**Ministry of Education**

# Operational Review Report
# Limestone District School Board

**May 2011**

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## Executive Summary

This report details the findings and recommendations of the Operational Review of Limestone District School Board (the school board) conducted by the Operational Review Team composed of external consultants from Deloitte Inc. and Ministry of Education staff. The Operational Review was conducted over three days beginning January 17, 2011.

## Introduction

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

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

The review team found that the school board has implemented many leading practices. Noted strengths include the school board's policy review schedule, the foundation of an attendance management program for all staff, and strong labour relations and energy management practices. A summary of the findings and recommendations for each of the functional areas reviewed follows. Details can be found in subsequent sections of the report.

## Governance and School Board Administration

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

- The school board's governance model clearly delineates the division of duties and responsibilities between the Board of Trustees and the Director of Education, supporting an effective working relationship. The governance model reflects the roles and responsibilities mandated by the *Student Achievement and School Board Governance Act*, Bill 177.

- The Board of Trustees, using a consultative process, develops and communicates a multi-year strategic plan that includes both academic and operational priorities and provides a framework for annual planning.

- The Board of Trustees and the Director of Education have appropriate processes for the establishment and regular review of policies and administrative procedures for the efficient and effective operation of the school board.

- Key senior staff from all functional areas are members and participants in sector committees of provincial associations and Ministry workgroups.

The school board has adopted components of a succession and talent development plan to build and sustain leadership capacity across multiple staff functions. The school board should continue its succession and talent development activities, and expand existing initiatives to all non-academic employee groups. Current initiatives and future improvements should be consolidated in a single succession and talent development plan.

**Recommendation:**

- To help build and sustain leadership capacity, the school board should expand its formal succession plan which includes plans for senior staff in non-academic functions.

## Human Resource Management and School Staffing/Allocation

The Human Resources (HR) department at the school board demonstrates a good level of operational effectiveness overall. It has implemented many leading practices, including:

- HR management has established policies and procedures to minimize grievances.

- The school board maintains appropriate processes and systems to monitor staff attendance on a timely basis.

- HR management periodically conducts independent compliance audits of the school board's insurance carrier, to ensure adherence to the benefit plan's terms and conditions.

- Confidential staff satisfaction surveys are performed periodically.

The school board's recruitment processes have been standardized across different employee groups, with slight deviations in the composition of hiring panels. Cross

functional interview panels are in place for the recruitment of supervisory staff. Trustees are involved in the interview panels, and are one of a number of members that make recruitment recommendations to Senior Administration. Trustees should not be part of the hiring process for employees, other than for the Director of Education position. They should, however, express their views on recruitment through the development of Board policies and by-laws.

The school board's labour negotiations teams vary in composition, depending on the union involved. A clear mandate for negotiations is received from the Board. As part of the process, one trustee is designated to attend each labour negotiation as an observer. It is recommended that trustees should continue to provide the school board with a policy and priority framework for bargaining, and not play a direct role in negotiations.

The school board maintains a single professional development (PD) calendar. PD sessions are conducted in response to Ministry of Education, Board and departmental initiatives, as well as specific needs identified through the employee performance evaluation process. Departments ensure strong PD programs, and are supported by HR. The school board is encouraged to ensure PD is included as a required part of performance appraisal metrics for all staff.

The school board does not regularly conduct exit interviews. These interviews are only conducted for senior level positions if administration feels there is a circumstance out of the ordinary that requires follow-up. The school board should formalize the process for exit interviews, and ensure they are conducted for all staff leaving the school board. Such interviews provide management with valuable input for HR policy and process and program improvement.

**Recommendations:**

- The Director should review the composition of the school board's interview panels, and develop formal hiring policies and procedures to clarify the roles of trustees and school board staff. Trustees should provide strategic policies to govern staffing and recruitment, but should not sit on interview or hiring panels with the exception of hiring the Director.

- Trustees should continue to provide the school board with a policy and priority framework for bargaining. They should not directly participate in labour negotiations.

- HR management should establish and manage formal professional development guidelines for non-teaching staff, including annual learning, plans for minimum training hours, and an in-depth supervisory training program for all managers of administrative functions. This will help ensure the school board is meeting the needs of its employees.

- Management should consider conducting exit interviews with all staff leaving the school board to obtain input on HR policy, as well as process and program improvement.

## Financial Management

The department produces a number of positive results, through the implementation of these leading practices:

- The annual budget development process is documented, transparent, and clearly communicated, incorporating input from all key stakeholders including management (with principals), Board of Trustees and the community. It supports the school board's strategic and operational plans.

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

- Interim financial reports provide sufficient detail (including a comparison of actual to budget and year-to-date comparisons from previous years) for a clear understanding of the status of the current year's budget and the outlook for the year.

- Cash management activities are consolidated with a single financial institution where feasible.

- Policies and procedures for the use of PCards and corporate credit cards are documented and communicated to users through regular training and monitoring.

The department discusses major budget risks during budget deliberations such as declining enrolment and planning for possible pandemics. The department should consider consolidating key risks and mitigation strategies in a formal risk plan. This risk plan would be documented and presented to Senior Management and the Board, as part of the budget development process.

The school board is actively participating in the Ministry's regional audit initiative. At the time of the Operational Review, the school board reported that it did not have an official internal audit function. The school board should continue to become familiar with the new Audit Committee Regulation and the Ministry's internal audit initiative, including the establishment of regional internal audit teams and the development of a risk assessment to establish priority areas for internal audit activities. Annual internal audit plans should be clearly documented, and audit report recommendations should be followed up and acted upon by management. Internal audit plans should also be approved by the audit committee.

The school board has developed procurement guidelines, including a code of ethics that are aligned with the mandatory elements of the Supply Chain Secretariat's Supply Chain Guideline (SCG) 1.0. The Board has not, however, incorporated purchasing guidelines into Board policy. The Board is encouraged to establish a policy that governs supply chain management, including both planned (recurring) and unplanned (non-recurring/emergency) purchases, which complies with the SCG.

Three-way matching is not utilized in all areas at the school board, as it uses a process of "negative confirmation". The school board conducts a two-way match on the majority of purchases to increase oversight on the completeness of all purchases. The school board should consider the cost/benefit of implementing a three-way matching process.

**Recommendations:**

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

- Management should continue working with the regional audit team on the development of a risk assessment to determine priority areas for internal audit activities.

- Management should work with the regional audit team to ensure annual audit plans are clearly documented. Audit report recommendations should be followed up and acted upon by management. Where management chooses not to implement an audit recommendation and to accept the risks associated with an audit finding, the justification should be clearly documented and agreed to by the audit committee.

- The Board should use existing supply chain and procurement documents to develop a procurement policy to complement the existing comprehensive procurement administrative procedure ensuring alignment to the BPS Procurement Directive which has replaced the Supply Chain Guideline 1.0.

- Management should perform a detailed review of the school board's purchase-to-payment cycle and implement three-way matching.

## School Operations and Facilities Management

The plant department has adopted several of the leading practices in its custodial and maintenance operations, including:

- 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. The school board has developed a guideline/manual for custodial and maintenance services to support these cleaning standards.

- A monitored annual training plan for facilities staff addresses ongoing skills development and emerging regulatory issues.

- Management uses an inventory system to track and control major cleaning and maintenance equipment.

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

- Management uses cost-effective designs, standard footprints, energy conservation and economical construction practices to minimize construction and future maintenance and operation costs. The school board is guided by the principles outlined in the manual prepared by the Expert Panel on Capital Construction: *From Concept to Classroom – Leading Practices Manual for School Construction in Ontario*.

