payable. The Accounts Payable department matches the receipt information with invoice and PO and approve payment. Each month, the Business Analyst reviews stale POs and incomplete orders.

The school board has commitment accounting. Expenditures are encumbered when a PO is processed. The financial system enables budget holders and staff submitting a requisition to track budget availability for each purchase. Purchases exceeding the available budget require additional approvals, as set out in the purchasing procedure.

Use of Electronic Funds Transfer for Greater Efficiency

The Manager of Business Services is currently working to set up electronic funds transfer arrangements (EFTs) with all vendors of the school board.

Recommendations:

- The school board should continue to improve its monitoring of purchasing activities to ensure compliance with the Board's procurement policies and procedures. For example, management could consider exploring

opportunities with the co-terminus school board to establish a shared purchasing function as part of a cooperative arrangement.

- Management should continue identifying opportunities for implementation of the electronic supplier interface for ordering, processing, and payment.

- The school board should continue setting up electronic funds transfer arrangements with all vendors of the school board.

5 School Operations and Facilities Management – Findings and Recommendations

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

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

5.1 Operations and Facilities Organization

The purpose of reviewingthe organization of operations and facilities is to assess:

- Whether the board of trustees and management have established policies and procedures that support the key departmental functions and activities, strong internal controls and financial management;

- Whether the department supports the overall goals, priorities and accountability established by the school board in support of student achievement targets and strategies;

- The efficiency and effectiveness of the departmental structure and whether roles and responsibilities support the key functions/activities and the required business practices;

- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Development and Reporting of Annual Goals and Priorities

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

Organizational Structure and Accountability

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

Monitoring and Communication of Policies

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

Development and Reporting of Annual Goals and Priorities

As part of the annual operating plan for the Business Services department, which was presented to the Executive Council in January 2010, the Plant Operation department identified priorities and initiatives for the year. The Manager of Plant Operations meets with the Superintendent of Business and other managers of the Business Services department weekly to discuss the activities of the business functions. It is envisioned that future management meetings will focus on the review of implementation of the operating plan.

Organizational Structure and Accountability

The Plant Operation department is part of the Business Services department of the school board. The Manager of Plant reports directly to the Superintendent of Business. The Manager oversees 42 custodial staff, while school principals directly supervise custodial staff at the school level. The school board contracts its maintenance services.

The school board's organizational chart, which is published on the website, clearly indicates the lines of reporting within the Business Services department. The areas of responsibility for the Manager of Plant Operation are outlined in a formal job description. There is also a standard job description for custodial staff. The Manager of Plant is qualified as per job specifications, and has relevant professional experience.

Monitoring and Communication of Policies

The Plant Operation department has established operating guidelines for custodial operations that outline the activities necessary to comply with various regulations. The Manager of Plant is responsible for communicating the guidelines to the department staff. Some guidelines are also shared with other staff of the school board. Every Monday, an email is sent out to all school principals with reminders and information on various processes including items pertaining to plant operations.

The Plant Operation department also maintains a shared network resource, which contains key documentation pertaining to the department operations.

The Manager of Plant issues memoranda to custodians and principals on various operating procedures, such as playground maintenance, portable maintenance, and salting and sanding.

The Manager of Plant and the Superintendent of Business are responsible for monitoring regulatory and legislative changes, and ensuring that relevant policies and procedures of the school board are up-to-date.

