Ministry of Education

Operational Review Report
Keewatin-Patricia District School Board

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Executive Summary

This report details the findings and recommendations of the Operational Review of Keewatin-Patricia District School Board (the school board) conducted by the Operational Review Team composed of external consultants from PricewaterhouseCoopers LLP and Ministry of Education staff. The Operational Review was conducted over three days, beginning September 15, 2009.

Introduction

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

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

At the secondary level, the school board's student achievement results demonstrate steady improvement since 2002-2003. The school board's results at the elementary level have been declining in some areas since 2005-2006, and remain below the provincial average. The school board's continued focus on student achievement will allow it to further improve the results.

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

Governance and School Board Administration

The Board's governance model clearly delineates the roles and responsibilities of the board of trustees and the senior administration. The Board's 10 trustees are responsible for setting broad polices that reflect the school board's values, vision, and strategic direction, and senior administration is responsible for implementing the Board's policies

and managing the operations of the school board. There is a positive relationship between the senior administration, Director and the board of trustees.

The Board has established a formal governance policy which is available on the school board's website. New trustees receive orientation training before taking office. The Board supports trustees attending professional development events organized by the Ontario Public Schools Boards' Association (OPSBA). The Board holds a retreat for newly elected trustees six months after they take office, to enhance their understanding of the governance model and their roles and responsibilities.

The Board's by-laws contain provisions on trustees' conduct. The Board is using the code of conduct for new trustees developed by the OPSBA.

The Board has established its policy on Strategic Improvement Planning, and develops a multi-year strategic plan. The Board undertakes an in-depth review and update of its multi-year strategic plan every five years. Each year, school board administration develops an operating plan to implement the Board's strategic priorities. In addition, the school board develops a Board Improvement Plan to ensure alignment with the Ministry of Education goals of student achievement, equity, and public confidence.

The Director of Education provides reports to the Board on the status and outcomes of the board strategic plan and annual operating plan two times a year: in February and at the beginning of each school year.

The school board has established a comprehensive policy development and review process. The senior administration identifies the requirements for the development of policy within their specific areas of responsibility, works with the Board to develop and review policy, and ensures the implementation of policies.

The school board's administrative leadership is represented by the Senior Administration, which is composed of the Director of Education, two Assistants to the Director of Education, Superintendent of Business, Communications Assistant, two school principals, Student Success Leader and School Effectiveness Lead. The organizational chart is published on the school board's website.

The school board undertakes succession planning through its strategic leadership initiatives. The school board established the Leadership Steering Committee, a standing committee which sets the strategic leadership goals and provides mentoring for new administrators. The committee is also developing a two-year internship program for staff interested in school leadership. The school board has not established a formal succession plan.

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

Recommendation:

- The school board should continue aligning 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. As a first step, the school board should undertake data collection, identification of skills and competencies, and professional learning needs.

Human Resources Management and School Staffing/Allocation

The Human Resources (HR) department has implemented a number of the leading practices:

- The HR function has established hiring procedures for all staff categories. Although hiring is conducted at the school level, the HR function has established a number of central controls to ensure compliance with policies and procedures.

- To address collective bargaining issues, the school board has established negotiations committees for all bargaining units. There are also regular labour management meetings of committees, as outlined in the collective agreements.

- The HR department actively supports the professional development of school board staff.

- The school board has automated and synchronized data transfer among benefits, payroll, and external carriers (i.e. OMERS), using "e-access".

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

The Board policy on staff performance management states that the school board will conduct performance appraisals with all permanent employees. The HR department has established formal administrative procedures for performance appraisals of all unionized school board staff. The HR function is currently developing procedures for performance

evaluation of non-union staff, based on revised job descriptions. Management does not have formal disciplinary procedures beyond the performance appraisal process.

The school board has formal procedures in place for reporting absences. Management has contracted external consultants to conduct a needs assessment based on a review of attendance information and processes. The school board will consider options for a future attendance management program, using recommendations provided in the needs assessment report.

The school board has completed pay equity reviews for education assistants and office clerical staff. For CUPE staff, the collective agreement provides that the bargaining unit is pay equity compliant. The school board has not updated a pay equity plan for non-union staff since the amalgamation in 1998.

The school board contracts external benefits consultants to regularly review the existing benefit plan and negotiate new plans. The school board performs compliance audits of the retirement benefits plan every two years. Management does not undertake complete compliance audits of its benefit carriers on a regular basis.

In the past, management conducted various surveys of school board staff regarding health, safety and wellness, professional development, and general staff satisfaction. Management has not recently conducted confidential staff satisfaction surveys for feedback on the priorities of the school board or on general attitudes. The HR department is currently developing procedures for formal, confidential exit interviews.

Recommendations:

- The HR department should develop an annual departmental plan that includes performance measures and targets for its specific goals and priorities, and supports the annual reporting on achievements. This will enable staff to focus on the planned targets for each priority throughout the year, and provide support for reporting the department's accomplishments.

- Management should establish formal disciplinary procedures for all teaching and non-teaching staff. Existing progressive discipline practices should be formalized and communicated to all staff.

- The HR department should develop a comprehensive attendance management program, with policies and procedures for specific categories of absenteeism. This would provide a consistent and structured approach to improving attendance, including positive reinforcement for employees and standardized practices across all employee groups.

- The HR department should continue developing formal procedures for performance appraisal of the school board's non-union staff.

- The HR department should periodically report on the effectiveness of the attendance management process/programs to senior administration and the Board.

- Management should update the pay equity plan for non-union employees of the school board.

- 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 continue developing administrative procedures for exit interviews. These interviews would provide input for HR policy, as well as process and program improvement.

- Management should develop formal policies and procedures to govern the development of an annual staffing plan and allocation process.

Financial Management

The finance department has implemented many of the leading practices:

- The finance department builds staff capacity in understanding of finance policies and administrative procedures, by providing formal and informal training to school board staff.

- Management ensures the transparency of the annual budget development process by using a standard budget development template in which every proposed change is recorded and annotated. The annual budget development schedule and process is documented and clearly communicated.

- Management allocates approximately $100,000 annually to fund a number of initiatives identified in the strategic action plan. This measure helps to ensure that the budget meets the system priorities. As part of the development of the strategic action plan, management evaluates each initiative to identify if it will be funded through the existing regular budget codes, or whether additional resources will be required.

- The school board's integrated financial information system provides useful, timely and accurate information for management and stakeholders.

- The Board has an audit committee with external members as advisors.

- The frequency and format of interim financial reports to the Board's audit committee has been approved by trustees, who requested a more detailed mid-year report with sufficient explanation.

- Management provides a formal response to the management letter of external auditors, and reports to the audit committee on actions taken.

- The school board's cash management activities are consolidated with one financial institution. Individual school accounts may be set up with other banks, due to the limited choice of financial institutions in many areas of the school board.

- The Board has established a policy on investments. The school board examines its management of idle cash regularly, to determine if there any lowrisk investment opportunities that would provide a better return than the existing bank rates.

- The school board has been continuously examining its banking arrangements and comparing rates with other school boards.

- Management reports regularly to the audit committee on results of its monitoring for fraudulent activities, and actions taken to prevent, detect, and mitigate losses due to fraud.

- Management ensures adequate controls are in place to safeguard schoolbased funds and coordinate the annual reporting of revenues and expenditures from schools and school councils. The Senior Administration presents a summary fundraising report to the Board annually.

- Management ensures adequate controls are in place to safeguard non-grant revenue and coordinate the annual reporting of revenues and expenditures from all sources.

- Approved procurement policies and practices are clearly communicated to staff with purchasing authority, and are periodically reviewed and updated.

- Policies and procedures for the use of PCards are documented and communicated to PCard holders through regular training and monitoring.

- The school board is the facilitator of the Northern Purchasing Consortium, and, as such, offers other member organizations the opportunity to participate in tenders initiated by the school board, at its discretion. The school board is also an active participant of the Ontario Education Collaborative Marketplace (OECM).

- The school board has implemented requisition software that supports the three-way matching process (purchase order, receipts/invoice and inspection) before invoices are paid.

The annual operational planning process of the finance department is largely driven by activities and tasks related to budget development and financial reporting. In addition to these annual activities, the finance department establishes its priorities which are included in the school board's annual strategic action plan. The finance department does not develop an annual department plan.

Although the format and frequency of interim financial reports to the Board's audit committee has been approved by trustees, management should consider implementing a number of recommendations provided by the Interim Financial Reporting Committee (IFRC), regarding the frequency and format of interim financial reports.

The school board maintains a reserve for working funds to deal with budget pressures. The use of these funds requires Board approval. Each year, management prepares a formal reserve management plan for the Board. The interim financial reports prepared by management for the Board provide mitigating actions for areas where significant variance is projected. Management does not document all identified significant budget risks and mitigation actions. There is no formal sign-off of semiannual interim financial reports by the Superintendent of Business and the Director of Education.

Finance staff has gained experience and understanding of the internal audit process by conducting periodic internal audits of schools. The school board awaits implementation of an internal audit services model proposed by the Ministry.

There are no regular reports to the Board on school board investments. However, the school board's investment activity may be discussed with the Board when annual financial statements are prepared. Management has not implemented an electronic supplier's interface for ordering, processing and payment.

Although management closely tracks all school board expenditures, there is no commitment accounting process in place.

The school board is currently using EFT payments for utility companies, employees, and school bus operators. The school board plans to extend the use of EFTs for other suppliers.

Recommendations:

- The annual departmental planning should be enhanced by establishing a distinct finance department plan aligned with the annual strategic action plan and including tasks associated with budget development, financial reporting, and new projects and initiatives. The department plan should establish specific and measurable targets and indicators, and assign responsibilities for key activities. This would enable management to track and report the progress of its defined priorities and goals throughout the year.

- Management should identify and document all significant risks during the budget planning process, and develop strategies to mitigate the risks of spending beyond authorized/budgeted levels.

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

- Management should consider periodically reporting to the board on the performance of the investment activity.

- Management should consider implementing a commitment accounting process to control spending within budget limits.

- Management should consider implementing the electronic supplier interface for ordering, processing, and payment.

- Management should continue extending the use of electronic funds transfers (EFT) for payments.

School Operations and Facilities Management

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

- The facilities department supports staff capacity in understanding policies and procedures, and compliance with the various regulatory requirements.

- The facilities department regularly obtains feedback from school board staff regarding its services. Facilities management undertakes discussions with caretaking and maintenance staff regularly.

- By implementing the formal inspection process, *Quality Management Inspection*, management has established cleaning standards for schools and has developed a standard set of processes and tools to monitor, manage, and report on results.

- The school board has contracted external consultants to assist in the development of the workload model which is based on numerous factors including layout, use, finish materials and use of cleaning machinery

- The facilities department is currently using an electronic work order system developed in-house. It will be replaced with a new web-based system recently purchased by the school board.

- Management builds staff capacity in understanding school operations and facilities policies and administrative procedures, with mandatory and voluntary training for existing employees and a training program for new employees.

- Management ensures efficient procurement and use of supplies with monthly stocking of supplies at each school and standard dispensers for all custodial chemical supplies. Management closely monitors the use of custodial supplies at each school.

- Management has implemented several programs and initiatives in energy conservation, resulting in measurable energy savings for the school board. All school board facilities with major renovations or new schools are registered with Natural Resources Canada (NRCan) under the ecoEnergy program.

- The school board's safe schools policies, procedures and programs are coordinated and monitored by the Safe and Supportive Schools Coordinator.

- The school board has developed and submitted its five-year capital plan to the Ministry through the Ministry's SFIS website. The school board also submits the capital liquidity template to the Ministry.

- The school board proactively encourages the use of school facilities. Management conducts regular meetings with municipalities to identify opportunities for promoting community use of schools.

- Management has implemented a formal process to monitor and control construction projects and their costs.

The facilities department identifies its annual priorities, which are included in the school board's strategic action plan. However, the department does not currently have a formal annual plan setting out its specific goals and priorities.

Management develops an annual maintenance plan, and allocates budgets for replacement capital, minor improvements and renovations. Management has recently purchased a web-based system to support preventative maintenance.

The school board uses green cleaning products and procedures in several schools. Provincial standards and guidelines regarding the use of green cleaning products would likely enable the school board to implement green cleaning in all schools.

The school board does not use a tracking system for existing equipment and the fleet of maintenance trucks. Facilities department staff are responsible for the maintenance of their vehicles and equipment. Vendor contracts require that vendors conduct regular inspections of new and large pieces of equipment.

The school board has recently completed energy audits of all facilities. Management is analyzing the results of the audits, and will identify further steps in energy management, including the creation of an energy management plan aligned with the *Green Energy Act*. Management noted that the facilities department will work with the school board's Environmental Steward to establish links with the environmental and energy conservation education programs.