Procedures and standards for green clean products have been developed and are in practice across the school board. Training on green cleaning systems is facilitated, in some cases through vendors. Management noted that 75 per cent of the cleaning products used by the school board are green-certified products. Although the school board has made significant progress in implementing green cleaning, there are several aspects of the initiative that are yet to be formalized in line with the Ministry's Green Clean Program Resource Guide. The Guide recommends a 10-step Green Clean Implementation Plan.

The school board has incorporated energy management elements into its facility plans, including monitoring utility consumption, investing in renewable energy projects, distributing energy conservation literature to school board staff, and encouraging the Ontario ecoSchools program for students across the district. However, to further enhance planning and reporting, the school board should create a formal energy reduction plan that includes consumption targets. In addition to this policy, the school board should ensure its procurement policies support energy management goals.

Energy consumption tracking is facilitated through a custom program that provides management with a historical analysis of energy consumption trends. The school board should develop, track, and report energy conservation goals. In support of these efforts, the school board has struck a working committee, and is in the process of developing an overarching environmental policy that encourages the protection of the school environment. Currently, a number of initiatives are in place, including an environmental

education procedure, as well as others that are environmentally conscious. The school board should continue with current efforts while planning proceeds.

Management is currently training staff for the rollout of a nutrition program in September 2011. The school board should continue to develop an overarching health strategy, reflecting the school board's policies and procedures to promote the overall health and wellness of both students and all employee groups.

Although the school board develops an annual maintenance plan and uses SFIS to determine some capital needs, it does not develop a multi-year capital plan that is approved by the Board. It is recognized that the school board takes stakeholder considerations into account when planning capital projects. The school board is encouraged to develop a multi-year capital plan that includes the related funding plan, and has formal Board approval to provide a long-term forecast of planned capital planning.

**Recommendations:**

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

- Using energy consumption data, the school board should establish a multiyear energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the *Green Energy Act, 2009*, energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities, with milestones, roles, responsibilities and budgets with a process for ensuring community support.

- The school board should enhance its procurement policy to support energy management goals.

- Management should provide formal annual reporting to the Board on the energy conservation savings achieved against the plan once it has been developed.

- The school board should develop a system to track consumption, budget expenditures, and identify opportunities for further energy management savings.

- The school board should develop an overarching environmental policy that complements the existing Administrative Procedure - Environmental Education, addressing both environmental education and responsible management.

- The school board should consider establishing an integrated health plan/strategy that would reflect the existing policies and procedures regarding the health of both students and employee groups and aim to promote health and wellness across the school board. Management should also consider coordinating the development, implementation and monitoring of the plan centrally.

- The school board should develop an approved annual and multi-year capital plan that includes the related funding plan.

# 1. Background and Overview

## 1.1 School Board Profile and Structure

The Limestone District School Board is committed to one common goal: success for every student. The collective goal of parents, teachers, support staff, administration, and trustees is to support, challenge, and inspire every student to achieve their full potential. Responsible for providing public education to 19,688 students, the school board offers a diverse range of programs in its 71 schools.

Since 2002-03, enrolment has declined by approximately 2,959 students or 13.07 per cent. The school board's enrolment continues to decline.

The Senior Administration Team at the school board is composed of the Director of Education, supported by senior staff as follows:
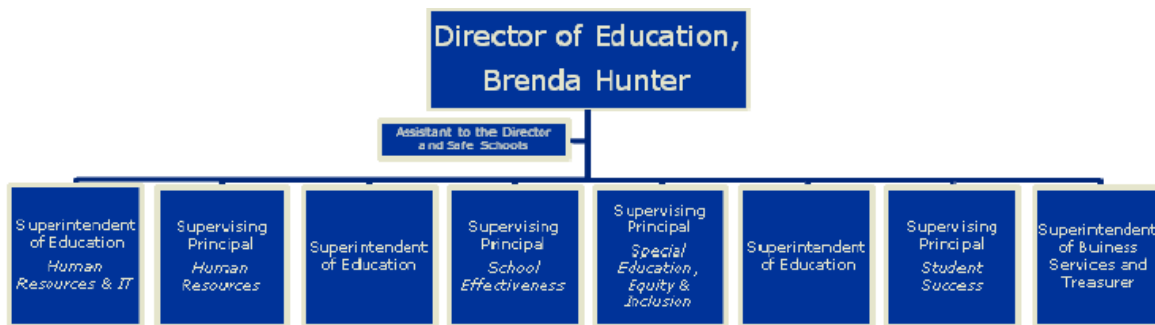


## 1.2 Key Priorities of the School Board

The Limestone District School Board maintains the following *Statement of Beliefs*:

 "To prepare students, within safe and inclusive environments, to embrace a changing world, as life-long learners and informed, responsible citizens."

**STUDENTS:**

We believe that...

- our students are our reason for being.

- our students include adult learners.

- every student can learn and experience success.

- it is the purpose of the schools to maximize each student's potential for and enjoyment of life-long learning.

**STAFF:**

We believe that...

- every staff member is valuable and essential to fostering quality public education.

- all staff members endeavour to maintain a work environment that respects each person's integrity, dignity and individual contribution.

- the school board and staff share in the responsibility to model teamwork, continuous improvement and professional development.

**PARTNERS:**

We believe that...

- public education is a shared responsibility.

- the Ministry of Education is responsible for providing appropriate funding for a quality education program.

- our parents, community and businesses will enthusiastically support public education.

- partnerships will enhance and improve the quality of education, including support for program innovation.

- our schools reflect and honour society's common goals and enrich them by encouraging diversity.

**ACCOUNTABILITY:**

We believe that...

- our trustees, our director and our staff are accountable to the community for providing quality education to all students.

- in partnership with parents, students and the community, we have the responsibility to provide a positive, safe and inviting learning environment.

- our resources should be committed to ensure that our strategic initiatives and expectations are met.

## 1.3    Student Achievement

The EQAO results for the school board show that Grade 3 scores in Reading and Math are at or below the provincial average. In Writing, they have consistently tracked below the provincial average. EQAO scores for Grade 6 Reading are at or just below the provincial average, while Writing and Math results are below the provincial average.

The school board's Grade 9 EQAO results in Academic have trended just below the provincial average, while the Applied results are at or above the provincial average. The school board met or slightly exceeded the provincial average of the Ontario Secondary School Literacy Test Results until 2005-06, and has since been slightly below the provincial average. The school board has a deferral rate which is lower than the provincial average.

The following charts show the school board's EQAO results over the last eight years:
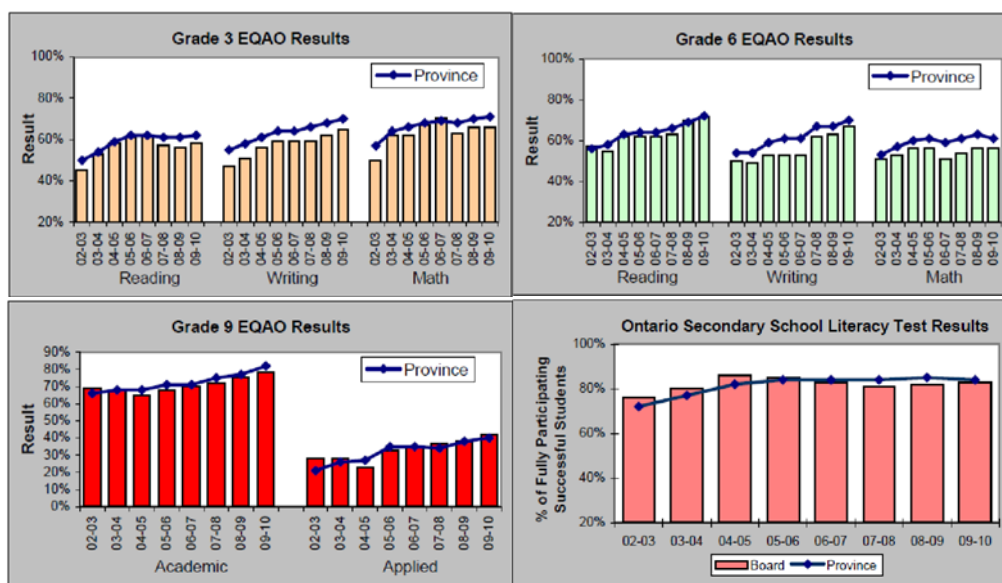


## 1.4    Fiscal Overview

The school board has presented balanced budgets to the Ministry since 2008-09, with a planned deficit in the 2010-11 revised estimates.