5.2 Custodial and Maintenance Operations

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

- Whether custodial and maintenance services are responding effectively and efficiently to maintaining an optimized learning environment;

- Whether the department has the appropriate organizational structure to effectively manage service delivery;

- Whether internal controls effectively manage custodial and maintenance operations and expenditures;

- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

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

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The school board has adopted cleaning standards for schools and has developed a standard set of processes and tools to monitor, manage and report on results.	No
The school board has implemented a formal green clean program as part of its overarching Education Environmental Policy.	No
Management's custodial/maintenance allocation model optimizes the use of staff and considers various factors (e.g., square footage, portables, gyms, etc).	Yes

Development of Annual/Multi-Year Maintenance Plan

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

Training to Support Skills Development and Safety

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

Standardization of Cleaning and Maintenance Supplies

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

Project Management, Monitoring and Support Systems

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

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

The standard job description for custodial staff sets out common duties and responsibilities. School principals directly supervise custodial staff, and monitor

their performance in line with the established responsibilities. The Plant Operation department has also documented key daily, weekly and monthly custodial duties, and custodial duties during the evening shift.

Any issues in custodial operations identified by school principals are communicated to the Manager of Plant. School principals are the first point of contact for users of facilities for any complaints regarding the cleanliness and condition of buildings. School principals also work with custodians to establish annual personal staff development plans, as part of the performance appraisal process.

The Plant Operation department has not established formal cleanliness and maintenance standards, and the department has not established a process to monitor compliance with such standards. It is recognized, however, that due to the small size of the Plant Operations department, the school board may require additional resources to establish and track formal standards.

The Plant Operation department has been actively promoting and enhancing the use of green cleaning products across the school board. One high school has championed the green cleaning approach, and the Plant Operation department supports green cleaning by purchasing green supplies and equipment where possible. Management noted that as part of the tendering for custodial products, the school board requests potential vendors to provide options for supplying green cleaning products. In implementing the green cleaning initiatives, the Plant Operation department works closely with the EcoSchools Committee. The Manager of Plant sits on this committee. Most of the schools in the board are EcoSchools certified, and have implemented green teams.

The school board has established an environmental policy and procedures, which state that the school board aims to develop environmentally sound practices consistent with what students are learning in classrooms. The procedures also provide key actions in the areas of waste minimization, energy conservation, and purchasing.

The custodial allocation model is based on the facility area and accounts for portable classrooms The model was approved by the Board when it was first established. Management noted that most of the elementary schools have one custodian and daytime custodians in the secondary schools may also assume additional minor maintenance duties.

Development of Annual and Multi-Year Maintenance plan

The Plant Operation department establishes a 10-year renewal plan. The plan is a rolling plan, reviewed and updated annually to identify priorities for the current year.

Management uses the ReCAPP and SFIS data to develop and update the plan. The school board's engineers/architects conduct a review of all facilities every two years and provide input in the development of the plan. Each year, management asks school principals to identify maintenance and renewal priorities for their schools, including cosmetic improvements.

Each year, the Superintendent of Business and the Plant Manager conduct a prioritization of identified renewal projects and establishes an annual renewal plan. The annual priorities are presented to the Executive Council. School principals are aware of the approach to prioritization based on the areas of highest need. Management ensures transparency in communication of renewal priorities across the system. Management provides mid-year and year-end reports to the Board on completed renewal projects.

Training to Support Skills Development and Safety

The Plant Operation department facilitates training for custodial and maintenance staff, to support ongoing skills development, build awareness of regulatory changes, and ensure work safety. The Plant Operation Department organizes a professional development day each fall for custodial staff. Staff provide input in the content of the professional development day.

The Plant Operation department also provides training to custodial staff on specific issues, such as changes to water testing/lead sampling and water flushing. The department also provides documented guidance to schools on various regulatory requirements. For example, binders with standard operating procedures and instructions on water testing have been developed for each school, and take into account the specific characteristics of each school. The Plant Operation department may also use teleconferencing to provide updates or changes in procedures to staff. Such approach has been used for informing custodial staff on new procedures during the H1N1 flu pandemic.

All custodial staff receive mandatory training in the area of health and safety including WHMIS. The school board requires vendors of equipment to provide product use training.

Standardization of Cleaning and Maintenance Supplies

The Plant Operation department maintains an up-to-date inventory of major custodial and maintenance equipment. The custodial inventory list specifies an inventory for each school, by model and year. The inventory list is updated when new equipment is purchased or at least annually.