Management recognizes the potential benefits of the provincial Utility Consumption Database, including benchmarking with other school boards. Currently, most of the consumption data for the school board is obtained from utility bills and entered manually. The school board does not receive consolidated billing from the utilities.

The Human Resources department is responsible for the school board's occupational health and safety policies and procedures. The HR procedures manual outlines procedures for school-based occupational health and safety committees, inspection forms/reports and incident report forms. Policies and procedures for student health are consistent with the statutory health requirements. The school board has also started developing a pandemic plan. However, there is no systemwide health strategy/plan reflecting the board's health and safety policies and administrative procedures.

Recommendations:

- Facilities management should consider enhancing its annual departmental planning, by establishing a distinct facilities department plan aligned with the school board's annual strategic action plan. The department plan should establish specific and measurable targets and indicators, and assign responsibilities for key activities. This would enable management to track and report the progress of its defined priorities and goals throughout the year.

- Management should continue enhancing the use of green cleaning products and developing a Green Clean policy and formal administrative procedures in line with the Ministry guidance. The school board should also consider developing an Environmental Education policy/strategy that would provide a framework for its activities in environmental management.

- Management should establish a multi-year maintenance and renewal plan that includes the funding available to support it. This would provide the senior administration, the Board, and its stakeholders with a clear forecast of the school board's critical needs over the next several years.

- Management should develop an inventory of major equipment used by maintenance and custodial staff. This measure would increase management confidence that staff are accountable for their use of the school board's assets.

- 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 it. 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.

- In line with the provisions of the *Green Energy Act, 2009*, the school board should ensure that its procurement policies and practices support the objectives and targets of its energy management plan.

- Management should continue tracking energy consumption/expenditure data at the facility level. This data should be used to develop the energy management plan and in formal annual reporting on conservation savings.

- Management should consider obtaining consolidated billing for all school board facilities from each utility.

- The school board should also consider developing an environmental education policy or strategy to provide a framework for environmental management activities. The Environmental Steward recently hired by the school board could take the lead in the development of the policy or strategy.

- Management noted that it has a holistic view of occupational health and safety and health of students. The school board should consider developing a health and safety plan or strategy to reflect the school board's occupational health and safety and student health policies and procedures, and ensure that the school board is in compliance with associated statutory requirements and policies.

- To support capital planning, management should maintain accurate and up-todate data within ReCAPP.

1. Background and Overview

1.1 School Board Profile and Structure

Keewatin-Patricia District School Board provides educational services to nearly 5,000 students in 18 elementary and six secondary schools. The school board maintains two corporate offices in the City of Dryden and the City of Kenora. The school board also operates four adult education centres.

The school board's enrolment decreased by 1,505 students from 2002-03 to the 2009-10 fiscal year, or about 24 per cent overall. This trend is expected to continue over the next several years.

The school board's Senior Administration is as follows:
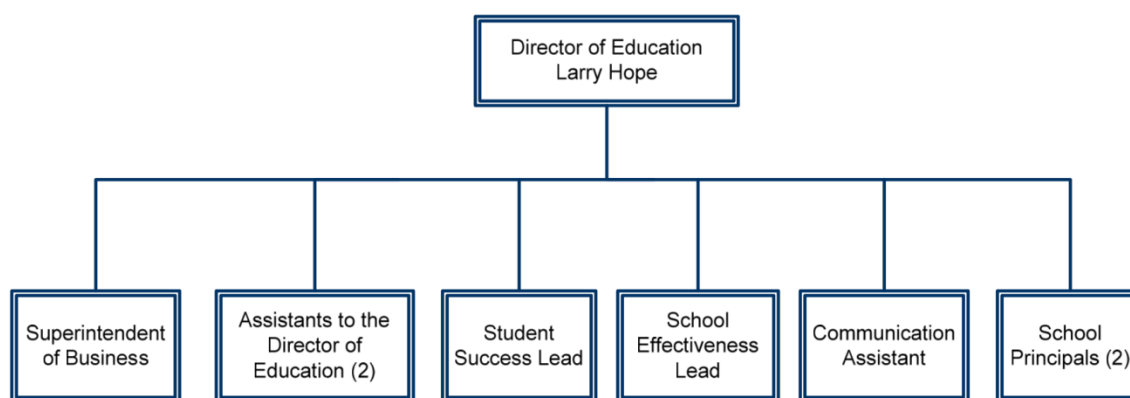
Figure 1

1.2 Key Priorities of the School Board

The school board's mission statement is:

"The Keewatin-Patricia District School Board is committed to providing an excellent education that prepares each student to be a successful individual and a responsible member of society."

In 2009, the Board reviewed its strategic priorities and focused on two areas of improvement: increased individual student achievement, and programs and resources that meet the needs of aboriginal students. The key strategies of the Board to support individual student achievement include:

- Ensuring that resources are focused on student achievement

- Integrating the School Effectiveness Framework and processes into ongoing system and school-based self assessment and improvement planning

- Developing the leadership capacity of employees, so that each individual contributes to student achievement goals

- Basing achievement decisions on best practice and research

- Managing business services to support optimum learning conditions and progress

- Embedding principles of operation and character development activities in school board practices

- Maintaining safe and supportive environments in which students can succeed

- Ensuring school facilities support current instructional practices

- Ensuring communication is a part of all the initiatives of the school board

- Enhancing existing and seek new partnerships that contribute to student success

- Exploring and adopt the innovative practices to mitigate the effects of distance.

The Board has established the following strategies to achieve its second strategic objective of meeting the needs of aboriginal students:

- Making decisions for aboriginal programming based on data-analysis practices

- Supporting curricula that reflect the aboriginal experience

- Strengthen communication practices with aboriginal partners

- Supporting recruitment strategies to increase the number of aboriginal employees within the school board

- Include training in aboriginal culture and learning styles in staff development

- Pursue funding in support of programs and resources to support Aboriginal students

- Implement the First Nation, Métis and Inuit Education Policy Framework.

1.3   Student Achievement

Since 2002-03, the school board has shown improvement in most of the areas assessed through the EQAO process. However, Grade 3 EQAO results in reading, writing, and math have been declining since 2005-06, and are below the provincial

average. Although Grade 6 results in reading, writing and math have improved since 2005-06, they remain below the provincial average. Grade 9 academic results demonstrate a steady improvement, and have reached the provincial average.

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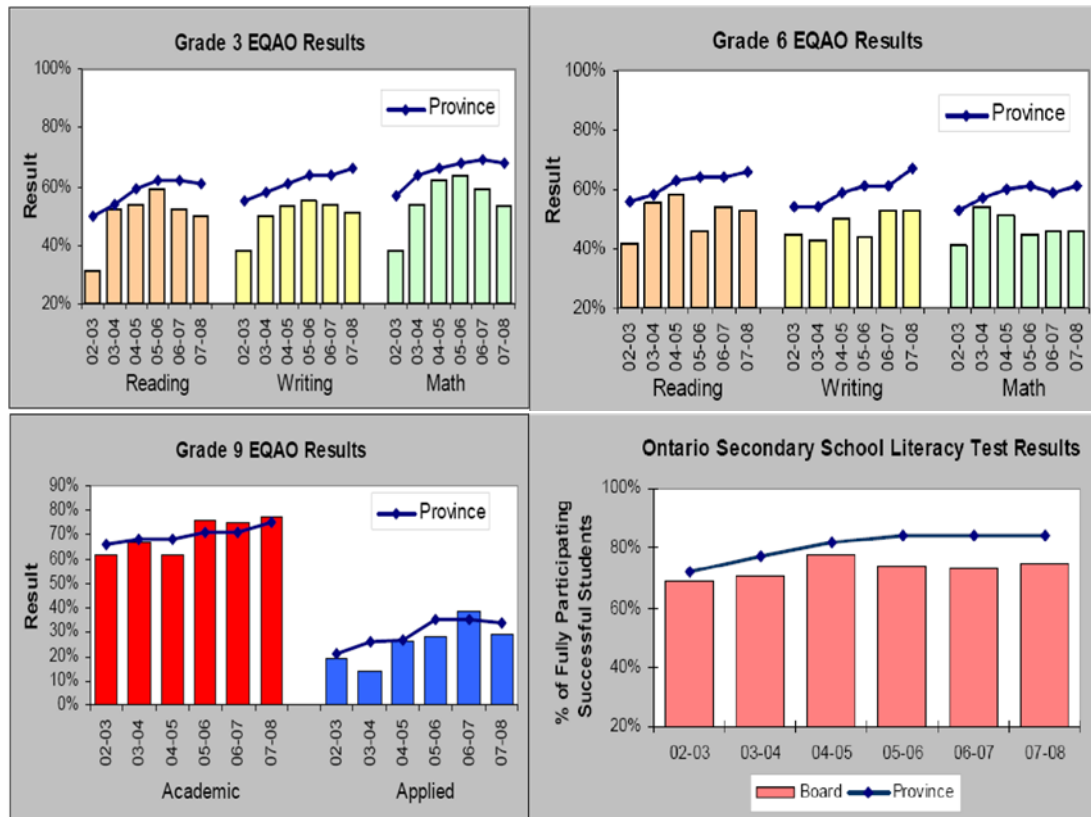
1.4 Fiscal Overview

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

Summary Financial Data (Revenues)

Revenues	2006-07 Financial Statements	2007-08 Financial Statements	2008-09 Revised Estimates
Legislative Grants	$47,927,778	$50,698,423	$52,185,738
Local taxation	$19,206,244	$18,348,985	$18,897,545
Board Revenues	$9,590,259	$8,927,128	$7,203,791
Other Operating & capital Grants	$2,552,005	$2,569,276	$353,500

Revenues	2006-07 Financial Statements	2007-08 Financial Statements	2008-09 Revised Estimates
Total Revenues (Schedule 9)	**$79,276,286**	**$80,543,812**	**$78,640,574**

Summary Financial Data (Expenditure)

Expenditures:	2006-07 Financial Statements	2007-08 Financial Statements	2008-09 Revised Estimates
Operating expenditures	$70,713,974	$71,151,858	$75,715,231
Capital expenditures - Before transfers from reserves	$7,989,150	$10,091,422	$6,180,328
Transfer to (from) Reserves	$573,161	-$699,468	-$3,254,986
Total Expenditures	**$79,276,285**	**$80,543,812**	**$78,640,573**
In-year Surplus (Deficit)	**$0**	**$0**	**$0**

School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues:	2006-07 Financial Statements	2007-08 Financial Statements	2008-09 Revised Estimates
Retirement Gratuities	$1,086,624	$1,024,633	$934,879
Reserve for Working Funds	$10,819,536	$10,618,536	$7,589,735
Employee Benefits	$72,085	$54,606	$35,152
Utilities Fluctuations	$336,614	$348,389	$351,873
Total Reserve Funds (Schedule 5)	**$12,314,859**	**$12,046,164**	**$8,911,639**
Reserve for Classroom Expenditures	$1,552,661	$1,606,973	$1,233,043
Proceeds of Dispositions Reserve- School Buildings	$0	$35,213	$35,565
Proceeds of Dispositions Reserve- Other	$210,411	$217,771	$219,949
Total Deferred Revenues (Schedule5.1)	**$1,763,072**	**$1,859,957**	**$1,488,557**
Total Board Reserves and Deferred Revenues	**$14,077,931**	**$13,906,121**	**$10,400,196**

1.5 Key Statistics: Keewatin-Patricia District School Board

The following table highlights key statistics for the school board.

Day School Enrolment

Day School Enrolment	2002-03 Actual	2008-09 Revised Estimates
Elementary Day School ADE	3,763	2,804
Secondary Day School ADE	2,618	2,268
Total Day School Enrolment	**6,380**	**5,072**

Primary Class Size

Primary Class Size	2003-04	2007-08
% of Classes Less Than 20	51%	94%
% of Classes Less Than 23	76%	100%
Average Class Size - Jr/Inter	24.32	22.6
% of 3/4 Classes 23 & Under	60%	100%
% of Combined Classes	37%	38%

Staffing

Staffing	2003-04	2007-08
School Based Teachers	405	415
Teacher Assistants	118	139
Other Student Support	57	62
School Administration	26	28
School Clerical	41	33
School Operations	72	70
Other Non-Classroom	38	39
Total Staffing	**758**	**785**
Teacher - Pupil Ratio	**1:16**	**1:12**
FTE Staff per 1,000 Pupils (ADE)[1]	**118.8**	**154.7**
Total Salary & Benefits as % of Net Operating Expenditures	**85.4%**	**89.5%**

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

Special Education

Special Education	2003-04	2007-08
Special Education Incremental Expenditures	$7,013,612	$11,077,064
Special Education Allocation	$8,332,803	$10,582,598
Spending above Allocation (Reserve)	**-$1,319,191**	**$494,466**

School Utilization

School Utilization	2003-04	2007-08
Number of schools	31	26
Total Enrolment (ADE)	6,380	5,072
School Capacity (Spaces)	10,014	9,150
School Utilization	**63.7%**	**55.4%**
Board Area (Km^2)	**5,148**	**5,148**
Number of Trustees	**10**	**11**

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 field work, which included interviews with the Chair, the Director and senior staff of the school board.