The school board has been actively monitoring its ability to finance its capital commitments. The school board has completed its Capital Liquidity template, which demonstrates that its existing capital debt is fully funded.

The following tables provide a fiscal overview of the school board:

## Summary Financial Data (Revenues)

| Revenues | 2008-09 Financial Statements | 2009-10 Financial Statements | 2010-11 Revised Estimates |
|---|---|---|---|
| Provincial Grants - GSN | $154,195,715 | $200,903,568 | $157,643,020 |
| Provincial Grants - Other | $3,985,124 | $4,462,701 | $4,859,034 |
| Local taxation | $56,304,072 | $58,766,212 | $58,420,622 |
| School Generated Funds | $6,419,652 | $6,696,195 | $6,200,000 |
| Federal Grants and Fees | $129,376 | $152,167 | $120,043 |
| Investment Income | $445,440 | $115,751 | $100,000 |
| Other Revenues | $171,474 | $182,704 | $185,000 |
| Other Fees and Revenues | $5,064,038 | $5,214,668 | $3,411,195 |
| Amortization of Deferred Capital Contributions | - | - | $6,661,000 |
| **Total Revenues** | **$226,714,891** | **$276,493,966** | **$237,599,914** |

## Summary Financial Data (Expenditure)

| Expenditures | 2008-09 Financial Statements | 2009-10 Financial Statements | 2010-11 Revised Estimates |
|---|---|---|---|
| Instruction | $167,524,407 | $168,963,040 | $175,604,398 |
| Administration | $7,305,691 | $6,939,009 | $6,766,344 |
| Transportation | $14,277,828 | $13,564,941 | 14,185,218 |
| School Operations and Maintenance | - | - | $25,883,826 |
| Pupil Accomodation | $33,501,042 | $32,334,857 | $9,622,106 |
| School Generated Funds | $6,478,071 | $6,476,179 | $6,200,000 |
| Other | $457,419 | $457,419 | $699,959 |
| **Total Expenditures** | **$229,544,458** | **$228,735,445** | **$238,961,851** |

## Accumulated Surplus (Deficit)

| Annual Surplus / (Deficit) | 2008-09 Financial Statements | 2009-10 Financial Statements | 2010-11 Revised Estimates |
|---|---|---|---|
| Annual Surplus / (Deficit) | -$2,829,567 | $47,758,521 | -$1,361,937 |
| Accumulated Surplus / (Deficit) at beginning of year | $41,808,758 | $38,979,191 | $86,519,201 |
| Change in Accountng Policy - DCC | - | - | -$102,523,309 |

| Annual Surplus / (Deficit) | 2008-09 Financial Statements | 2009-10 Financial Statements | 2010-11 Revised Estimates |
|---|---|---|---|
| **Accumulated Surplus / Deficit at end of year** | **$38,979,191** | **$86,737,712** | **-$17,366,045** |

## School Board Accumulated Surplus / (Deficit) and Deferred Revenues

| School Board Accumulated Surplus / (Deficit) and Deferred Revenues | 2008-09 Financial Statements | 2009-10 Financial Statements | 2010-11 Revised Estimates |
|---|---|---|---|
| Details of Accumulated Surplus / (Deficit): | -$979,159 | $557,765 | -$174,741 |
| Unappropriated Reserves Available for Compliance | $9,629,249 | $9,676,543 | $9,676,543 |
| Internally Appropriated Reserves Available for Compliance | $30,329,101 | $76,503,404 | -$26,867,847 |
| **Externally Appropriated Reserves - Unavailable for Compliance** | **$38,979,191** | **$86,737,712** | **-$17,366,045** |

## Deferred Revenues - Operating:

| Deferred Revenues - Operating | 2008-09 Financial Statements | 2009-10 Financial Statements | 2010-11 Revised Estimates |
|---|---|---|---|
| Legislative Grants | $366,567 | $728,819 | $293,724 |
| Other Ministry of Education Grants | $1,585,572 | $1,606,970 | - |
| Other Provincial Grants | - | $88,346 | - |
| Third Party Grants | - | - | - |
| **Total** | **$1,952,139** | **$2,424,135** | **$293,724** |

## Deferred Revenues - Capital:

| Deferred Revenues - Capital | 2008-09 Financial Statements | 2009-10 Financial Statements | 2010-11 Revised Estimates |
|---|---|---|---|
| Legislative Grants | - | - | - |
| Other Ministry of Education Grants | $417,569 | $920,592 | - |
| Other Provincial Grants | - | - | - |
| Third Party Grants | $1,454,959 | $1,454,959 | $890,931 |
| **Total** | **$1,872,528** | **$2,375,551** | **$890,931** |
| **Total Deferred Revenues** | **$3,824,667** | **$4,799,686** | **$1,184,655** |

## 1.5    Key School Board Statistics

The following table highlights key statistics for the school board. It illustrates (among other things) that the school board's enrolment has been declining since 2002-03.

### Summary Board Statistics

| Day School Enrolment | 2002-03 Actual | 2010-11 Revised Estimates |
|---|---|---|
| Elementary Day School ADE | 14,173 | 12,055 |
| Secondary Day School ADE | 8,474 | 7,634 |
| **Total Day School Enrolment** | **22,647** | **19,688** |

### Primary Class Size

| Primary Class Size | 2003-04 | 2010-11 |
|---|---|---|
| % of Classes 20 or fewer | 29% | 91% |
| % of Classes 23 or fewer | 61% | 100% |
| Average Class Size - Jr/Inter | 25.25 | 24.81 |
| % of 3/4 Classes 23 & Under | 54% | 100% |
| % of Combined Classes | 40% | 53% |

### Staffing

| Staffing | 2003-04 | 2010-11 |
|---|---|---|
| School Based Teachers | 1,269 | 1,283 |
| Teacher Assistants | 297 | 294 |
| Other Student Support | 141 | 174 |
| School Administration | 78 | 80 |
| School Clerical | 119 | 112 |
| School Operations | 214 | 210 |
| Other Non-Classroom | 63 | 63 |
| **Total Staffing** | **2,181** | **2,216** |
| **Teacher - Pupil Ratio** | **1:18** | **1:15** |
| **FTE Staff per 1,000 Pupils (ADE)[1]** | **96.3** | **112.6** |

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

| Staffing | 2003-04 | 2010-11 |
|---|---|---|
| **Total Salary & Benefits as % of Net Operating Expenditures** | **77.7%** | **78.5%** |

## Special Education

| Special Education | 2003-04 | 2010-11 |
|---|---|---|
| Special Education Incremental Expenditures | $19,173,455 | $30,047,550 |
| Special Education Allocation | $21,963,528 | $29,889,195 |
| **Spending above Allocation (Reserve)** | **-$2,790,073** | **$158,355** |