The Plant Operation department is responsible for purchasing custodial supplies. Each year, the department issues a tender for all custodial supplies, and establishes contracts with six or seven different vendors. Custodians are provided with the list of the supplies that have been tendered, and orders are submitted to the Manager of Plant, to order in bulk. The Plant Operation department generally makes one bulk order a year. If additional supplies are needed, custodians notify the Manager of Plant who issues a PO. Custodians at the two secondary schools have access to the purchasing portal and may submit requisitions. All requisitions require an approval by the Manager of Plant. The school board does not have warehousing facilities and the supplies are generally ordered on as needed basis. All supplies are delivered directly to schools.

Project Management, Monitoring and Supporting Systems

The school board has not implemented an electronic work order system. When custodians identify maintenance needs, they contact the Manager of Plant, who creates a work order in the purchasing system as a requisition. Custodians are responsible for following up on completion and notifying the Manager of Plant.

Recommendations:

- The school board should consider establishing cleaning standards for schools and develop a standard set of processes and tools to monitor, manage and report on results. The mechanism for monitoring of cleaning standards should consider the limited resources in the Plant Operation department.

- The school board should review the Ministry's Green Clean Program Resource Guide and use it to develop a formal green clean program as part of its overarching Education Environmental Policy.

- The school board should consider establishing an automated (computerized) work-order system to process records and monitor and evaluate projects, ensuring the effective use of resources. As a starting point, management could examine work-order systems used by other school boards.

5.3 Energy Management

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

- Whether adequate planning and communication exist to support the reduction of energy consumption;

- Whether school board structure and processes are in place to ensure that energy is procured for the lowest cost;

- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Energy Management Plan

Leading Practices – Energy Management	Evidence of Adoption?
In reference to the Ontario Green Energy Act,2009, senior administration has established a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.	No
Procurement practices support the objectives and targets of the energy management plan.	Yes
Successful conservation initiatives are communicated across all schools and with other school boards.	Yes

Tracking and Reporting Energy Conservation

Leading Practices – Energy Management	Evidence of Adoption?
Management provides formal annual reporting on the conservation savings achieved against the plan.	No
A comprehensive system exists to budget expenditures, track and regulate consumption, and identify opportunities for further savings.	No
Billing for all board facilities is consolidated from each utility.	No
The Board has established an overarching environmental policy that addresses both environmental education and responsible management practices.	Yes

Energy Management Plan

The school board has implemented a number of energy management initiatives, and hired external consultants to complete energy audits of all schools. The energy audit report has been presented to the Board. The Plant Operation department has also shared key points from the report with custodial staff during the latest professional development event and discussed opportunities for energy use reductions.

Using the opportunities identified in the report and input provided by the school board's consultant engineers, management has identified energy efficiency priorities for the next several years. However, the school board has not yet developed a formal energy management plan. Management noted that energy efficiency considerations are taken into account as part of renewal projects.

The school board's environmental policy and procedures state that it should be selective, where possible, about the products and packaging purchased since they influence the environment (e.g. Energy Star).

The Business Services department intends to work closely with the EcoSchools Teams in the development and implementation of the energy management plan. As part of the EcoSchools program, students and staff implement energy conservation initiatives such as the "lights out" program. School custodians take part in the EcoSchool teams. The school board has established an EcoSchool section on the school board's internal website, which provides regular updates and communication related to the student-driven initiatives and initiatives of the Plant Operation department such as energy audits.

Tracking and Reporting Energy Conservation

The school board is not currently tracking energy consumption data by facility. The Manager of Business Services reviews invoices to identify any significant discrepancies. The school board has provided the data for the Utilities Consumption Database, and awaits implementation of the database to further improve monitoring and analysis of consumption data.

The school board does not receive consolidated utility bills from providers.