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

Establishment of an Effective Governance Model

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The school board's governance model clearly delineates the division of duties 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.	Yes

Organizational Structure and Accountability

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The organizational structure has clearly defined organizational units that delineate roles and responsibilities, minimize administrative costs and ensure effective and efficient operation.	Yes
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's governance model clearly delineates the roles and responsibilities of the board of trustees and the senior administration. The Board's 10 trustees are responsible for setting broad polices that reflect the school board's values, vision and strategic direction. Senior administration is responsible for implementing the Board's policies and managing school board operations. Trustees defer operational matters to senior administration and are not involved in the day-to-day operation of schools and the system.

The Board's commitment to policy governance and its effort to continuously monitor its practices is leading to an effective governance structure. There are positive relationships among the senior administration, Director and the board of trustees. There is an Executive Committee comprising the Director of Education, Chair of the Board and

Vice-Chair of the Board. The Executive Committee meets every two weeks to develop agendas for Board meetings and discuss ongoing initiatives, issues, and the direction of the Board.

The Board is composed of experienced trustees, who are continually enhancing their knowledge of their own roles and the roles and functions of board administration, through informal discussions. The Board has established a formal governance policy which is available on the school board's website. New trustees receive orientation training before assuming their roles. The Board supports trustees attending professional development events organized by the Ontario Public Schools Boards' Association (OPSBA). The Board organizes a retreat six months after newly elected trustees are in place, to enhance their understanding of the governance model and their roles and responsibilities.

The Board's by-laws contain provisions regarding trustees' conduct. The Board is using the code of conduct for new trustees developed by OPSBA. The Board will develop a code of conduct for trustees pending the development of a model code by OPSBA.

The board of trustees has several standing committees, including Audit Committee, Finance Committee, Native Education Advisory Council, Special Education Advisory Committee, Parent Involvement Committee and the Accommodation Review Advisory Committee. The Board has recently reviewed its process for nominating trustees to committees to better match the interests of trustees. Trustees express their interest in specific committees, and elections are held only if the number of trustees who wish to participate exceeds the number of seats on the committee.

Due to the geographic spread of the school board, Board meetings take place at various locations. Board meetings regularly include presentations from students and staff, and always offer trustees tours of the schools.

Development of the Board's Strategic Directions/Plan

The Board established its policy on Strategic Improvement Planning and develops a multi-year strategic plan. The Board undertakes an in-depth review and update of its multi-year strategic plan every five years. The in-depth review is conducted during a weekend session with the trustees and senior administration. The Board also sometimes uses an external facilitator for in-depth reviews, and engages community stakeholders.

Each year, the trustees and senior administration conduct an update and high level review of the strategic plan. As a result of the recent update, the Board reduced the number of strategic goals from five to two, to strengthen its focus on student achievement. The 2009-2013 Strategic Plan aims to enhance individual student achievement and ensure that programs and resources meet the needs of aboriginal

students. The Board has identified strategies and indicators of achievement for each strategic objective.

Each year, school board administration develops an operating plan to implement the Board's strategic priorities. This Strategic Action Plan includes specific actions, indicators of achievement, timelines, and responsibilities. The Strategic Action Plan also allocates resources for some specific actions.

In addition, the school board develops a Board Improvement Plan to ensure alignment with the Ministry of Education goals of student achievement, equity, and public confidence. The plan includes specific and measurable goals, which are developed based on a comprehensive needs assessment. Each goal established by the plan is accompanied by implementation strategies, indicators of success, timelines, responsibility, and a schedule for monitoring of current status. The Board Improvement Plan also includes an assessment plan/schedule.

The Senior Administration conducts bi-weekly meetings to discuss progress in implementing the strategic action plan. Any issues identified by the Senior Administration are raised for discussion by the Executive Committee. The Director of Education provides reports to the Board twice a year: in February and at the beginning of each school year.

Decision Making Process

The Board's by-laws establish a process and a formal protocol for setting the agenda for Board meetings. The Executive Committee sets the agenda for Board meetings. The Executive Committee discusses emerging issues and identifies items to be considered by the Committee of the Whole.

The school board has established a comprehensive policy development and review process. The Board established its policy on *Policy Initiation, Identification, Development, Implementation and Review*. The Board facilitates the policy development and review process through identification of new policies, determining the appropriate methodology for development or review of policies, reviewing policies, approving and adopting policies for implementation. Methods for policy development include, but are not limited to the formation of *ad hoc* committees, designating individuals and/or committees of the Board and involving appropriate stakeholders. All Boardpolicies are published on the school board's website.

The senior administration identifies the requirements for policy development within their specific areas of responsibility, works with the Board in the development and review of policy, and ensures implementation of policies. The senior administration develops operational procedures for implementation of policies. Some operational procedures are included as part of the policy document and published on the school board's website.

The operational procedures are communicated to the school board's staff and are available in the policy and procedure manuals.

The Board requests that the senior administration develop new draft policies or amendments to existing policies for review by the Committee of the Whole. The Board may request additional external advice for some policies.

The Board has established a five-year review cycle for all policies. Each policy indicates the date it was last reviewed and the next review date. New policies are reviewed one year after they have been adopted, and are then moved to the fiveyear review cycle. A review of policy outside of the established review cycle can be initiated by the senior administration, individual trustees or community stakeholders. The Administrative Assistant to the Director of Education is responsible for monitoring the policy review cycle.

The Board proactively engages with the external stakeholders in the development of new policies. School councils consider new policies which are directly related to parents, students and the general public prior to the approval by the Board. In some instances, tuition partners and outside agencies are invited to provide input.

Organizational Structure and Accountability

The school board's administrative leadership is represented by the Senior Administration, which is composed of the Director of Education, two Assistants to the Director of Education, Superintendent of Business, Communications Assistant, two school principals, Student Success Leader and School Effectiveness Lead.

The roles and responsibilities of Assistants to the Director of Education are equivalent to the roles and responsibilities of superintendents of education. The Superintendent of Business leads the business services of the school board. The following positions report to the Superintendent of Business: Finance Manager, Information Systems Manager, Facilities Manager, Human Resources Manager and Transportation Manager.

The organizational chart is posted on the school board's website. In addition, the website provides contact information for key board staff.

Succession and Talent Development

The school board recognizes the need to plan for pending retirements at the senior administration level in the medium term. The school board undertakes succession planning through its strategic leadership initiatives. The school board's Leadership Steering Committee is a standing committee which sets the strategic leadership goals and provides mentoring for new administrators. It is developing a two-year internship program for staff interested in school leadership. The school board has been pro-active

in aligning its leadership development programs and activities with the Ministry leadership initiatives. The school board has not established a formal succession plan.

Stakeholder Engagement

The school board has demonstrated that it consistently administers its responsibilities (both directly and through its committees) in an open and transparent manner. The school board administration and trustees pro-actively engage with school councils, aboriginal organizations and tuition partners. Each attendance area of the school board (Red Lake, Kenora and Dryden) has a Parent Involvement Committee, which acts as a liaison among the school councils, the community and the board of trustees. Parent involvement committees focus on various areas of concern and support the sharing of information among school councils.

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

For example, the Director of Education participates in the Northern Ontario Education Leaders school boards committee (NOEL), Council of Ontario Directors of Education (CODE) committee for funding model review, Regional Character Development Team Leader for Northwestern Ontario, and Global Education Leadership Program (GELP).

The Superintendent of Business sits on the board of directors of Ontario School Boards' Insurance Exchange (OSBIE), the Council of Senior Business Officials committee (COSBO), the Finance Committee of the Ontario Association of School Business Officials (OASBO), and the School Board Advisory Committee of the Ontario Education Collaborative Marketplace (OECM).

One of the assistants to the Director of Education is the Student Support Leadership Initiative Lead. Through CODE, the assistant to the Director of Education responsible for Special Education participates in a special education review research project, and is a contributor to the CODE Talent Recruitment and Leadership Succession provincial strategy.

Recommendations:

- The school board should continue aligning 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. As a first step, the school board should undertake data collection, identification of skills and competencies, and professional learning needs.

3. Human Resource Management and School Staffing/Allocation – Findings and Recommendations
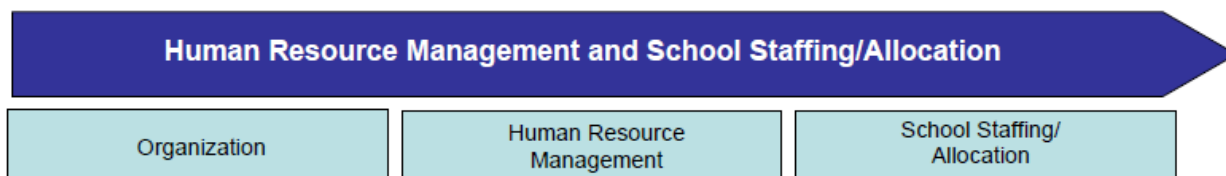
Effective management of human resources ensures an adequate number of qualified staff throughout the organization can perform their prescribed duties. Policies and procedures to develop staff are in place, through performance appraisals, professional development and support services. Staff allocations 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 department plan. They are aligned to the annual board operating plan accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified accountability.	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 of the school board is part of the business services department. As part of the annual operational planning process, the HR department identifies key priorities, and establishes broad indicators of success, timelines and responsibilities. The HR priorities included in the annual strategic action plan are aligned with the Board's strategic plan. The priorities of the HR function for 2009-2010 include:

- Continue pandemic planning and awareness, with monitoring and action as circumstances warrant

- Review and development of programs to meet requirements of new standards under accessibility legislation

- Completion of non-union job descriptions

- Implementation of on-line WHMIS training for employees

- Development of a presentation package for aboriginal teacher recruitment.

In addition to identifying priorities for the annual strategic action plan, the HR department develops an annual planning document which outlines tasks and identifies responsibilities. The document is developed by all HR staff during aoneday planning session in September or October. The HR department's annual planning process can be enhanced by setting specific and measurable targets and indicators for key tasks, and by establishing a format for reporting on progress throughout the year.

The HR department has not conducted a staff satisfaction survey recently. An employee wellness survey was conducted in 2006.

Organizational Structure and Accountability

The Superintendent of Business is responsible for the HR function of the school board. The management of the HR function includes the HR Manager and three HR Officers.

The department's structure and lines of reporting are provided in the school board's organizational chart. The school board's website includes an organizational chart, and provides contact information for key staff of the HR department.

The HR department maintains formal job descriptions. HR staff members do not have formal Human Resources designations. HR staff members are qualified as per job specifications, based on their experience and other previously obtained qualifications. Additionally, two of the HR Officers have received their Certificates in School Board Human Resources Management and one HR Officer is pursuing a Certificate in Occupational Health and Safety.

Monitoring and Communication of Policies

The HR department is responsible for implementing Board policies pertaining to hiring and recruitment, performance appraisal, and employee health and safety. A set of administrative procedures (with revision dates) is included in the HR Procedures Manual, available to all school board staff in hard copy or electronically.

The HR staff monitor compliance of policies by working closely with school principals and establishing central controls. The HR staff provide regular updates and training to inform staff of new and revised policies and procedures. Board staff receive electronic notifications of updated policies and procedures. The HR department conducts training for secretarial staff during annual training sessions. All new school principals and vice principals are provided with a copy of the HR Manual. The HR department also provides updates on changes in policies and procedures at an annual CUPE seminar and at

regular labour/management committee meetings. Management should continue increasing staff capacity in understanding of HR policies and administrative procedures by providing regularly scheduled policy awareness, training and education sessions.

Recommendation:

- The HR department should develop an annual departmental plan that includes performance measures and targets for its specific goals and priorities, and supports the annual reporting on achievements. This will enable staff to focus on the planned targets for each priority throughout the year, and provide support for reporting the department's accomplishments.