## School Utilization

| School Utilization | 2003-04 | 2010-11 |
|---|---|---|
| Number of schools | 71 | 71 |
| Total Enrolment (ADE) | 22,647 | 19,688 |
| School Capacity (Spaces) | 24,271 | 24,055 |
| **School Utilization** | **93.3%** | **81.8%** |
| **Board Area (Km$^2$)** | **7,199** | **7,193** |
| **Number of Trustees** | **9** | **11\*** |

**Note:** The 2010-2011 number includes 2 student trustees who were not in place in 2002-2003.

## 2. Governance and School Board Administration – Findings and Recommendations

A school board's governance model and administrative organizational framework make a significant contribution in helping the Board of Trustees, director, senior administration and diverse community stakeholders support both student achievement strategies and effective 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 multi-year and annual plans (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; and

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

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

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

## Establishment of an Effective Governance Model

| Leading Practices – Governance and School Board Administration | Evidence of Adoption? |
|---|---|
| The school board's governance model clearly delineates the division of duties and responsibilities between the board of trustees and the director of education to support an effective working relationship. The governance model reflects the roles and responsibilities mandated by the Student Achievement and School Board Governance Act, Bill 177. | 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 includes both academic and operational priorities and provides a framework for annual planning. | Yes |
| The director of education develops an annual operating plan of the goals/priorities, incorporating both academic and nonacademic departments. The plan is aligned with the Board's multi-year strategic plan and has goals that are specific, measurable, achievable, relevant and timely. Staff are assigned goals for which they are accountable. | Yes |
| The director of education periodically/annually reports 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 the director of education have appropriate processes in place for decision making. | Yes |
| The board of trustees and the director of education 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 the director of education proactively engage diverse stakeholders (both internal and external) on a regular basis and through a variety of communication 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 Ministry workgroups. | Yes |

# Establishment of an Effective Governance Model

The governance structure of the Limestone District School Board is supported by nine elected trustees and two student trustees. The working relationship between Senior Administration, the Chair and the Board is collegial. The Board redeveloped the Board Policy Handbook in 2003 and adopted the OESC recommended Policy/Procedure governance structure, and has since functioned with a clear understanding of roles and responsibilities. The Board Policy Handbook:

- Delineates roles of the Chair, Board and Director

- Includes a trustee code of conduct

- Details the appeals and hearings process

- Outlines roles related to policy development and the selection of the Director, and non-policy matters and responsibilities that fall to the Board

- Provides core foundational statements, which drive all activities at the Board and school board.

The school board's governance model outlined in the Board Policy Handbook aims to separate accountability for policy from that of operations. There is clear understanding among trustees and the school board staff that the Director of Education is responsible for school board operations and procedures, while the Board of Trustees sets policies and strategic direction.

The orientation for new trustees is outlined in the Board's orientation manual. The newest member of the Board recently completed the orientation process. This included the presentation and overview of key foundational documents during oneon-one meetings with the Chair and Director, followed by meetings with all superintendents and managers. The Board also ensures yearly orientation and training for the trustees in the summer and a similar meeting in March, where the strategic plan is revisited.

The Board works directly with the senior administration team through a committee structure. In addition to the Committee of the Whole, the school board has a number of committees, including:

- Education/Human Resources Committee

- Special Education Advisory Committee

- Property/Operations Committee

As outlined in Board policy, the Director's performance review is conducted every two years. The Director is measured against the strategic plan and job description. Each performance appraisal cycle is structured through a planning group of three trustees and the Director, which determines the details of the process. Input regarding the Director's performance is gathered from trustees, senior administration and a variety of other stakeholders. The Director is provided feedback through an *incamera* Board meeting. From the feedback provided, the Director sets professional goals for the next two years. The Board ensures an ongoing self-review of its performance.

## Development of the Board's Strategic Directions/Plan

The school board is operating under its 2009-14 multi-year strategic plan. The planning process that resulted in the current strategic plan began in 2008. The draft strategic plan was developed at an off-site meeting, which included trustees and key senior administrative staff. Throughout the planning process, the Director provided ongoing

input and feedback to the trustees. Once the draft strategic plan was prepared, it was shared with stakeholder groups and the community through the school board's website. The strategic plan is broken into refreshed yearly segments for each corresponding school year: 2009-10, 2010-11, 2011-12, 2012-13 and 201314. It is reported that some staff and community input was received during the draft stages and first year of the implementation of the plan. In its second year, the refreshed plan was posted on the school board website. Staff and trustees received feedback from a wider array of stakeholders. Supporting objectives under each of the six strategic goals are as follows:

Limestone DSB Strategic Goals:

1. Improve achievement and success for all students.

   - The Limestone District School Board is fully committed to improving achievement for all students, closing gaps in achievement for particular groups, and ensuring successful pathways for all.

2. Foster health and wellness in safe environments for students and staff.

   - The Limestone District School Board believes that for staff and students to feel safe and comfortable working and learning, and for the public to have confidence in our education system, school environments must be respectful, inviting and inclusive.

3. Ensure fiscal responsibility and further develop the efficient use of resources.

   - The Limestone District School Board believes that all operations of the Board must support our educational goals. During a time where declining student enrolment is a local and provincial reality, and where finances are finite within an increasingly challenging economy, the Board takes seriously its responsibility to make efficient and effective use of all resources.

4. Develop and improve work practice and leadership through professional learning.

   - The Limestone District School Board believes that every staff member is valuable and essential to fostering high quality public education. The Board and staff share the responsibility to strive for continuous improvement and to embrace professional development, teamwork and life-long learning.

5. Prepare for future system changes and plan for environmental sustainability.

   - The Limestone District School Board accepts its responsibility to be proactive in preparing for an economically and environmentally sustainable future, by planning for effective and efficient environments in which to work and learn.

6. Develop and strengthen parental, community, and educational partnerships.

- The Limestone District School Board believes that public education is most effective when it is a shared responsibility involving students, parents, staff, government, and the community. The Board is committed to actively promoting, participating and leading in the development of positive partnerships at all levels.

The school board's multi-year strategic plan is complemented by annual operating plans for academic and non-academic departments. The annual operating plan is directly linked to the Board's multi-year strategic plan, including the alignment of annual key objectives to higher-level strategic goals. The document includes longterm success factors for each goal, as well as progress indicators for each annual goal. The Board receives reports on the status and outcomes of the strategic plan at two planning sessions.

## Decision-Making Process

The Board's process for agenda-setting and decision-making is formalized, and included in the Board policy #9, "*Board Operations*". Section B, "*Conduct of Board Meetings*", outlines the agenda-setting process. The Board Agenda Committee, comprising the Chair, Vice-Chair, the Director, the SBO and the Superintendent of HR, meets one week in advance of the Board meeting and considers agenda items put forward through the Director's staff, using the Board Agenda template. Once approved, the board agenda along with all supporting materials are sent to trustees by e-mail no fewer than three business days before the Board meeting. Roles and responsibilities of the Board are clearly laid out in Board policy and ensure clear and timely decision making at the Board level.

The school board has appropriate processes in place for the establishment and regular review and updating of policies and administrative procedures. Board Policy #12, *Policy Making,* outlines and provides direction on the four stages of policy development: planning, development, implementation, and evaluation. Policy updates are tracked in a central database, showing the frequency of updates to specific policies. As a practice, all policies are reviewed at the beginning of each Board mandate, although policies are reviewed more frequently than the four year cycle when required. Administrative procedures are scheduled for review every three years.

## Organizational Structure and Accountability

The school board's administrative functions are divided among the Superintendent of Business, three superintendents of education and four supervising principals. These senior staff report to the Director of Education, and maintain separate and distinct portfolios. The Assistant to the Director maintains responsibility for safe schools, school

councils, community partnerships, and the Communications Department, among other responsibilities and reports directly to the Director. The school board annually evaluates roles and structures for efficiencies and the school board has seen the senior administrative structures change over time. Job descriptions for all senior staff are up-to-date, and the school board's website provides a directory of Senior Administration and a current organizational chart.