Recommendations:

- Using the results of the energy audits, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the *Green Energy*

Act, 2009, energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities with milestones, roles, responsibilities and budgets with a process for ensuring community support.

- Once the energy management plan is established, management should provide formal annual reporting on the conservation savings achieved against the plan.

- As part of the energy management planning, the school board should establish a comprehensive system to budget expenditures, track and regulate consumption, and identify opportunities for further savings.

- The school board should continue identifying opportunities for consolidated billing from utilities and continue to participate in the Ministry's Utility Consumption Database initiative.

5.4 Health, Safety and Security

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

- Whether adequate planning and communication exist to support the provision of a safe teaching and learning environment;

- Whether school board structure and processes are in place to implement safety precautions;

- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Health, Safety and Security Management

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

Health, Safety and Security Management

The school board has established a Joint Health and Safety Committee. The Manager of Plant is a Co-Chair of the committee. A Health and Safety Representative is designated for each workplace.

The Health and Safety Representatives conduct monthly inspections and report on the physical conditions or facilities and grounds. The Joint Health and Safety Committee conducts annual inspections at each workplace. The school board's policy and procedures on safe working conditions provide standard templates for monthly and annual health and safety inspections. The Board reviews the safe working policy annually.

The school board has established an emergency and lockdown procedures manual. Each school is required to develop an emergency plan, based on the emergency procedures manual. The school board worked closely with the local police service in the development of the emergency preparedness plan. When the plan was updated several years ago, the school board also obtained input from the local community.

Recommendation:

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

5.5 Capital Plans, Policies and Procedures

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

- Assess whether school capital assets are being utilized effectively and efficiently;

- Assess how well management is planning for future capital requirements, based on enrolment forecasts and the capacity/maintenance issues of the existing asset base, relative to the funding available from the Ministry (i.e. NPP funding);

- Assess whether management is appropriately prioritizing the maintenance and renewal expenditures in light of the available Ministry funding and multiyear capital programs;

- Identify appropriate controls and transparency within the current planning process;

- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Development of Annual and Multi-Year Capital Plans

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

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

Leading Practices – Capital Plans, Policies and Procedures	Evidence of Adoption?
The school board maintains accurate and up-to-date inventories of school capacity and inventories using SFIS.	Yes
An accurate and current assessment of facility conditions is maintained, based on industry standards (using RECAPP methodology).	Yes
Capital forecasts and related funding plans are assessed annually and adjusted to meet current needs and changes to original assumptions such as enrolment projections and capital grants.	Yes

Development of Annual and Multi-Year Capital Plans

The school board's multi-year capital plan was developed alongside the capital liquidity template in 2008. It was last formally updated in March 2010. Management noted that the multi-year capital plan serves as a strategic document that demonstrates potential future capital needs of the school board. The plan includes an overview of enrolment projections, capacity and utilization and school-by-school facility review. The capital plan was last presented to the Board as part of the budget development process. However, there was no formal approval of the plan by the Board.

The Superintendent of Business, the Finance department and the Plant Operation department are responsible for capital planning. The Manager of Plant is responsible for maintaining up-to-date data in SFIS and ReCAPP. The Superintendent of Business has overall responsibility for the capital plan.

The Board has established an accommodation review policy. Management recognizes that the policy needs to be updated in line with the new Ministry guidelines. The school board has not conducted any recent accommodation reviews.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

The Manager of Plant is responsible for maintaining accurate and up-to-date data in the SFIS and ReCAPP database. The SFIS database is updated at least once a year. The ReCAPP database is updated as projects get completed. ReCAPP data is used for the development of a multi-year and annual renewal plan.