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.	No
Attendance management processes/programs exist that include employee supportive policies and procedures to minimize the cost of absenteeism.	No
Management periodically reports on the effectiveness of the attendance management 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

Leading Practices – Human Resource Management	Evidence of Adoption?
HR management has implemented an approved pay equity plan, which is reviewed periodically and amended as necessary.	No

Management of School Board's Benefit Plans

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

Monitoring Staff Satisfaction

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

Staff Recruitment/Hiring

The HR department uses the Jobs in Education website for recruitment of teaching and some non-teaching staff. The school board also advertises in the local newspapers, and on the school board's website. Based on recruitment results over the past several years, school board representatives attended only one recruitment fair at Lakehead University. Management noted that finding qualified candidates, in particular, for occasional teacher positions, is difficult in some remote areas of the school board. In addition, there are not enough qualified candidates for Native as a Second Language and French as a Second Language positions.

The HR department has established hiring procedures for all staff categories, which are included in the HR Manual. The HR staff undertake all advertising and internal positing of vacancies. All applications for internally advertised positions are submitted directly to the HR department. Although hiring is conducted at the school level, HR has established a number of central controls to ensure compliance with the board's policies

and procedures. Interviews with candidates are conducted by at least two staff, including at least one principal or supervisor. Once a candidate is selected, the principal or supervisor must obtain a verbal confirmation from HR and complete a recommendation to hire form before an offer of employment is made.

The board's procedures set out the process for hiring of new casual staff. School principals notify HR when there is a need for advertising for additional casual staff. The HR department keeps a file of applications for consideration by the Central Hiring Committee (CHC). The selection process for new applicants is established by Human Resources in consultation with the Central Hiring Committee. Applications for casual positions are screened by HR, and submitted to the CHC representative in the appropriate attendance area. The CHC conducts interviews and reference checks and makes recommendations to hire. Verbal approval from HR is not required before offers of employment are made to casual staff.

When school principals identify the need for long-term occasional teachers, HR posts the position internally, and applications are submitted directly to the principal. In the interim, an occasional teacher may be appointed by the principal while the position is posted and filled. Principals are required to provide details of such appointments to the HR department using the recommendation to hire form. Once the posting is closed, the principal should consider all applicants who are on the current Qualified Occasional Teachers list. Management noted that if the principal has good knowledge of all of the candidates the interview may be waived with the approval of the HR Manager.

HR has developed standard hiring packages for all staff groups, which include standard forms and templates for the hiring process including interview questions. All new hires require two reference checks and a criminal background check.

Labour Relations

To address collective bargaining issues, the school board has established negotiations committees for all bargaining units. There are also regular labour management meetings of committees established by the collective agreements with the exception of the Elementary Teachers' Federation of Ontario (ETFO).

There is open communication with the unions, as a result of both formal and informal practices. The HR Manager participates in all labour/management committee meetings. Assistants to the Director of Education (superintendents of education) take part in some aspects of the labour management committee meetings. The two HR officers participate in committees, depending on their areas of responsibility.

The school board also maintains a timely and effective approach in response to labour issues. HR staff are always available to provide advice and support to school principals in addressing potential grievances. For unionized staff, the grievance process is

outlined in the collective agreements. The school board has only a few outstanding grievances.

Employee Performance Evaluation Processes

The Board has established a policy on staff performance management which provides guidelines for the performance management process. The policy states that the school board will conduct performance appraisals with all permanent employees of the Board.

Management, through the HR function, has established formal administrative procedures for performance appraisals of all unionized school board staff. The HR department is currently developing procedures for performance evaluation of nonunion staff based on revised job descriptions. The development of performance appraisal procedures for non-union staff is part of the HR input to the 2009-2010 strategic action plan.

HR has established a formal process for probationary appraisal of all non-teaching staff. The HR area has developed a standard report which is emailed to the appropriate supervisor. The electronic message includes a meeting request attachment, which updates the supervisor's and HR Officer's calendar and provides reminders of when the appraisal report is due. HR staff track completion of probationary appraisals.

In line with the Ministry's Supporting Teaching Excellence document, the school board evaluates its experienced teachers on a five-year cycle. New teachers are reviewed during the first and second year as part of the New Teacher Induction Program (NTIP). HR tracks teacher performance appraisals and notifies principals on appraisals due to be completed at the beginning of each year.

The performance appraisal procedure for education assistants states that after an initial three-year performance appraisal cycle, education assistants will be appraised based on the outcomes of the initial appraisal, as follows:

- Exemplary/meets expectation – to be reviewed again in five years

- Below expectations in 50% or more of the areas – to be reviewed within one year or sooner, as set in the Plan for Improvement

- Under Review – to be reviewed again in three months (to be accompanied by a Plan for Improvement).

The performance appraisal of education assistants is conducted by school principals. All newly hired education assistants will have a performance appraisal during the first year of employment. The school board is currently undertaking the initial three-year performance appraisal cycle for all education assistants.

The HR department is currently reviewing previous procedures for appraisal of managers. HR has also recently finalized the performance appraisal procedure for office/clerical/library staff, which includes an initial three-year performance appraisal cycle. Office/clerical/library staff will then be reviewed based on the outcomes of the initial appraisal as follows:

- Exemplary/meets expectation – to be reviewed again in five years

- Below expectations in 50% or more of the areas – to be reviewed within one year or sooner as set in the Plan for Improvement

- Under Review – will be reviewed again in three months (to be accompanied by a Plan for Improvement).

As result of the latest round of negotiations, the school board has recently revised procedures for performance appraisal of custodial and maintenance staff. The procedure stipulates a three-year initial schedule for performance appraisals of all custodial and maintenance staff who have not been reviewed in the past three years. The performance appraisal will be completed by the Area Supervisor in consultation with the principal and/or head custodian. The procedure establishes the following possible outcomes of the initial three-year cycle of performance appraisal:

- Highly skilled/competent – to be reviewed again in five years

- Developmental - to be reviewed again within one year

- Under review - to be reviewed in three months (to be accompanied by a Plan for Improvement).

The performance appraisal process for principals and vice-principals is the responsibility of the Superintendents of Education.

Management noted that performance procedures and supporting documents for unionized staff groups have been developed in consultation with bargaining units. Management also noted that the Board policy for performance appraisal will be revised to reflect changes in performance appraisal procedures, and may include a written termination process.

HR staff track performance appraisals manually, using an Excel-based spreadsheet. The school board should consider implementing an electronic system for tracking performance appraisals, which would provide notifications to supervisors regarding outstanding appraisals.

Management does not have formal written disciplinary procedures, beyond the performance appraisal process. The school board has policy guidelines regarding workplace harassment.

The HR department actively supports the professional development of office/clerical and library staff. HR staff organize an annual training day for this staff group. The department also organizes regional workshops on specific issues during other professional development days during the school year.

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.

The school board does not have a formal attendance management program. However, management follows consistent practices in attendance management. The school board has established an accommodated work program, which is clearly documented. The board has engaged external consultants to conduct a needs assessment based on review of attendance information and processes. The school board will consider options for future attendance management programs, using recommendations provided in the needs assessment report. The board has designated HR staff who are responsible for all aspects of health and safety, absences, long-term sick leaves, long-term disability, accommodated work plan, and WSIB claims management.

Secretaries at the school level are responsible for entering absence data in a spreadsheet. One of the current priorities of the Finance and HR departments is to implement a module of the HR information system, which allows staff in schools and departments to directly enter absence data. The HR department does not provide regular attendance reports to the senior administration.

Management of HR and Payroll Data

The finance department maintains responsibility for the payroll function, in coordination with the HR department. Management maintains appropriate control mechanisms (such as verification of information) to ensure the segregation and integrity of personnel and payroll data. HR is responsible for entering and maintaining demographic data in the system, while finance is responsible for the review and approval of the payroll data. The school board outsources its payroll processing.

The board has established a job evaluation committee for reclassification of nonteaching and non-union positions. An HR officer annually uploads Ontario College of

Teachers (OCT) teacher qualifications data into the HR system. The HR department confirms standing with the OCT for all newly hired teachers, or when staff are transferred between schools.

The school board has completed pay equity reviews for education assistants and office clerical staff. Management noted that while collective agreements include the process for pay equity reviews, this is not an item for grievance. For CUPE staff, the collective agreement provides that the bargaining unit is pay equity compliant. The school board has not updated a pay equity plan for non-union staff since the amalgamation in 1998. However, management has completed a job evaluation process for this employee group.

Management of the School Board's Benefit Plans

The HR department closely works with the finance department to manage the board's benefits plan. HR is responsible for the development of group benefits plans, changes in the plans, and related tenders. The Payroll and Benefits Officer is responsible for claims management, enrollment of employees, and submission of premiums for the board's benefit plans. The school board contracts external benefits consultants to regularly review the existing benefit plan and negotiate new plans. The school board tendered its group plan, and changed its medical and dental benefits carrier on September 1, 2008.

The school board does not undertake independent compliance audits of benefit plans. However, management receives regular reports on claim payments made to each staff group, and conducts year-to-year comparisons.

The school board involves bargaining units in decisions on changes to the benefit plans. Benefit plans were discussed during the last round of negotiations in 2009. Management collects feedback regarding the benefit plans through the labour/ management committees.

Data transfer among benefits, payroll and OMERS is automated and synchronized through "e-access". Payroll-based reporting is used to submit the employee data to the Ontario Teachers' Pension Plan. In payroll-based reporting, salary/pension contributions and service credits are transmitted by the school board's contracted pay processing agency to OTPP on each pay date.

Monitoring Staff Satisfaction

Management has not conducted confidential staff satisfaction surveys to obtain feedback on the priorities of the school board or general attitudes. Management conducted a wellness survey in 2006, and has conducted surveys on professional development provided and/or preferred by both the Office/Clerical Library and CUPE

groups. Additionally, management conducted a departmental satisfaction survey among principals and vice principals in 2002.

The HR area has started developing an approach for conducting exit interviews and prepared draft template for exit interviews.

Recommendations:

- The HR department should continue developing formal procedures for performance appraisal of the school board's non-union staff.

- Management should establish formal disciplinary procedures for all teaching and non-teaching staff. Existing progressive discipline practices should be formalized and communicated to all staff.

- The HR department should develop a comprehensive attendance management program, with policies and procedures for specific categories of absenteeism. This would provide a consistent and structured approach to improving attendance, including positive reinforcement for employees and standardized practices across all employee groups.

- The HR department should periodically report on the effectiveness of the attendance management process/programs to senior administration and the Board.

- Management should update the pay equity plan for non-union employees of the school board.

- 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 continue developing administrative procedures for exit interviews. These interviews would provide input for HR policy, as well as process and program improvement.

3.3 School Staffing/Allocation

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

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

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

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

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

Processes for Annual Staff Planning and Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
The school board policies and procedures govern the development of an annual staffing plan and allocation process that reflects the priorities of the Board and Ministry initiatives.	No
The staff allocation process monitors adherence to key Ministry and board policy parameters, such as: class size, prep time, collective agreement requirements and other board directions.	Yes

Monitoring and Reporting on Staff Allocation

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

Processes for Annual Staff Planning and Allocation

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

The Superintendent of Business leads the staff planning and allocation process. The HR area works closely with the Superintendent of Business to determine the appropriate staffing allocation for the school board. The Superintendent of Business uses a spreadsheet-based model for staff planning and allocation. The spreadsheet contains formulas for all staff groups. Management noted that staff planning and allocation has been a consistent process, and changes occur only when there are changes to the funding model.

The school board does not have formal policies and procedures for staff planning and allocation. The staff allocation model is approved by the Senior Administration. Management provides monthly reports to the Board regarding changes in staff, including redundancies and new hires.

Management noted that staff allocation models for union staff are not included in collective agreements.

Monitoring and Reporting on Staff Allocation

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

At the beginning of the school year, management conducts an assessment of actual enrolment, and appropriate adjustments are made in staff allocation. Management noted that there is a "bank" for additional teaching staff, which can be used to make adjustments at the beginning of each year based on actual enrollment. The school board also maintains a small bank of education assistants to meet emerging needs during the year. The bank is established as part of the budget development process. Management noted that in-year changes in staff allocation are very rare, with the exception of education assistants as well as the annual class size review each September which often results in increases to the allocation of teaching staff.

The Assistant to the Director of Education (superintendent of education) responsible for special education maintains central responsibility for monitoring the allocation of education assistants. Management noted that the school board has worked closely with

the bargaining unit to enable adjustments in the allocation of education assistants when there are changes in special education needs.

Recommendation:

- Management should develop formal policies and procedures to govern the development of an annual staffing plan and allocation process.