## Succession and Talent Development

The school board has adopted components of a succession and talent development plan to build and sustain leadership capacity across multiple staff functions. At the senior administration level, the Director keeps a close watch on the progression of staff and the high-level succession plan of the school board. The school board's future leaders program is well established with the academic staff. The school board has developed and implemented a strong mentorship program for new administrators. The school board was one of the boards that participated in the Ministry's Mentoring for Newly Appointed School Leaders pilot in 2007-08.

The school board should continue its succession and talent development activities, and expand existing initiatives to all non-academic employee groups. Current initiatives and future improvements should be consolidated and focused in a single succession and talent development plan. This will help build and sustain leadership capacity across the school board.

## Stakeholder Engagement

Communication and stakeholder engagement are central to the success of the school board. The school board's Communications Department reports to the Director through the Assistant to the Director and is guided by the school board's communications plan. The school board actively communicates with stakeholders on a variety of issues, using surveys both internally and externally. Communications guidelines are outlined in the school board's Administrative Procedure #150. These procedures outline communications responsibilities, guidelines for internal communications, school newsletters, media relations, and crisis communications, as well as other communications procedures.

Members of the senior administrative team and the Board are actively involved in various provincial forums and groups, including membership in the Ontario Association of School Business Officials (OASBO), Council of Ontario Directors of Education (CODE), the Ontario Public Supervisory Officials' Association (OPSOA) and the Ontario Public School Boards' Association (OPSBA) among others. Senior staff are also involved locally in a number of groups including the Rotary Club, the United Way, as well as other non-profit and municipal planning committees. Staff involvement in

community organizations, as well as local and provincial groups, is encouraged to foster knowledge sharing and learning.

**Recommendation:**

- To help build and sustain leadership capacity, the school board should expand its formal succession plan which includes plans for senior staff in non-academic functions.

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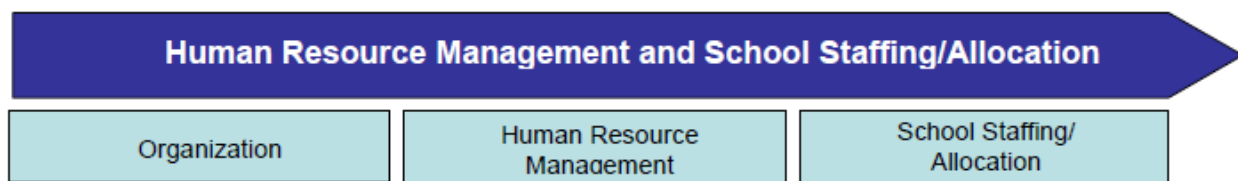


Effective management of human resources ensures an adequate number of qualified staff throughout the organization can perform their prescribed duties. Policies and procedures to develop staff are in place, through performance appraisals, professional development and support services. Staff allocations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

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

## 3.1 Human Resource Organization

The review of the organization of the HR department assesses:

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

- Whether 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 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. | Yes |

## 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) and/or experience. | 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 maintains a departmental plan in line with the overarching strategic plan of the school board. The plan outlines each departmental initiative and identifies a link to the corresponding high-level strategic goal. Key personnel, action steps, timelines, budget and status are indicated for each initiative. The annual department plan is updated in conjunction with the annual update of the overarching strategic plan. All major HR initiatives are raised at the Board or committee level for approval, or for information to show alignment to the school board's strategic plan.

**Organizational Structure and Accountability**

The Superintendent of HR and IT provides leadership to both the HR and IT departments, which operate independently as two separate departments. The Supervising Principal of HR is responsible for certain areas within the department, such as succession planning, employee relations, contract negotiations, staffing, and others. The Manager of HR leads a staff team of about 10 individuals, reporting to both the Superintendent of HR. The IT department is managed by the Manager of IT, who oversees the department's 25 staff.

The HR department's job descriptions are accurate and up-to-date. Contact information and the departmental organizational chart can be found on the school board's website. Departmental staff are qualified through a combination of professional designations and certifications, including certificates in HR, Certified Human Resources Professional (CHRP) designations, a master's degree in Industrial Relations, as well as a mix of experience.

**Monitoring and Communication of Policies**

The HR department is responsible for the monitoring and maintenance of policies, including:

- Recruitment and Selection

- Personnel Files & the Collection of Personal Information

- Employment/Supervision of Family Members

- Occupational Health and Safety

- Respect in the Workplace: Anti-Harassment & Discrimination

- Respect in the Workplace: Reporting and Investigating Workplace Harassment & Discrimination

- Violence in the Workplace

- Reporting & Investigating Workplace Violence

- Right to Refuse or Stop Work Where Health or Safety in Danger

- Scent Awareness

- Use of Wireless/Handheld Devices While Driving

- Employee Progressive Discipline

- Attendance and Sick Leave Benefits

- Employee Assistance Program (EAP)

- Professional Development

- Acceptance of Supplemental Employment by Regular Staff Members

- Staff Members Elected or Appointed to Public Office

- Staff Use of Tobacco, Alcohol and Other Drugs

- Professional Misconduct by Staff Members and Volunteers

- Performance Appraisals

- Twenty-Five Year Service and Retiring Staff Members

- Mobility Procedures for Academic Staff

- Pre-Employment Health Assessment

- Job Descriptions for Support Staff

- Leave of Absence - Support Staff

- Volunteers

The department maintains a particular focus on training and hiring procedures. HR has standardized the school board's hiring processes to ensure top calibre candidates are selected. Training is provided to principals and supervisory staff to help them provide monitoring and guidance regarding HR policies and administrative procedures. Staff also receive training on HR policies and administrative procedures, for which principals provide monitoring and guidance.

## 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 board's goals;

- 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. Trustees do not sit on hiring panels (exception: hiring the director of education) but provide policies to govern staffing and recruitment. | No |
| Processes are in place to identify and remove discriminatory biases and systemic barriers in staff recruitment, selection, hiring, mentoring, promotion and succession planning processes. The school board conducts employment system reviews and works towards broadening the diversity of recruitment pools. | 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? |
|---|---|
| The director of education and the board of trustees have established labour/management committees. | Yes |
| Trustees provide the school board's policy and priority framework within which bargaining takes place. | No |
| 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. | Yes |
| HR management maintains and communicates formal disciplinary policies and procedures for all staff. | Yes |
| The HR department actively supports the professional development activities of the school board. | No |

## Attendance Support Processes/Programs

| Leading Practices – Human Resource Management | Evidence of Adoption? |
|---|---|
| The school board maintains appropriate processes and systems to monitor staff attendance on a timely basis. | Yes |
| The school board has an attendance support program that is documented and includes approved policies and procedures for minimizing the cost of absenteeism. | Yes |
| Management periodically reports on the effectiveness of attendance support processes/programs to senior management and the board. | Yes |

## Management of HR and Payroll Data

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

**Management of School Board's Benefit Plans**

| Leading Practices – Human Resource Management | Evidence of Adoption? |
|---|---|
| HR management periodically conducts independent compliance audits of the board's insurance carrier to ensure adherence to benefit plan's terms and conditions. | Yes |
| Employee data is automatically synchronized between the 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. | Yes |
| Confidential exit interviews are performed for all staff who resign, take early retirement or transfer. | No |

**Staff Recruitment/Hiring**

The school board maintains administrative procedure #400, *Recruitment & Selection,* which outlines hiring procedures for both academic and non-academic staff. The school board's recruitment procedures are managed by HR. The school board must adhere to processes and steps laid out in collective agreements with relation to hiring. Procedure #400 outlines processes and steps required for each phase of the hiring process. A first step of the hiring process, regarding the creation of job postings, is dependent on union group collective agreements. Requirements for nonunion job postings are included in the school board's terms and conditions document. Administrative procedure #400 further outlines details regarding: selection panels, selection criteria screening methods, selection methods, assessment methods, interviews, accommodation, testing, reference checks, rating methods and scales.