5.6   Construction Management

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

- Whether processes are in place to ensure that school boards complete construction projects on-time, on-budget and with due regard to economy;

- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Cost Effective Practices in the Design and Construction of Facilities

Leading Practices – Construction Management	Evidence of Adoption?
Management gives full consideration to the use of available school space in their local communities before proceeding to build, purchase or lease other spaces.	Yes
Management uses cost-effective designs, standard footprints, energy conservation, and economical construction practices to minimize construction and future maintenance and operation costs.	Yes
In constructing, acquiring, operating and managing school facilities, the school board is guided by the principles outlined in the Ontario Green Energy Act, 2009.	Yes
Senior administration maintains standard policy and/or procedures to rationalize construction projects, including benchmarking against other school board construction costs and design standards (including coterminous boards).	Yes

Monitoring and Reporting on Progress of Construction Projects

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

Maintaining Current Approved Professional Service Providers

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

Cost-Effective Practices in the Design and Construction of Facilities

The most recent construction projects of the school board have included two new elementary schools eligible for Prohibitive-to-Repair funding. The school board also completed two additions using the New Pupil Places funding. Currently, the school board is planning to undertake another addition using the Primary Class Size funding.

The school board has one shared use facility with the co-terminus board and the local municipality, and is continually examining opportunities to share the use of other facilities. The school board has completed one joint construction project with the local municipality, the Stratford Education and Recreation Centre.

The school board has reciprocal agreements for use of facilities with almost all municipalities in its area. There are several agreements with the co-terminus board and YMCAs. Management noted that during one major renovation project, the school board used the facilities of the co-terminus board to accommodate students for six months.

In the construction of new facilities, the school board reuses the design where practical. The school board has used repeat designs for its construction projects, and has engaged the same architects for previous construction projects.

The school board works closely with the architects to establish material standards and design specifications. For each project, the school board establishes a design team composed of the Superintendent of Business, Manager of Plant, principal,

and architects. With support from the architects, the team develops a preliminary design, and the architects prepare cost estimates for the project. The development of a design is an iterative process, with regular updates to the Board. The design team may also seek input from staff and parent councils. In the construction projects, the school board takes into account energy efficiency considerations. As part of the design process the school board compared the construction projects with similar projects of the co-terminus board. The school board's architect had been also engaged by the co-terminus board and therefore could conduct comparison of costs and design concepts.

Monitoring and Reporting of Progress on Construction Projects

The school board engages its architect to act as a project manager for construction projects. Project timelines and schedules are established for each construction project. The school board's architect reviews all change orders. The Superintendent of Business or the Manager of Plant approves change orders. Progress payments are approved by the architect, and submitted to the Superintendent of Business for final approval.

The Superintendent of Business provides monthly updates to the Executive Council on progress of construction projects. Management provides monthly oral updates to the Board on progress of construction. Trustees may visit the site during the construction project.

Maintaining Current Approved Professional Service Providers

The school board issues requests for expression of interest, and pre-qualifies a general contractor for each new capital project. The general contractor could contract sub-trades. In the past, the school board has generally used the services of one architect, who has maintained a long-standing relationship with the school board, has good knowledge of schools, and has experience working with other school boards in the region. Management noted that for an upcoming renovation project, the school board issued a tender for architectural services to allow other architectural firms to submit bids. As a result of the tender process two architectural firms have recently provided presentations to the Board's tender committee.

Appendices

Appendix A: Overview of the Operational Review

Operational Review Objectives

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

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

- Strengthen management capacity in boards, with recommendations that support improvement in non-academic operations;

- Highlight existing successful business practices used by boards, to the sector and to school board communities;

- Leverage "best practices" across the education sector;

- Provide support and assistance to ensure that boards are financially healthy, well managed, and positioned to direct optimum levels of resources to support student success;

- Provide the Ministry with important input on board capacity and capabilities for the ongoing development of policy and funding mechanisms.