4. Financial Management – Findings and Recommendations

Financial Management		
Organization	Budget Planning & Development	Financial Reporting & Analysis
Treasury Management	School-Based Funds & Non-Grant Revenue Management	Supply Chain / Procurement

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

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

4.1 Finance Organization

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

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

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

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

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

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

Development and Reporting of Annual Goals and Priorities

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

Organization Structure and Accountability

Leading Practices – Finance Organization	Evidence of Adoption?
The finance department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available.	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

The annual operational planning process of the finance department is largely driven by activities and tasks related to budget development and financial reporting. In addition to these annual activities, the finance department establishes its priorities, which are included in the school board's annual strategic action plan. For each specific action, the annual strategic action plan indicates implementation strategies, timelines and broad indicators of success. The current priorities of the finance department include:

- Implementation of upgrades to the financial management system

- Implementation of entry of timesheet data, absences and other related data into iSYS by staff in schools

- Implementation of direct access to sick leave and vacation data for employees in iSYS

- Increasing number of employees receiving electronic pay stubs

- Implementation of Ministry supply chain guidelines for purchasing

- Increasing number of vendors being paid using Electronic Funds Transfer (EFT).

Organizational Structure and Accountability

The business department is responsible for the finance function of the school board. The finance department's management includes the Superintendent of Business and Manager of Finance. The finance department is also composed of the Payroll and Benefits Officer, Purchasing/Payables Officer, Accounting Technician, and 7.5 FTE clerks supporting payroll, receivables, payables, and purchasing activities.

The school board's organizational chart delineates the structure of the business department and lines of reporting. The school board's website provides contact information for key staff in the business services department and includes an organizational chart. There are formal job descriptions for all finance staff, and some job descriptions are currently being revised by the HR function. Finance function staff have appropriate professional designations and experience.

Monitoring and Communication of Policy

The business department has formal policies for purchasing, staff expenses, investments, provision of services for non-resident pupils, and transportation. These policies are posted on the school board's website. The business department has developed procedures related to business operation services which are available to all staff of the school board on the shared resource, along with supporting templates and forms. Policies and procedures related to business operation services are developed and reviewed based on the established review cycle.

The finance department provides formal training sessions on financial policies and procedures for school principals and secretaries. Informal training and advice is provided to managers of other departments. Finance staff provide *ad hoc* training and assistance to school-based staff using remote access to computers. The finance staff

conducts a day-long practical training session for new staff. The finance department has developed several detailed manuals for specific procedures and software.

Finance staff conduct periodic internal audits of school operations, including the handling of petty cash, fundraising accounts, and expenses. These internal audits provide an opportunity for school staff to learn more about finance policies and administrative procedures.

Recommendation:

- The annual departmental planning should be enhanced by establishing a distinct finance department plan aligned with the annual strategic action plan and including tasks associated with budget development, financial reporting, and new projects and initiatives. The department plan should establish specific and measurable targets and indicators, and assign responsibilities for key activities. This would enable management to track and report the progress of its defined priorities and goals throughout the year.

4.2 Budget Planning and Development

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

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

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

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

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

Annual Budget Development Process

Leading Practices – Budget Planning and Development	Evidence of Adoption?
The annual budget development process is transparent, clearly communicated and incorporates input from all key stakeholders including management (with principals), board of trustees and the community.	Yes

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

Risk Mitigation and Board Approval

Leading Practices – Budget Planning and Development	Evidence of Adoption?
Management identifies and documents all significant risks during the budget planning process and develops strategies to mitigate the risks of spending beyond authorized/budgeted levels.	No
The annual budget presented for approval demonstrates that it is linked to the board-approved goals and priorities including student achievement targets. It provides useful and understandable information for all stakeholders.	Yes

Annual Budget Development Process

The school board has not established a formal budget development process. However, an annual budget timeline document identifies major milestones, and is communicated to the school board staff and the Board.

The budget development process starts in February, with the initiation of the day school enrolment projections. Using the enrolment projections and staff allocations, the Superintendent of Business leads the development of the payroll budget. The Superintendent of Business receives input from school principals on expected changes in enrolment. The enrolment projection and staff allocation process continues through April, when projections and staffing allocations are reviewed by the senior administration. Management noted that the school board staff's enrolment forecasting has proven to be accurate and reliable. To assist in the development of the budget for salaries and benefits, the school board has undertaken informal comparisons of staff costs with other school boards.

In February to March, departments submit their budget requests. The finance department provides a spreadsheet-based budget development template to all staff responsible for departmental/program budgets. The draft department budgets are based on review and consideration of prior year's results and historical trends, along with recurring cost drivers, such as utility costs and negotiated salary and wage increases. The use of the standard budget development template ensures a high degree of

transparency in the budget development process, since every proposed change is recorded and annotated.

The Superintendent of Business provides proposed changes to the draft department budgets, and presents them to the senior administration for discussion. Following this review, the senior administration team presents the draft budget to the Board's finance committee in April-May. In May, the draft budget is submitted to the Committee of the Whole for review. Management provides a budget presentation document to the Board which highlights key changes in enrollment and staffing levels, and revenues and expenditures by major category. The presentation also provides an overview of budget balancing actions and results. The budget is submitted to the board of trustees for approval in June.

The school board has undertaken several budget reviews with the aim of reducing costs. In 2007-08, a comprehensive review of the budget was conducted, and management is planning to undertake a focused review of the facilities budget in 2009-10.

In the past, the school board made efforts to facilitate stakeholder involvement in the budget development process, through presentations to school councils and a community consultation process. However, given the limited interest of the community in the budget development process and the geographic spread of the school board, the board posts the draft budget on its website.

Risk Mitigation and Board Approval

To ensure the budget meets the system priorities, management allocates approximately $100,000 annually to fund a number of initiatives identified in the strategic action plan. As part of the development of the strategic action plan, management evaluates each initiative to identify if it will be funded through the existing regular budget codes, or whether additional resources will be required.

The school board maintains a reserve for working funds to deal with budget pressures. The use of these funds requires Board approval. Once the financial statements are completed in January, senior administration prepares a formal reserve management plan for the Board. The plan provides a detailed presentation of the reserve funds positions and recommended use of reserve funds for various education, capital and business services initiatives. Within the internally restricted reserve funds, the school board maintains a utilities fluctuations reserve. The annual reserve management plan is approved by the Board.

The interim financial reports prepared by management for the Board provide mitigating actions for areas where a significant variance is projected.

Recommendation:

- Management should identify and document all significant risks during the budget planning process, and develop strategies to mitigate the risks of spending beyond authorized/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.	Yes
The external auditor's planning and annual reports are presented to the Board's audit committee and any recommendations are acted upon by management.	Yes

Integrated System for Variance Analysis and Financial Reporting

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 current financial system is unique among school boards, and was selected by management based on several characteristics, including the use of an advanced platform. Management indicated that a web-based version of the system is expected to be available soon. The financial system includes the following modules: general ledger, cash management, accounts payable, purchasing, and accounts receivable. The system also has several add-ons, including a requisitioning system, an EFT payment notification system, and a reporting system. The school board has a maintenance agreement with the software vendor, and the school board's database administrator provides regular database support.

Interim and Annual Financial Reporting

Management prepares two types of interim financial reporting. Using the financial system, finance staff prepare monthly financial reports for all departments and schools. These reports, which provide detailed information for each code with budget expenses to date and percentage spent, are sent to users electronically. All transactions within a particular line for a given month can be accessed. The finance area may also receive *ad hoc* requests for financial reports, especially for information regarding EPO grants.

The finance department prepares a semi-annual financial report for the audit committee of the Board. The frequency and format of this report was approved by trustees who requested a more detailed mid-year report with sufficient explanation. The report is submitted to the audit committee and is available to all trustees. Financial information is presented by broad expenditure and revenue category, and provides a comparison of the budget estimates, year-to-date expenditure, projected year-end expenditure, and projected year-end variance. The interim financial reports provide the audit committee with detailed explanations of variances and proposed actions. Where appropriate, an

explanation of the variances indicates whether the percentage spent to date is what was expected for the period.

There is no formal sign-off of semi-annual interim financial reports by the Superintendent of Business or the Director of Education.

Management should consider implementing a number of recommendations provided by the Interim Financial Reporting Committee (IFRC) regarding the frequency and format of interim financial reporting. Key recommendations of the committee include the following:

- Establish a reporting cycle at the beginning of the year, sharing the proposed cycle with trustees in September

- Provide a minimum of three in-year reports in a consistent format with each report containing the same performance indicators. The frequency of in-year reports should be aligned with the reporting dates of existing Ministry reports.

- Include non-financial performance indicators in the report (e.g. enrolment and staffing)

- Explain key variances and form a conclusion.

Management should consider using standard templates provided as part of the IFRC report.

Audit

The Board's audit committee includes the Chair of the Board, three trustees and an external member as voting members of the committee. The Vice-Chair, Director of Education and Chief Financial Officer are non-voting *ex-officio* members. The external member of the audit committee has financial expertise. The school board has established terms of reference for the audit committee, which include providing assistance to the board of trustees in fulfilling its oversight responsibilities with respect to:

- The integrity of the school board's financial reporting process and system of internal controls regarding financial reporting and accounting compliance

- The independence and performance of the Board's external auditors

- The management of the principal risks that could affect the financial health of the Board.

The audit committee meets at least four times annually, and more frequently if required.

The audit committee conducts *in-camera* meetings with the external auditors and reviews auditor's reports. The school board's external auditors provide a report which provides the general auditors' opinion on the school board's financial statements. In the past, the school board did not receive a management letter from the auditors with specific recommendations requiring response and action by management. However, the school board has recently selected a new external audit firm, and has received a management letter with recommendations. Management provided a formal response to the letter and reported to the audit committee.

Finance staff conduct internal audits of schools on a four-year schedule. The areas of audit include PCards, petty cash and fundraising accounts. Schools receive a twoweek notice before the audit. The finance department has developed standard checklists for conducting audits. The results and findings of the audit are discussed with school principals and secretaries, and a formal report is issued to school administration. The finance department also provides audit reports to the board of trustees. Finance staff conduct follow-up and provide training on specific issues which are identified during audits.

Recommendation:

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

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

The school board finance staff monitor cash in accounts daily, and the Accounts Payable Clerk receives daily statements. The Accounting Technician conducts monthly bank reconciliations which are approved by the Finance Manager.

The school board's cash management activities are consolidated with one financial institution. The school board has one general account and one U.S. account. In line with the requirements of collective agreements, the school board maintains over 10 deferred salary leave accounts. There are also seven trust fund accounts. Individual school accounts may be set up with other banks, due to the limited choice of financial institutions in many areas of the school board. The school board's last tender for the banking services took place after the amalgamation in 1998. The school board has been continuously examining its banking arrangements and comparing rates with other school boards. However, management noted that the existing banking arrangements have been determined to provide the best value for the school board.

The Board has established the policy on investments. The school board examines its management of idle cash regularly to determine if there any low-risk investment opportunities that would provide a better return than the existing bank rates. Finance staff and the Superintendent of Business meet on a regular basis to reassess the costs and benefits of investing surplus funds. At present, the school board has confirmed that its existing banking arrangement meets its cash management needs. . The school board's investment activity can be discussed with the Board when annual financial statements are prepared. There are no regular reports to the Board on school board investments.

The school board does not undertake regular cash flow forecasting. Cash flow forecasting is sometimes conducted on an *ad hoc* basis. For example, when new capital projects are being considered, the cash flow may be assessed to determine whether there are measures that must be taken to maintain cash flow, including the use of the line of credit.

Management reports regularly to the audit committee on its monitoring for fraudulent activities, and actions taken to prevent, detect and mitigate losses due to fraud. Management uses electronic cheques that require two authorizations.

The school board maintains a sinking fund for repayment of debt incurred by school boards before the amalgamation in 1998. The repayment of debentures issued prior to 1998 is guaranteed by the Ministry. The school board has a significant amount of debt which is not fully funded. Prior to the introduction of the Prohibitive to Repair funding, the school board had completed two projects which would qualify for this funding. Management used the school board's renewal funding and operating savings to service the interest and principal payments on capital loans debentures issued for the two consolidation projects and other debt associated with several construction and major renovation projects. With changes in the funding formula, the school board has found it increasingly difficult to service the debt. The school board has been using other sources, including lease revenues and the discretionary remote and rural grant to cover a proportion of debt servicing. As a result, the school board prepared a business case for the Ministry, requesting debt commitment support for two consolidation projects which would qualify as Prohibitive to Repair projects. The school board is also considering other scenarios for debt repayment, including refinancing and the use of reserves for working funds.

Recommendation:

- Management should consider periodically reporting 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 established a policy on school fundraising, and the finance department has developed a number of procedures and standard forms and templates related to the management of school-based funds. The school board uses the Guide on School Generated Funds developed by the Ontario Association of School Business Officials (OASBO) as a key reference and guidance document for schools.