In recruiting and hiring teachers, the school board hires a certain number of staff to meet demand each year, establishing a pool for specific school teacher allocations later in the staffing process. The school board receives an average of 500 applications annually. Most teacher applications are received online through a webbased teacher employment website. Management reports that they receive a high number of experienced applicants, and that there is a focus on attracting French teachers through related university programs. The school board visits the Queen's University/University of

Ottawa job fair to recruit both French and English teachers. Specific recruiting practices for other staff groups include the succession planning process of informally surveying the school board or sector for upcoming retirements.

The school board maintains processes to identify and remove discriminatory biases and systemic barriers in the recruitment, selection, hiring, mentoring, and promotion of staff. The school board has combined multiple policies to streamline and improve equity and inclusion processes. Diversity efforts, including the work of the school board's Aboriginal Affairs Officer, aim to better offer services to the increasingly diverse population. The HR department has standardized employee hiring across the school board.

The school board's recruitment processes have been standardized across different employee groups, with slight deviation in the composition of hiring panels. Cross functional interview panels are in place for the recruitment of supervisory staff. Trustees are involved in the interview panels and are one of a number of members who make recruitment recommendations to Senior Administration. However, trustees should express their views on recruitment through the development of Board policies and by-laws. They should not be part of the hiring process for employees other than the Director of Education.

## Labour Relations

HR management and Senior Administration have established a number of labourmanagement committees that meet regularly with terms of reference outlined in collective agreements. The labour-management committees represent the collective bargaining units of the school board. They are:

- Elementary Teachers' Federation of Ontario (ETFO), Board Relations Committee

- ETFO Occasional Teacher Board Relations Committee

- Ontario Secondary School Teachers' Federation (OSSTF) Board Federation Committee

- PSSP Board Relations Committee

- Continuing Education Instructors Board Relations Committee

- Canadian Union of Public Employees (CUPE) Board Relations Committee

The school board ensures processes and procedures to minimize grievances are in place, beginning with open communication between unions, school board management, principals and staff. At the school-level, the union, staff and management are encouraged to discuss concerns informally. Regularly scheduled meetings are held

between union leadership and management. The director and HR Superintendent hold meetings with elementary and secondary Principal/VicePrincipal/Ontario Principals Council (OPC) representatives monthly. Management suggests that communication takes place regularly, and not only at scheduled meetings. It is made clear to principals that, similar to the relationship with union leadership, they are encouraged to always contact HR if a labour question arises. In addition, union presidents have the opportunity to provide feedback to school board staff on policies or procedures prior to their roll out.

The school board's labour negotiations teams vary in composition depending on the union with which negotiations are taking place. A clear mandate for negotiations is received from the Board. As part of the process, one trustee is designated to attend each labour negotiation as an observer. However, in line with Bill 177, trustees should not have a direct role in labour negotiations. It is recommended that trustees should continue to provide the school board with a policy and priority framework for bargaining, and not play a direct role in negotiations.

## Employee Performance Evaluation Processes

Performance evaluation processes are in place for all academic and non-academic staff. The school board maintains a *Performance Appraisal Support Document* that outlines the rationale for performance evaluations, performance review schedules, and the distinct performance appraisal tools for different staff groups and processes for unsatisfactory performance. The document provides details, step-by-step processes and sample forms that are used in the school board's performance evaluations. Timing of performance evaluations for unionized staff is dictated by collective agreements. The school board uses an electronic staff data management system to track performance evaluations, and reports prepared yearly flag staff requiring evaluation. The system provides a history of appraisals and completion dates, and records who conducted the appraisal. The school board maintains a single professional development (PD) calendar. PD sessions are conducted in response to Ministry, Board and departmental initiatives, as well as specific needs identified through the employee performance evaluation process. Staff evaluation processes are refreshed regularly, as regulations or school board procedures change.

The school board's progressive discipline processes are outlined in handbook for all employees. Management maintains and communicates formal disciplinary policies and standard procedures to staff, which includes specialized training for principals on progressive discipline procedures. If required, letters of council are drafted and signed by principals, and reviewed by HR management prior to release. Disciplinary letters may be signed by principals, department managers, or the Manager of HR. All mandatory training is tracked centrally for all staff (e.g. anaphylaxis, Bill 177, Bill 168, Accessibility). Although PD planning and delivery is not tracked centrally by HR for non-

academic staff, personal professional development is tracked by individual department managers/supervisors for all support staff. PD is encouraged, supported, and in some instances delivered by HR centrally.

With respect to PD for academic staff, all PD is centrally coordinated and tracked by the respective Supervisory Officer. In an effort to alleviate system pressures, a centralized calendar has been developed, identifying all academic PD sessions to minimize overlap and ensure the system is not over capacity.

As part of the regular performance appraisal process for all staff, Personal Growth Plans include goals, strategies and expected outcomes. Outside of the appraisal process, staff and supervisors are encouraged to have discussions regarding yearly PD goals, and to follow up on those goals. As noted above, HR provides central coordination and support of board-wide PD sessions. Although departments such as Facility Services ensure strong PD programs and HR provides resources and central support, the school board is encouraged to play a more active role in ensuring PD is included as a required part of performance appraisal metrics for all staff.

## Attendance Support Processes/Programs

The school board maintains an electronic management system to monitor staff attendance. Nearly all staff groups have been included in the program, and management plans to include caretakers in the program in 2011. The system is updated daily by school secretarial staff, and is open to supervisors to provide access to staff attendance records. The electronic attendance management system includes automatic dial-in codes for employees who are unable to work, although management has mandated that those same staff personally call their supervisor to inform them of absences. The school board's absence management coordinator monitors the system for anomalies, and flags them for follow-up from HR staff. Attendance reports are run regularly for every staff group.

The school board works with its attendance support and wellness partners to provide programs to minimize absenteeism. One staff member is designated to manage the school board's wellness program, which includes the Healthy Eating Active Living (HEAL) program, as well as other wellness programming in partnership with local health authorities. The Board is informed of attendance statistics and the impact of attendance support measures. Attendance reports have been presented to the Board as information, although the informal reports do not follow a schedule. Management should consider reporting attendance statistics to the Board regularly. The reports are used to help senior management identify areas to investigate or issues of concern regarding staff attendance.

## Management of HR and Payroll Data

The school board's payroll processing is separate from the employees' data records, and all payroll services are managed internally. Employee information is kept up-todate through the school board's employee data management system. School board employees have controlled access to the employee data management system to make changes to their own demographic and personal data. The system will automatically flag any changes to an employee's file to the appropriate department. The real time electronic data allows management to explore current trends and upto-date information on employee groups or individuals. The same data management system permits school board staff to ensure that HR records are current, and that all staff qualifications and documents are up-to-date.

HR management has implemented an approved Pay Equity plan. Recently all plans have been revisited for non-union positions using a market analysis of similar roles in comparable regional employers. The process has been completed for many unionized staff, and the CUPE group is currently finalizing its pay equity process. The department synchronizes teacher qualifications with the Ontario College of Teachers (OCT) database in October of each year.