Operational Review Summary Scope

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

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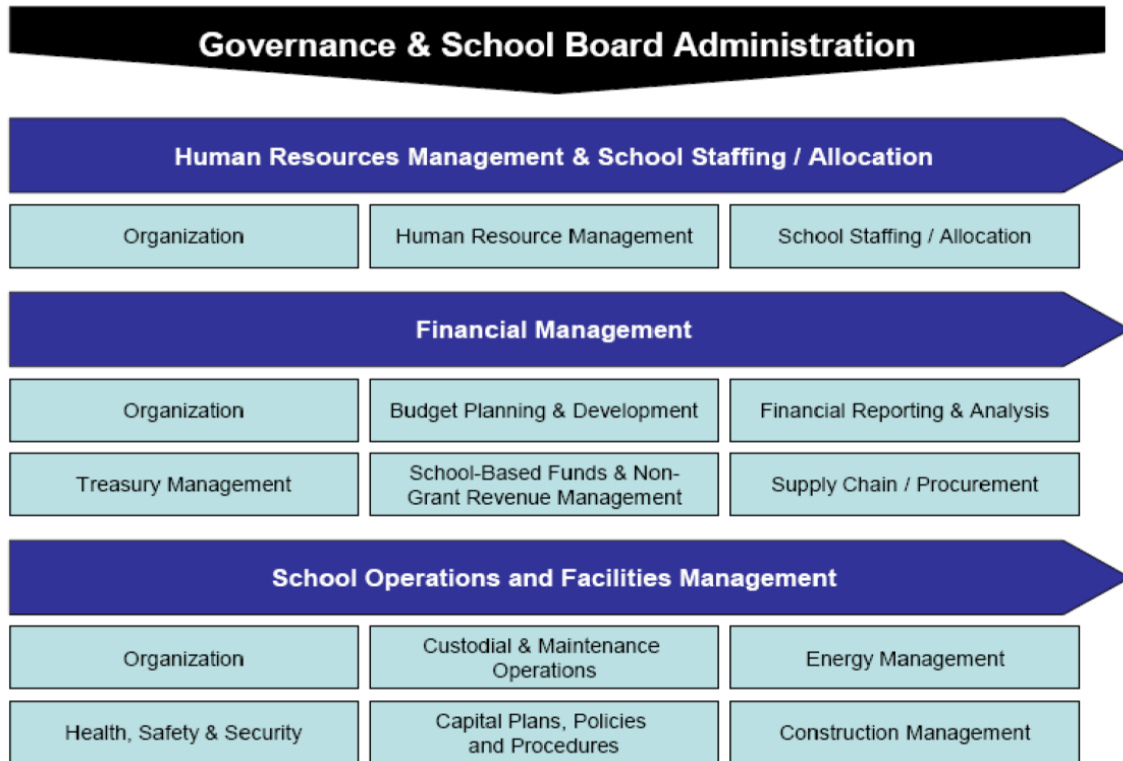
Operational Review Summary Approach

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

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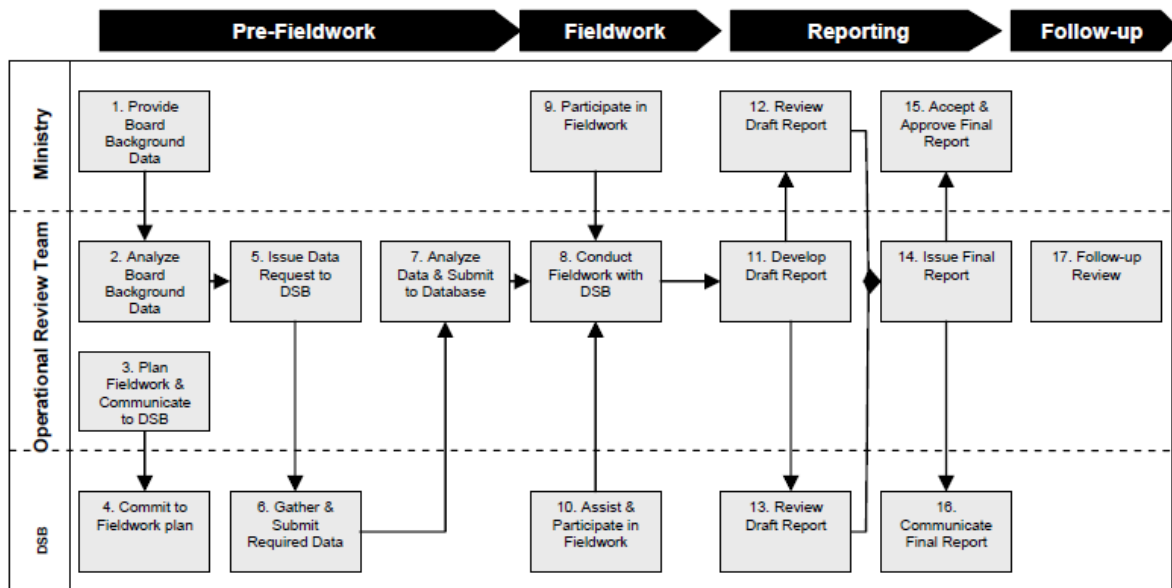
The Table below defines the key phases and activities which comprise the Operational review Methodology.