The school board has implemented a software program to manage cash in schools. The finance department has central access to school-level information and data on the

system. The finance department undertakes periodic planned audits of schoolbased funds. Decisions about expenditure of school-based funds are made at the school level. School principals are responsible for the maintenance of accurate, upto-date financial records of funds raised and expended by the school. School staff are required to produce monthly reports which are reviewed by the principal. School principals submit annual reports to the Director of Education, outlining the amount of funds raised and expended, the sources of funds, and the uses of funds. The Senior Administration presents a summary fundraising report to the Board annually.

Management of Non-Grant Revenue

The key sources of the school board's non-grant revenue include tuition fees for nonresident students, interest on tuition fees arrears, and the lease of facilities (community use and long-terms lease).

The school board has developed a formal policy and procedure for provision of services to non-resident pupils. Several years ago, the school board had significant tuition fees arrears. However, by ensuring compliance with the relevant policies and procedures, it managed to recover most of the arrears, and has signed payment plans in place for the remainder.

The school board has developed a formal policy and procedure for the community use of schools, including a standard application form and fees schedule. The facilities department of the school board is responsible for managing the community use of facilities. The school board is actively promoting the community use of facilities, and conducts regular meetings with municipalities. The school board has established agreements with municipalities regarding the use of some facilities (e.g. soccer fields). The agreement includes some cost-sharing provisions. The school board is considering broader joint agreement/reciprocal agreements with municipalities.

Fees for community use of facilities are set to cover the costs of permit administration. Other costs are covered through the community use of schools grant. For longer-term lease contracts, the Facilities Manager is responsible for negotiating lease agreements. Lease contracts are set based on recovery of costs and a capital component.

Currently, applications for community use are submitted to school secretaries, and approved by principals or secretaries. There is a standard online spreadsheet to be completed by school secretaries. Management noted that this spreadsheet is not updated consistently. Schools provide reports two times a year on the community use. The school board is currently reviewing its permit system, and intends to work with the co-terminus board to establish an electronic registration system.

Management has established procedures to record and track the various EPO grants received. Once a signed contract is received, the finance area sets up a separate code

for each program. The Student Success Leader or Assistants to the Director of Education (superintendents of educations) are responsible for EPO grant management. The finance department notifies relevant staff when grant advances are received, and issues a spreadsheet identifying the accounts for the grants. To ensure accuracy in setting up the accounts and tracking of grants, the finance department maintains close communication with program leads. At the end of the year, management reviews each EPO grant to identify how funds have been spent.

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

Participation in Group Purchasing Initiatives

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

Purchasing Levels of Authority

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
Purchasing authorization levels are commensurate to job roles and responsibilities, and are monitored for compliance by a supervisor or department head.	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.	No
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 established formal policies and guidelines for purchasing, which are available on its website.

The purchasing policy notes that the primary objective of the school board is to obtain maximum value for public funds expended, through a process that ensures all qualified vendors are treated fairly. It is stated in the purchasing policy that measures of value which are considered by the school board may include timing of delivery, quality of goods, services and work, legal risk cost, and educational impact.

The purchasing guidelines outline purchasing authorization levels, tender process, and procurement cards.

Management noted that the finance department is currently drafting a code of ethics policy to be presented to the Board for approval. The school board is working with other school boards through OASBO to ensure consistent standards across the sector.

The guidelines note tenders may be publicly advertised or issued by other means, based on timelines, dollar value, urgency, or other factors. The Purchasing and Payables Officer may determine whether it is fiscally responsible to publicly advertise Tenders/Requests for Proposals (RFP)/ Requests for Quotes (RFQ) in local newspapers.

The guidelines also note that the Purchasing and Payables Officer, in cooperation with the respective department/school, has the discretion to decide whether or not to call for a sealed tender or whether to issue an RFP/RFQ.

The school board compares every bid to provincial standing agreements. However, due to the geographic location of the school board, shipping rates provided by Vendors of Record (VOR) are not always competitive.

Participation in Group Purchasing Initiatives

Under the purchasing policy, the school board is the facilitator of the Northern Purchasing Consortium, and, as such, offers other member organizations the opportunity to participate in tenders initiated by the school board, at the school board's discretion. The school board has facilitated group purchasing for office supplies, photocopiers, lighting supplies, and audit services.

Purchasing Levels of Authority

The school board has developed a memorandum on purchase authorization limits and vendor selection. The following authorization limits are established in the memorandum:

- Board of Trustees: over $2,000,000

- Director of Education and Superintendent of Business Purchases: $500,000

- Superintendents of Education and the Student Success Leader: $100,000

- Principals, department managers: $25,000

- Departmental officers and facilities area supervisors: $10,000

- Executive Secretary or administrative assistants: $5,000.

The school board has established the following thresholds:

- $200 and under – competitive quotes are not required. Where possible, it is recommended to centralize small purchases with a limited number of suppliers accepting Visa, to encourage price discounts and improved service levels to the school board

- $2,000 – 10,000 – where possible, verbal or faxed competitive quotations are to be obtained

- $10,000 – 25,000 – in consultation with the Purchasing and Payables Officer, at least three written quotations are to be obtained

- $25,000 – over – formal request for tender/RFP/RFQ are to be issued by the Purchasing and Payable Officer.

Policies and Procedures for PCard/Corporate Card Use

The school board's purchasing policy and guidelines contain provisions regarding the use of purchasing cards (PCards). The Purchasing Cardholder Agreement is also posted on the school board's Outlook folders available to all staff. The school board has 160 PCards. Most PCards have a transaction limit of $2,000. The card limit for department heads is $3,000, while school principals' PCards have a $5,000 limit. The purchasing guidelines require that PCard holders sign the agreement prior to receiving the card. The Purchasing and Payables Officer is responsible for monitoring compliance with PCard policies and procedures, and suspends PCards if reconciliations do not occur in a timely and accurate manner. In addition, the finance function undertakes periodic audits of PCards.

Accounting for Completeness of Purchase/Payment Cycle

The finance department has established procedures for requisitions, which are posted internally. Requisition procedures are included in training manuals for new employees.

The school board has implemented requisition software that allows an on-line entry of requisitions, electronic email notifications and approval routing, and central purchase order generation. The requisition system is integrated with the school board's financial system.

The system allows staff to generate requisitions using the electronic catalogue for tendered items and non-catalogue items. Once submitted, an e-mail notification is sent to the appropriate approver. Once all the electronic approvals are received, the Payables and Purchasing Officer approves the requisition to create a PO. The PO is then sent back to the person who generated the requisition, to release to the supplier. The receiving module of the system allows the receiver to electronically match the packing slip with the items received on a particular PO. This eliminates the need for Accounts Payable to copy and send invoices for payment authorization. Once the school receives the order and matches the received goods with the PO, the acknowledgment of receipt and the itemized receipt are submitted to the Payables and Purchasing Officer who approves payment by Accounts Payable.

Management has not implemented an electronic supplier's interface for ordering, processing, and payment.

The school board does not have a commitment accounting process. Management noted that all school board expenditures are closely tracked.

Use of Electronic Funds Transfer for Greater Efficiency

The school board is currently using EFT payments for utility companies, employees, and school bus operators. EFTs are generated by the Accounts Payable Clerk in the financial system. However, only three senior staff can process payments in EFT. There is an add-on application to the school board's financial system which generates e-mail notifications for recipients of EFT payments. The school board intends to extend the use of EFTs for other suppliers.

Recommendations:

- Management should consider implementing a commitment accounting process to control spending within budget limits.

- Management should consider implementing the electronic supplier interface for ordering, processing and payment.

- Management should continue extending the use of electronic funds transfers (EFT) for payments.

5. School Operations and Facilities Management – Findings and Recommendations
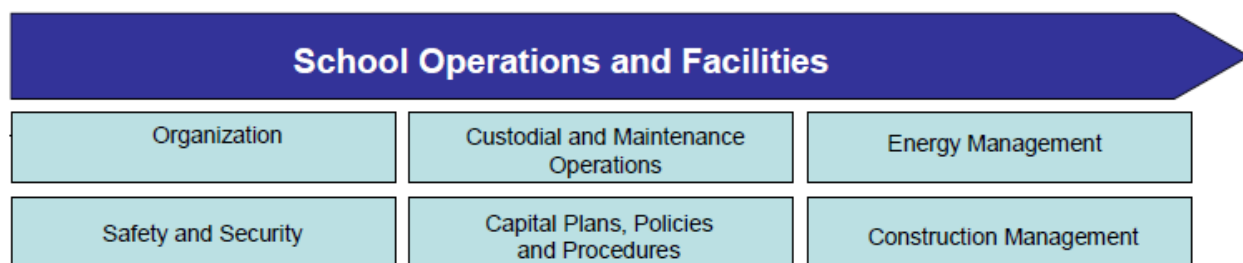
Efficient and effective management of the school board's facilities (particularly schools) is an important factor in student achievement. Along with providing a positive learning environment for students, this function sets and meets standards of cleanliness and maintenance, examines opportunities to 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 department plan. They are aligned to the annual board operating plan, accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified responsibility.	No

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

The facilities department is responsible for the maintenance and custodial operations and construction of all facilities at the school board. The facilities department does not currently have a formal annual business plan with specific goals and priorities. The

department identifies its annual priorities, which are included in the school board's strategic action plan. The current priorities of the Facilities department include:

- Implement an automated work order system and school use permit system, using the new software application purchased by the school board

- Work with the Ministry to award contract for construction of a new elementary school in Dryden

- Work with the Town of Sioux Lookout to develop a sports and recreation site improvement plan for Sioux Mountain PS

- Complete a new electricity purchasing arrangement through York CDSB consortium

- Develop procedures for the use of green cleaning products in custodial operations

- Update the long-term capital plan

- Conduct financial and operational reviews of the facilities department, to reduce dependence on the declining enrolment grant.

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

The facilities department regularly obtains feedback from school board staff regarding its services. As part of the annual identification of priorities, principals complete a survey for new/replacement furniture and equipment requests and specific projects required by schools. Using input from parent councils, students and staff school principals, the department identifies items for *First Impression* projects undertaken by the school board. *First Impression* projects aim to improve areas that create a lasting impression as people approach and enter school facilities. By implementing *First Impression* projects, the management promotes the sense of pride and ownership in the facilities among the staff and students of the school board.

Facilities management has discussions with custodial and maintenance staff regularly. During the year, head custodians hold meetings to share good practices and provide feedback to the Facilities Manager.

Organizational Structure and Accountability

The facilities department operates under the direction of the Superintendent of Business. The department is led by the Facilities Manager, and includes two Area Supervisors and the Events and Service Coordinator.

The roles and responsibilities of facilities staff are clearly outlined in their respective job descriptions. The school board's organizational chart indicates the structure of the facilities department and lines of reporting. The organizational chart is posted on the school board's website. Senior facilities management staff have appropriate professional experience, and are certified in Occupational Health and Safety.

Monitoring and Communication of Policies

The facilities department maintains a set of administrative procedures covering pertinent aspects of facilities and operations management. These procedures are included in the facilities procedures manual, which is available on Outlook folders available to all staff and the school board's website. Policies are reviewed and updated according to the schedule established by the school board. The Facilities Manager is responsible for monitoring changes to the various regulations that govern the school building and property matters.

The facilities department periodically sends memoranda to staff regarding specific aspects of its policies and procedures. Appropriate training is provided to custodial and maintenance staff to address policy issues and to understand the need for compliance with the various regulatory requirements. Examples of such training include changes in building codes and mold and asbestos management.

Recommendation:

- Facilities management should consider enhancing its annual departmental planning, by establishing a distinct facilities department plan aligned with the school board's annual strategic action plan. The department plan should establish specific and measurable targets and indicators, and assign responsibilities for key activities. This would enable management to track and report the progress of its defined priorities and goals throughout the year.

5.2 Custodial and Maintenance Operations

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

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

- 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.	Yes
The school board has implemented a formal green clean program as part of its overarching Education Environmental Policy.	No
Management's custodial/maintenance allocation model optimizes the use of staff and considers various factors (e.g. square footage, portables, gyms, etc).	Yes

Development of Annual/Multi-Year Maintenance Plan

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Using a consultative process, senior administration develops and communicates a multi-year (three to five years) plan for major maintenance and renewal projects. The plan addresses the board's preventative and deferred maintenance priorities and optimizes the use of available funding (Annual Renewal Grant and Good Places to Learn funding). The plan is approved by the Board and accessible by the public.	No

Training to Support Skills Development and Safety

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

Standardization of Cleaning and Maintenance Supplies

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Management uses an inventory system to track and control major cleaning and maintenance equipment.	No
Management has defined common standards to ensure efficient procurement of supplies in order 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.	Yes
Senior administration regularly evaluates the overall effectiveness and efficiency of its maintenance and custodial service delivery model.	Yes

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

Management has established a formal inspection process, *Quality Management Inspection*, which takes place at least twice a year. The purpose is to survey school facilities to determine the condition of cleanliness and maintenance, recognize quality achieved in some areas, and identify areas for improvement. The inspections are conducted by a team composed of the area supervisor, head custodian, principal or principal's designate. The Quality Management Inspection procedure provides a detailed description of the process, and a standard template for the school condition report. Management has also developed and documented criteria for condition report ratings. These criteria set cleaning standards for school board facilities. The school board has developed the Quality Management Inspection process in consultation with labour unions.