## Management of the School Board's Benefit Plans

The school board has developed procedures to manage its benefit plans, and recently hired a third party to complete a benefits audit of the school board benefits. The scope of the audit included all active and retired employees, examining the drug, extended health, and dental claims from January 2009 to the end of September 2010, as well as the school board's health spending for the same period. The interim report was delivered to management in December 2010, with the final report expected in early 2011. No material variances were or have ever been uncovered through the external auditing process.

Other ways the school board mitigates costs of the benefits plans include managing them as an administrative services-only (ASO) arrangement, disability management, return-to-work, and accommodation plans, among others. The school board has worked collaboratively with doctors, using a standard request for medical information form so that employee conditions are clearly understood, facilitating return to work initiatives. The HR department ensures employee data is automatically synchronized between the school board and the Ontario Teachers' Pension Plan (OTPP) and the Ontario Municipal Employees Retirement System (OMERS).

## Monitoring Staff Satisfaction

The HR department does administer staff satisfaction surveys. Employee assistance satisfaction surveys are issued one year prior to bargaining. The HR department has

also conducted risk assessment surveys for violence in the workplace. The school board has also completed a student learning culture survey with students and staff, and plans to administer a similar survey with parents. The school board does not regularly conduct exit interviews. These interviews are only conducted for senior level positions if administration feels there is a circumstance out of the ordinary that requires follow-up. For example, when staff leave without notice, an exit interview may be requested. The school board should formalize the process for exit interviews, and ensure they are conducted with all staff in all staff groups. Practices such as staff surveys and exit interviews provide management with valuable input, for HR policy, as well as process and program improvement.

**Recommendations:**

- The Director should review the composition of the school board's interview panels, and develop formal hiring policies and procedures to clarify the roles of trustees and school board staff. Trustees should provide strategic policies to govern staffing and recruitment, but should not sit on interview or hiring panels with the exception of hiring the Director.

- Trustees should continue to provide the school board with a policy and priority framework for bargaining. They should not directly participate in labour negotiations.

- HR management should establish and manage formal professional development guidelines for non-teaching staff, including annual learning, plans for minimum training hours, and an in-depth supervisory training program for all managers of administrative functions. This will help ensure the school board is meeting the needs of its employees.

- Management should consider conducting exit interviews with all staff leaving the school board to obtain input on 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 support 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's policies and procedures govern the development of an annual staffing plan and allocation process that reflects the priorities of the Board and Ministry initiatives. | Yes |
| The staff allocation process monitors adherence to key Ministry and board policy parameters, such as: class size, prep time, collective agreement requirements and other board directions. | Yes |

## Monitoring and Reporting on Staff Allocation

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

## Processes for Annual Staff Planning and Allocation

The school board's staff allocation model is governed by collective agreements and relevant provincial legislation. The process is based on a number of factors, including enrolment projections, student needs, class size caps, alignment with collective agreements, and resource and program needs. The school board's staffing process is centrally coordinated. Student enrolment estimates are provided by a third party consulting firm and reviewed by the SBO, senior HR management, and principals. Once

initial enrolment estimates are made, staffing decisions are considered. Separate staffing for different employee groups is based on the overall attendance numbers. Individual school allocations must always be based on the overall school board-wide allocation of staff. If principals believe that allocations are not appropriate, increases to staffing allocations must be approved centrally at the school board.

The school board uses different processes to customized staffing allocations by group. The following details staff allocation processes for specific staff groups:

Academic Staff

Classroom teacher requirements are forecasted based on enrolment projections, primary class size measures, and collective agreement parameters (e.g. prep time).

Principal and Vice-Principal Staffing

Principal and vice-principal staffing is based on school enrolment and operational needs. These allocations are reviewed annually.

Educational Assistants (EAs)

Allocations are based on special education funding and identified student need. Educational assistant allocations are reviewed by the Director, in consultation with the superintendent of special education. HR tracks the allocation and deployment of EAs carefully throughout the year.

Secretarial Staffing

Secretarial staffing is based on Ministry funding, school enrolment, and school needs. The allocation is reviewed by the SO and HR and discussed with union groups.

Custodial Staffing

The allocation of custodial staff is based on square footage, and is included in the collective agreement.

Para-Professional Staff

Staffing allocation is based on the amount of available funding and the needs of each department or system.

Non-union Board Staff

Staffing allocation is based on available funding and the needs of each department.

**Monitoring and Reporting on Staff Allocation**

Staffing levels are monitored closely at the school board, and processes are in place to ensure appropriate staffing allocations. The school board's electronic staff management system is updated daily and managed by staffing coordinators, who also have the ability to monitor class sizes through the same system. Staffing and enrolment numbers are reconciled, monitored, and reviewed at regular staffing committee meetings.

In September and October of each year, the school board's staffing committees meet regularly as enrolment and staffing levels are finalized. Reports are provided for information to the Board after enrolments are finalized after the October 31 Ministry reporting date. Reports are also provided to the Board in the spring, as management prepares staff planning for the coming year. Most staffing levels are formula driven and therefore there is little room for deviation. Educational Services staffing (providing student support services) is based on needs analysis and Ministry funding, and is not driven by formula.

# 4. Financial Management – Findings and Recommendations



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

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

## 4.1 Finance Organization

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

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

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

- The efficiency and effectiveness of the departmental structure and its support of the roles and responsibilities for 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. | Yes |

## Organization Structure and Accountability

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

### Development and Reporting of Annual Goals and Priorities

The finance department develops departmental goals directly from the school board's overarching five-year strategic plan. Much of the department's work is determined by the Ministry's reporting cycles, which impel an annual cycle detailed in the departmental plan. The plan shows each departmental initiative and the high-level strategic goal with which it is associated. Each initiative includes action steps and strategies as well as timelines, key personnel, budget, and status updates. The planning process is managed

by the planning committee, which makes recommendations to the SBO, who then reports to Senior Administration. The yearly planning phase begins with the managers' meeting, as the previous year is wrapping up. The departmental plan is approved at the August trustee off-site meeting.

**Organizational Structure and Accountability**

The Manager of Financial Services reports to the SBO, and is supported directly by the financial supervisor, the payroll supervisor, the supervisor of purchasing, and the benefits coordinator. The department is composed of about 13 staff, with welldefined defined job roles, responsibilities, and qualifications. The school board's website provides contact information for the department, as well as a detailed organizational chart outlining reporting relationships. Current staff maintain appropriate qualifications, including two individuals with Certified General Accountant (CGA) designations, a Chartered Accountant (CA) designation, a Certified Management Accountant (CMA) designation, as well as other college and post secondary training.

**Monitoring and Communication of Policies**

The department is responsible for developing finance and administrative procedures including (but not limited to) the following:

- school council financial regulations

- budgeting

- banking

- accounting

- accounting for non-board funds

- travel and business expenses

- hospitality

- purchasing procedures

- advertising expenditures

- purchasing cards

- business credit cards

Finance procedures are developed with Executive Committee, to ensure that new draft procedures or changes to existing procedures consider academic considerations and input from all staff groups. The department communicates policies through various means, including group-specific communications and training, considering the level of detail required for each group. The type of information and level of detail is also considered when training is designed for the different employee groups or users of the procedures. Training is done throughout the year as required.