Phase: Pre-Fieldwork

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

Key Activity	Description
Gather and Submit Required Documentation	Upon receipt of the request for supporting documentation, each board compiles the requested data. Boards have at least three weeks to complete this process prior to the start of the fieldwork.
Analyze Data and Submit to Database	The review team analyzes the data provided by each board and adds the results to a sector-wide database to compare the results for each board.

Phase: Fieldwork

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

Phase: Reporting

| Key Activity	Description
Develop Draft Report	Based on the results of the fieldwork and data analysis, the operational review team writes a draft report. The draft report contains a synopsis of findings and, where appropriate, recommendations for improvement.
Review Draft Report (Ministry)	The Ministry reviews the draft report and provides feedback to the review team.
Review Draft Report (school board)	The review team meets with board senior staff to review and obtain feedback.
Prepare Final Report	The review team incorporates the feedback from the both the Ministry and the board and prepares a final report.
Accept and Approve Final Report	The final report is issued to the Ministry for approval and release.
Communicate Final Report	The Ministry issues a final report to the board.

Phase: Follow-up

Key Activity	Description
Follow-up Review	Eight to 12 months after the release of the final report, the review team conducts a follow-up review to determine the extent the board's adoption and implementation of the recommendations.

The Operational Review Team

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

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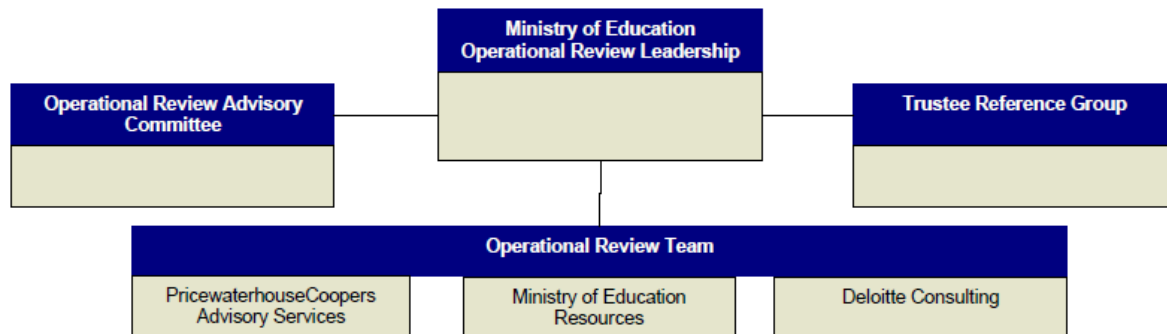
Limitations of this Review

The purpose of this report is to document the results of the Operational Review of the Huron-Perth Catholic 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 school board should continue with its intention to establish a formal policy review schedule to ensure that all policies are reviewed periodically.
2.	The school board should continue to align its leadership development programs and activities with the Ministry leadership initiatives. It should develop a formal Succession and Talent Development Plan in line with the Leadership Succession Planning and Talent Development Ministry Expectations and Implementation Continuum. This should include senior staff in both academic and non-academic functions.