The results of school condition reports are discussed with school principals and custodial staff. Each year, management provides a report on the outcomes of the

Quality Management Inspection process to the Board. Management uses the results of the Quality Management Inspection process to recognize custodial staff for their performance. Each year the school board organizes a recognition event for the school awarded the highest Quality Management Inspection score. The custodial staff at this school receive a day off work for their achievement.

Management noted that the development of a green policy and formal procedures for operations and cleaning are among the current priorities of the facilities department. Green cleaning products and procedures are currently being used in several schools. It is expected that provincial standards and guidelines regarding the use of green cleaning products will enable the school board to implement green cleaning across all schools.

Management uses the custodial staffing model, which is based on workload. The school board has contracted external consultants to help develop a workload model, using a software application. The model establishes a workload time for cleaning required, based on numerous factors including layout, use, finish materials, and use of cleaning machinery. The allocation model for custodial staff is not included in collective agreements. However, the model has been approved by the union. Management reviews the model annually, and makes adjustments when there are changes in staffing needs as result of school closures and consolidations and construction of new schools.

The facilities department includes 15 maintenance staff. The majority of maintenance staff is qualified in several trades. The school board has two electricians who provide services for two geographic areas of the school board. Management is currently reviewing the allocation model for its maintenance staff.

Development of Annual and Multi-Year Maintenance Plan

Each year, management allocates budgets for replacement capital and minor improvements and renovations. The replacement capital budget includes an allocation to replace maintenance/caretaking equipment and student furniture. The budget for minor improvements and renovations includes *First Impressions* projects. Schools receive a standard request for replacement capital and minor improvements in the fall of each year. In consultation with school councils, school administration submits facilities improvements for consideration to the senior administration. In addition to the requests submitted by schools, management considers the results and observations from the Quality Management Inspections.

The list of proposed maintenance projects for the year is submitted to the Superintendent of Business for review. The Superintendent of Business presents the plan to the Executive Council, followed by approval by the board of trustees.

Management indicated that the ReCAPP database has not been updated in the past two years. The school board does not have a system for planning and tracking

preventative maintenance activities. Management has recently purchased a webbased system which will support preventative maintenance activities and community use/permits, and will automate work orders. The Facilities department is currently using an electronic work order system developed in-house. The existing work order system will be replaced with the new web-based system.

Training to Support Skills Development and Safety

Each year, the facilities department conducts a professional development day for custodial and maintenance staff. Other mandatory and voluntary training on specific topics is provided during the year. Custodial and maintenance staff also receive onsite training to address specific maintenance and cleaning issues. The facilities department supports cross-training for integrated trades which do not require certification such as welding, plumbing, and flooring. Vendors are expected to provide product use training. Management noted that for chemical awareness training, suppliers and Area Supervisors have undertaken road trips to all sites.

The facilities department has developed a training program and manual for all new employees. The training program for new employees includes health and safety, Workplace Hazardous Material Information System (WHMIS), asbestos management, and custodial practices and procedures. Management has also established a Young Workers Awareness program to address issues related to injuries and illness on the job. The facilities department has developed a manual for this program.

Standardization of Cleaning and Maintenance Supplies

The facilities department does not have any major pieces of equipment. The school board does not use a tracking system for its equipment and fleet of maintenance trucks. All maintenance vehicles are leased, with the exception of the Area Supervisors' vehicles. Management does not track inspection and maintenance of existing maintenance equipment and maintenance trucks. Facilities department staff are responsible for maintenance of their vehicles and equipment. Vendor contracts require that vendors conduct regular inspections of new and large pieces of equipment. The facilities staff is assigned to individual schools or groups of schools and is responsible for the day-to-day maintenance of equipment and identification of maintenance needs.

The larger pieces of custodial equipment, such as scrubbers and ride-on-scrubbers, are included in the annual preventive maintenance contract. An external certified technician performs quarterly inspections. During inspections, equipment is adjusted, parts are replaced and the condition of equipment is reported back to Area Supervisors.

The school board does not have central warehousing of custodial supplies. The school board's suppliers provide monthly stocking of supplies in all custodial closets at each school. Schools use concentrated chemicals through standard dispensers for all

custodial chemical supplies. All paper product and soap dispensers are standard throughout the system. These are supplied and installed by the vendors as part of their contracts. Vendors of custodial supplies provide management with annual consumption reports for each school.

Project Management, Monitoring and Supporting Systems

The facilities department has established a web-based database to support work orders. A limited number of staff at each school have access to the database and can submit work orders. School secretaries are usually responsible for submitting work orders. Work orders less than $50 are automatically approved. Other work orders require Area Supervisor approval. Maintenance staff who are responsible for each school monitor the completion of work orders. The existing work order system provides a report on past and outstanding work orders which is accessible to the public. Management noted that the new computerized system, recently purchased by the school board, will include a work order module. Management uses the existing work order system to track the cost of acts of vandalism. Management reported that there has been a reduction in the number of vandalism incidents.

Recommendations:

- Management should continue enhancing the use of green cleaning products and developing a Green Clean policy and formal administrative procedures in line with the Ministry guidance. The school board should also consider developing an Environmental Education policy/strategy that would provide a framework for its activities in environmental management.

- Management should establish a multi-year maintenance and renewal plan that includes the funding available to support it. This would provide the senior administration, the Board, and its stakeholders with a clear forecast of the school board's critical needs over the next several years.

- Management should develop an inventory of major equipment used by maintenance and custodial staff. This measure would increase management confidence that staff are accountable for their use of the school board's assets.

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.	No
Successful conservation initiatives are communicated across all schools and with other school boards.	Yes

Tracking and Reporting Energy Conservation

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

Energy Management Plan

Management recognizes the importance of promoting energy conservation, and has implemented several programs and initiatives. The school board has successfully completed an energy conservation program implemented by external consultants. The program has resulted in measurable energy savings. All school board facilities with

major renovations or new schools are registered with Natural Resources Canada (NRCan) under the ecoEnergy program. These schools are modeled under the Model National Energy Code for Buildings, and are required to exceed the established minimum energy efficiency standards. Currently, nine out of 24 school board facilities use heat pump ground source systems. Management has also established standards for some equipment in schools, including waterless urinals, low flow nozzles, and motion-activated sensors.

The school board has recently completed energy audits of all facilities. Management is currently analyzing the results of the audits, and will identify further steps in energy management, including the creation of an energy management plan in line with the requirements of the Green Energy Act. Management recognizes the potential benefits of the provincial energy consumption database, including benchmarking with other school boards.

The school board has recently appointed an Environmental Steward, responsible for promoting and implementing energy conservation initiatives in schools. Management noted that the facilities department will work with the Environmental Steward to establish links with the environmental and energy conservation education programs.

Tracking and Reporting Energy Conservation

Management acknowledges that the school board should track utilities consumption monthly. Currently, most of the consumption data is obtained from utility bills and entered manually. Management tracks variance between budget and actual consumption, and costs per square footage. The Facilities Manager and the Superintendent of Business review the reports annually, and identify issues, which are closely examined to determine causes.

The school board has implemented centralized control systems that automate energy regulation and conservation. The school board contracts external providers to manage the control systems. Management is currently reviewing its centralized control services, using the results and findings from the audit of all school board facilities.

The school board does not receive consolidated billing from the utilities.

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 it. 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.

- In line with the provisions of the *Green Energy Act, 2009*, the school board should ensure that its procurement policies and practices support the objectives and targets of its energy management plan.

- Management should continue tracking energy consumption/expenditure data at the facility level. This data should be used to develop the energy management plan and in formal annual reporting on conservation savings.

- Management should consider obtaining consolidated billing for all school board facilities from each utility.

- The school board should also consider developing an environmental education policy or strategy to provide a framework for environmental management activities. The Environmental Steward recently hired by the school board could take the lead in the development of the policy or strategy.

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.	No
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.	No
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 HR department is responsible for the school board's occupational health and safety policies and procedures. The HR procedures manual outlines procedures for school-based occupational health and safety committees, inspection forms/reports, and incident report forms. In 2006, management conducted a workplace health, safety and wellness survey to identify health needs and risks among employees. The HR department provides training for principals on health and safety procedures and reporting of incidents.

Management does not provide reports to the Senior Administration and the Board regarding the occupational health and safety activities.

The school board has established policies and procedures related to student health, which are consistent with statutory health requirements. The school board has also developed a pandemic plan, with input from a committee of the Director, superintendents, HR Manager, staff and presidents of the employee bargaining units.

The facilities department is responsible for regular monitoring of air and water quality standards. The school board's procedures for water flushing are consistent with legislation, and have been approved by the local water authority. The facilities function provides regular reports on monitoring of water and air quality to the Superintendent of Business.

The school board's safe schools policies, procedures and programs are coordinated and monitored by the Safe and Supportive Schools Coordinator, who was appointed several years ago. The school board has established a safe schools policy. It has implemented a number of anti-bullying and anti-harassment initiatives, and programs to provide support to students who have been suspended. The school board has been

also implementing restorative practices to address issues of discipline and conflict. Management reported that the school board's restorative practices have demonstrated positive results.

The school board has established a policy for an Emergency Evacuation Plan. The academic department of the school board is currently reviewing the policy, with input from the facilities department and local emergency services. The plan will include response procedures for all types of safety emergencies.

The school board conducts regular fire drills. Management has established policies and procedures for the lock-down of schools and is finalizing a policy on lock-downs. The academic department is working closely with the local police services, school staff, and parents to improve understanding of existing lock-down protocols. The school board has crisis response teams in every community.

Recommendation

- Management noted that it has a holistic view of occupational health and safety and health of students. The school board should consider developing a health and safety plan or strategy to reflect the school board's occupational health and safety and student health policies and procedures, and ensure that the school board is in compliance with associated statutory requirements and policies.

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).	No
Capital forecasts and related funding plans are assessed annually and adjusted to meet current needs and changes to original assumptions such as enrolment projections and capital grants.	Yes

Development of Annual and Multi-Year Capital Plans

The school board has developed and submitted its five-year capital plan to the Ministry through the SFIS website.

The school board considered a range of factors as part of the development of the plan, including enrolment forecasts and the accommodation review process. Management has also used ReCAPP data and feedback from Area Supervisors in the development of the capital plan. The capital plan is reviewed annually. Management reported that there have not been significant changes in the capital plan as result of annual reviews. The school board's Capital Plan has been approved by the Board.

The Ministry requires that the plan include both projects with identified funding and those where the funding is unknown. This data is required by the Ministry to provide an

understanding of the potential needs of all school boards over that time period. The school board submits the capital liquidity template to the Ministry.

Management considers low utilization of school board facilities and potential closures and consolidations as part of the capital planning. The school board has established policy on school viability and closure to guide the accommodation review process. The policy is available on the school board's website. The accommodation reviews involve extensive public consultation.

The school board proactively engages with the community, and encourages the use of school facilities. Management conducts regular meetings with municipalities to identify opportunities for promoting community use of facilities.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

The Manager of Facilities is responsible for updating SFIS annually. Management indicated that the ReCAPP database has not been updated in the past two years.

Recommendation:

- Management should maintain accurate and up-to-date data within ReCAPP to support capital planning.

5.6   Construction Management

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

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

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

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

Cost Effective Practices in the Design and Construction of Facilities

Leading Practices – Construction Management	Evidence of Adoption?
Management uses cost-effective designs, standard footprints, energy conservation, and economical construction practices to minimize construction 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

For new construction projects, which usually involve amalgamation of schools, the school board establishes a committee including principals, parent council, the community, and student representatives. The committee conducts meetings with architects and identifies design ideas. School board staff also provide input in the development of the building layout. Based on the input from the project committee, architects develop a design concept for the project. The design concept is presented to the Board for approval. The design concept is used to develop detailed design and a budget for the project. The detailed design is presented again to the project committee.

For major renovation projects, management considers curriculum and building structure needs as key design factors.

The school board uses NRCan modeling software to determine the efficiencies and energy costs of renovation or new construction projects. This supports the principles of the *Ontario Green Energy Act, 2009*.

The school board undertakes comparisons of costs per square foot with other school boards in northwestern Ontario. Management noted that due to the geographic location of the school board, there are many challenges associated with new construction projects, including limited qualified workforce in the immediate area of proposed projects, and significant travel distances.

Monitoring and Reporting of Progress on Construction Projects

Management has established a project management process which allows it to monitor and control construction projects and their costs. The facilities department has established a standard template for tracking the project budget. The monitoring template is completed three or four times during the project, when the project achieves major milestones.

Progress payments are approved by the Manager of Facilities, and approved by the Superintendent of Business. Budgets for construction projects include a contingency provision, and management reported that the school board has maintained the costs within that contingency provision. All change orders are directed to the Facilities Manager and approved by the Superintendent of Business.

The Facilities Manager attends site meetings every two weeks with contractors and sub-contractors, and reviews progress against tasks and change orders. Area Supervisors also make site visits, and perform day-to-day supervision of construction and renovation works.

Maintaining Current Approved Professional Service Providers

Management noted that, due to the geographical location of the school board, there is a limited pool of general contractors and sub-contractors. The school board prequalifies four to six general contractors. Management may also pre-qualify general contractors and major sub-contractors (mechanical and electrical) for several projects. Management advertises tenders for smaller projects in local newspapers and with construction associations in the region. Architects contracted by the school board are responsible for conducting tenders for construction projects.

Appendices

Appendix A: Overview of the Operational Review

Operational Review Objectives

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

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

- Strengthen management capacity in 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.
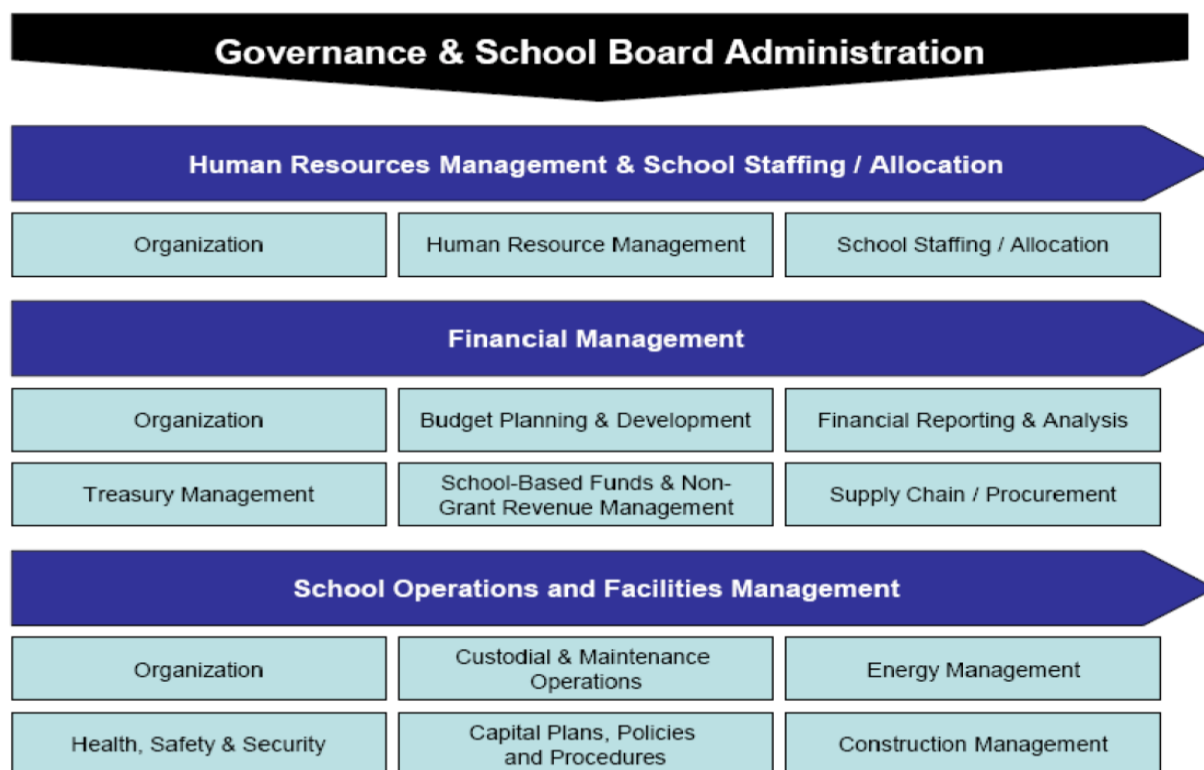
Operational Review Summary Approach

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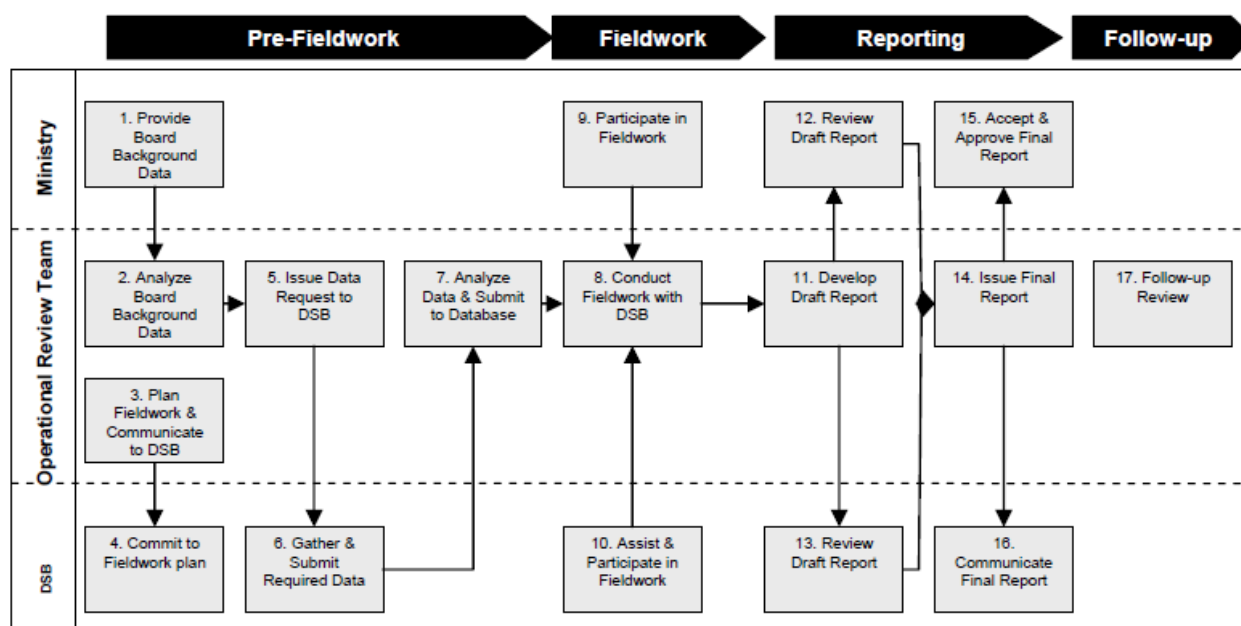
The Table below defines the key phases and activities which comprise the Operational review Methodology.

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.
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.

Key Activity	Description
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.
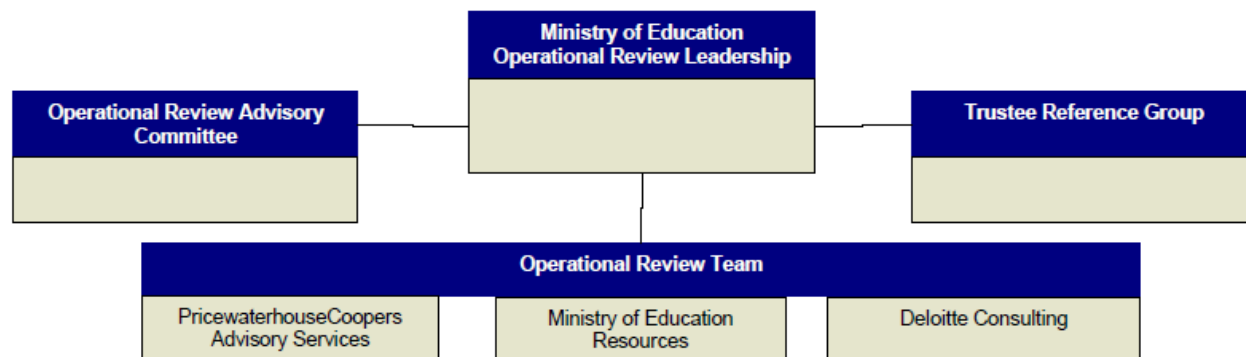
Limitations of this Review

The purpose of this report is to document the results of the Operational Review of Keewatin-Patricia 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 aligning 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. As a first step, the school board should undertake data collection, identification of skills and competencies, and professional learning needs.

Human Resources Management and School Staffing/Allocation

No.	Recommendation
2.	The HR department should develop an annual departmental plan that includes performance measures and targets for its specific goals and priorities, and supports the annual reporting on achievements. This will enable staff to focus on the planned targets for each priority throughout the year, and provide support for reporting the department's accomplishments.
3.	Management should establish formal disciplinary procedures for all teaching and non-teaching staff. Existing progressive discipline practices should be formalized and communicated to all staff.
4.	The HR department should develop a comprehensive attendance management program, with policies and procedures for specific categories of absenteeism. This would provide a consistent and structured approach to improving attendance, including positive reinforcement for employees and standardized practices across all employee groups.
5.	The HR department should continue developing formal procedures for performance appraisal of the school board's non-union staff.
6.	The HR department should periodically report on the effectiveness of the attendance management process/programs to senior administration and the Board.
7.	Management should update the pay equity plan for non-union employees of the school board.
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 continue developing administrative procedures for exit interviews. These interviews would provide input for HR policy, as well as process and program improvement.
11.	Management should develop formal policies and procedures to govern the development of an annual staffing plan and allocation process.

Financial Management

No.	Recommendation
12.	The annual departmental planning should be enhanced by establishing a distinct finance department plan aligned with the annual strategic action plan and including tasks associated with budget development, financial reporting, and new projects and initiatives. The department plan should establish specific and measurable targets and indicators, and assign responsibilities for key activities. This would enable management to track and report the progress of its defined priorities and goals throughout the year.
13.	Management should identify and document all significant risks during the budget planning process, and develop strategies to mitigate the risks of spending beyond authorized/budgeted levels.
14.	The school board should establish approval procedures for interim financial statements, and implement a formal sign-off process for the statements by senior management.
15.	Management should consider periodically reporting to the board on the performance of the investment activity.
16.	Management should consider implementing a commitment accounting process to control spending within budget limits.
17.	Management should consider implementing the electronic supplier interface for ordering, processing, and payment.
18.	Management should continue extending the use of electronic funds transfers (EFT) for payments.

School Operations and Facilities Management

No.	Recommendation
19.	Facilities management should consider enhancing its annual departmental planning, by establishing a distinct facilities department plan aligned with the school board's annual strategic action plan. The department plan should establish specific and measurable targets and indicators, and assign responsibilities for key activities. This would enable management to track and report the progress of its defined priorities and goals throughout the year.
20.	Management should continue enhancing the use of green cleaning products and developing a Green Clean policy and formal administrative procedures in line with the Ministry guidance. The school board should also consider developing an Environmental Education policy/strategy that would provide a framework for its activities in environmental management.
21.	Management should establish a multi-year maintenance and renewal plan that includes the funding available to support it. This would provide the senior administration, the Board, and its stakeholders with a clear forecast of the school board's critical needs over the next several years.
22.	Management should develop an inventory of major equipment used by maintenance and custodial staff. This measure would increase management confidence that staff are accountable for their use of the school board's assets.
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 it. In line with the Green Energy Act, 2009,energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for

No.	Recommendation
	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.	In line with the provisions of the Green Energy Act, 2009, the school board should ensure that its procurement policies and practices support the objectives and targets of its energy management plan.
25.	Management should continue tracking energy consumption/expenditure data at the facility level. This data should be used to develop the energy management plan and in formal annual reporting on conservation savings.
26.	Management should consider obtaining consolidated billing for all school board facilities from each utility.
27.	The school board should also consider developing an environmental education policy or strategy to provide a framework for environmental management activities. The Environmental Steward recently hired by the school board could take the lead in the development of the policy or strategy.
28.	Management noted that it has a holistic view of occupational health and safety and health of students. The school board should consider developing a health and safety plan or strategy to reflect the school board's occupational health and safety and student health policies and procedures, and ensure that the school board is in compliance with associated statutory requirements and policies.
29.	To support capital planning, management should maintain accurate and up-todate data within ReCAPP.