Human Resources Management and School Staffing/Allocation

No.	Recommendation
3.	The HR department's annual planning should be enhanced by establishing an annual departmental operating plan. The plan should include specific and measurable targets and indicators, and assign responsibilities and timelines for key activities. This would enable management to track and report on the progress of its defined priorities and goals throughout the year. In the development of the annual department operating plan, management should ensure alignment with the school board's annual operating plan.
4.	The HR department should build on the generic guidelines for performance evaluation of all staff groups and continue developing formal procedures for performance appraisal of each staff group. The procedures should include standard templates and supporting materials to be used by supervisors conducting performance appraisal.
5.	Management should continue identifying options for the development of a comprehensive attendance support program.
6.	Once the formal attendance support program is established, management should develop a mechanism to assess and report on the effectiveness of the attendance support process to senior administration and the Board.
7.	The school board should document and communicate formal disciplinary policies and procedures for all staff.
8.	Management should conduct independent compliance audits of the school board's insurance carrier to ensure adherence to the benefit plan's terms and conditions.
9.	Management should conduct periodic and confidential staff surveys, to improve communication with staff and provide input for professional development plans and HR policy.
10.	Management should consider conducting exit interviews to obtain input for HR policy, as well as process and program improvement.

Financial Management

No.	Recommendation
11.	Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels.
12.	The school board should establish approval procedures for interim financial statements, and implement a formal sign-off process of these statements by senior management.
13.	Management should establish an internal audit function giving due consideration to the new Ministry's direction on internal audit.
14.	Management should ensure the internal and external audit plans are clearly documented, and that recommendations provided in audit reports are acted upon by senior management.
15.	Management and the board of trustees should consider establishing an audit committee that includes external advisors, in accordance with the Ministry's emerging direction on internal audit.
16.	The school board should establish an investment policy and report periodically to the Board on the performance of the investment activity.
17.	The school board should continue to improve its monitoring of purchasing activities to ensure compliance with the Board's procurement policies and procedures. For example, management could consider exploring opportunities with the co-terminus school board to establish a shared purchasing function as part of a cooperative arrangement.
18.	Management should continue identifying opportunities for the implementation of the electronic supplier interface for ordering, processing, and payment.
19.	The school board should continue setting up electronic funds transfer arrangements with all vendors of the school board.

School Operations and Facilities Management

No.	Recommendation
20.	The school board should consider establishing cleaning standards for schools and develop a standard set of processes and tools to monitor, manage and report on results. The mechanism for monitoring of cleaning standards should consider the limited resources in the Plant Operation department.
21.	The school board should review the Ministry's Green Clean Program Resource Guide and use it to develop a formal green clean program as part of its overarching Education Environmental Policy.
22.	The school board should consider establishing an automated (computerized) workorder system to process records and monitor and evaluate projects, ensuring the effective use of resources. As a starting point, management could examine work-order systems used by other school boards.

No.	Recommendation
23.	Using the results of the energy audits, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the Green Energy Act, 2009,energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities with milestones, roles, responsibilities and budgets with a process for ensuring community support.
24.	Once the energy management plan is established, management should provide formal annual reporting on the conservation savings achieved against the plan.
25.	As part of the energy management planning, the school board should establish a comprehensive system to budget expenditures, track and regulate consumption, and identify opportunities for further savings.
26.	The school board should continue identifying opportunities for consolidated billing from utilities and continue to participate in the Ministry's Utility Consumption Database initiative.
27.	The school board should consider establishing an integrated health plan/strategy to reflect the existing policies and procedures regarding health and safety of school board employees and students. Management should also consider establishing a central coordinating role for the development, implementation, and monitoring of the plan.