## 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 documented, transparent, clearly communicated and incorporates input from all key stakeholders including management (with principals), board of trustees and the community, and supports the school board's strategic and operational plans. | Yes |
| Management has adopted an integrated (at school board and school levels) approach to enrolment forecasting that drives the budget process. | Yes |
| Budget development 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 maintains a centrally led annual budget development process that is consistent year-to-year. Outlined in Administrative Procedure #500, *Budget Development and Implementation,* the budget development process follows strict guidelines including the overarching requirement that *"The budget for the Limestone District School Board must address the vision and mission of the Board as described in Board Policy No. 1 - District Mission and Vision."*

Timelines within the budgeting process are outlined in section 3 of the school board's Administrative Procedure #500:

**September – March**

- Monitor budget issues, provincial and local

- Board discussion by Director and Senior Staff based on system vision, Board priorities, funding assumptions

**November**

- Review of draft financial statements by the Audit Committee and approval by the Board

**January – March**

- Development by the Financial Services Department (in conjunction with various Department Managers) of financial assumptions for upcoming budget, including potential impacts of financial year just completed

- Enrolment projections completed and other assumptions shared with the Board

**March – April**

- Discussions with Senior Staff and with administrative function budget teams (e.g. Facility Services, Tri-Board Transportation Student Services, Information Technology, etc.)

- Detailed budget development

- Staffing budget development

- Advertise seeking public input into budget process. Receive budget presentations and submissions from the public and various staff groups

**March – May**

- GSN release and funding model analysis to determine impact on the Board

- Preliminary draft revenue budget to Finance Committee

**May – June**

- Preliminary draft expenditure budget to Finance Committee

- Review of annual budget package by Finance Committee

- Finance Committee recommendation of proposed budget to Board for approval

- Balanced budget due to Ministry by June 30th

The budget development process accounts for multiple inputs from stakeholders. It is documented, transparent, and clearly aligned to the school board's strategic plan. The budget development process includes public meetings which have historically attracted very few attendees. Through the budget development process, input and accurate cost and revenue projections ensure changes to budget projections are minimized. Processes are in place to adjust the budget where budget lines change, in particular where the school board has little capacity to influence, e.g. snow removal.

As the budget process progresses, other mini-budgets are developed within departments. IT, for example, builds a mini-budget based on the department's estimated allocation from the overall budget. Micro-level spending is left in many cases to individual departments. These micro-budgets feed into the overall process, and represent one step in minimizing changes to the approved budget. The school board is proactive in ensuring school board costs are in line with industry norms, and makes direct comparisons to the staffing costs of similar school boards, recording the detailed information in a chart.

**Risk Mitigation and Board Approval**

The department considers major budget risks such as declining enrolment and pandemic planning. Past budget documentation formally included a summary of the school board's top three risk areas. This summary is no longer documented, as budget risks are only discussed during budget deliberations. Strategies are used to mitigate specific risks, such as fuel costs. Individual managers are held accountable for their own cost centres and must prioritize their critical expenditures. Interim financial reporting helps provide regular checkpoints, so that managers have accurate financial information to ensure budgets are on track. The department should consider consolidating key risks and mitigation strategies in a formal risk plan. This risk plan would be documented and presented to Senior Management and the Board, as part of the budget development process.

Suggested enhancements to the budget risks reporting process:

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

At the beginning of the budget cycle:

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

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

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

Throughout the budget cycle:

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

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

- Any new budget risks.

The level of detail of the budget risk mitigation plan would depend on the preferences of management and the Board. At a minimum, it should include a summary outlining the

above elements in table format. The periodic documentation of such information would give reviewers a better understanding of the school board's budget risks.

**Recommendation:**

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

## 4.3 Financial Reporting and Analysis

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

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

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

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

**Integrated System for Variance Analysis and Financial Reporting**

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

**Interim 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 year-to-date comparisons from previous years) for a clear understanding of the status of the current year's budget and the outlook for the year. | Yes |

| Leading Practices – Financial Reporting and Analysis | Evidence of Adoption? |
|---|---|
| Senior management is held accountable for the integrity of financial reporting through formal sign-off and approval procedures. | Yes |
| Management completes and files all financial reports in accordance with established timelines. | Yes |

## Audit

| Leading Practices – Financial Reporting and Analysis | Evidence of Adoption? |
|---|---|
| Management maintains an independent internal audit function. | 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. | 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 uses an integrated financial and management system to record, track, and report financial data by individual cost centres. A school board IT staff member manages day-to-day operations and updates to the system. Support is offered by the vendor for application support. The school board has worked with the vendor to develop tailor-made applications for the financial system. New general ledger accounts are managed primarily by the accounting supervisor, but can also be changed by the Manager of Finance.

## Interim and Annual Financial Reporting

Management provides monthly financial updates to Senior Administration and interim reports to the Board are prepared and delivered quarterly. Senior staff are accountable for the integrity of financial reporting. Interim financial reports are signed, and accountability for the data in the reports is assigned to the financial supervisor. At present, the school board's reporting template includes all information outlined in the Interim Financial Reporting Committee's recommendations. The department is encouraged to consider incorporating a reporting format similar to that recommended by the IFRC, released September 2009. The school board completes and files all financial reports with the Ministry in accordance with established timelines, and monitors financial reports on a regular basis.

**Audit**

In line with Ministry directives, the school board maintains an audit committee with external members. The requirement for both the committee and external members is outlined in Board Policy #10, Committees of the Board. Section 6.1.2 of the policy states: "The Audit Committee shall consist of three (3) Trustees and two (2) external members." The external members of the audit committee are not voting members, as per current legislation only recognizes trustees as voting members on school board standing committees.

The school board is actively participating in the Ministry's regional audit initiative. At the time of the Operational Review, the school board reported that it did not have an official internal audit function. The school board should continue to become familiar with the new Audit Committee Regulation and the Ministry's internal audit initiative, including the establishment of regional internal audit teams, and the development of a risk assessment to establish priority areas for internal audit activities. Annual internal audit plans should be clearly documented, and audit report recommendations should be followed up and acted upon by management. Audit plans should also be approved by the audit committee, once it is established.

**Recommendations:**

- Management should continue working with the regional audit team on the development of a risk assessment to determine priority areas for internal audit activities.

- Management should work with the regional audit team to ensure annual audit plans are clearly documented. Audit report recommendations should be followed up and acted upon by management. Where management chooses not to implement an audit recommendation and to accept the risks associated with an audit finding, the justification should be clearly documented and agreed to by the audit committee.

### 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 are consolidated with a single financial institution where feasible. | Yes |
| Management periodically reports to the board on the performance of the investment activity and any board-approved investment policy. | Yes |
| 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's cash management process is efficient, minimizing idle cash by monitoring daily cash flows against forecasts, and consolidating school board funds in one account. Management has consolidated cash management activities for the school board and all schools with a single institution. The school board is in the process of consolidating the bank accounts of school councils. This school board maintains two segregated accounts with the banking provider. One account is used only for general school board operating funds, while the other is subdivided for each school. The school board is working to incorporate school councils into this central banking arrangement. The banking arrangement has been reviewed and renewed since it was awarded through a competitive procurement process.

The use of eFunds and the consolidated bank accounts permits the school board to mitigate risks, and ensure central control and supervision of all school board funds. In addition to the operating account, the school board also maintains and actively monitors short-term, six-month investments, such as GICs. These investments are compared monthly to ensure there are no options for a higher rate of return that fall within set risk

tolerances available to the school board. Investments are made through the banking provider. The school board does have a formal approach documented in an official Board policy which sets boundaries and guidelines for the school board's investing.

## 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 for each EPO program. Management monitors expenditures to ensure compliance with terms and conditions. | Yes |

## Management of School-Based Funds

Management ensures adequate controls safeguard school-based funds, and coordinates the annual reporting of revenues and expenditures from schools. Principals are held accountable for school-based funds and school board staff ensure oversight through the financial management system. As PCards have effectively replaced petty cash and any other cash held at schools is kept in lock boxes. The school board maintains a policy that any cash is deposited frequently to reduce the amount of cash kept at schools.

## Management of Non-Grant Revenue

The school board maintains multiple independent cost centres relating to non-grant revenue. The International Education Department (enrolment of 160 students) and continuing education are both structured with their own cost centres, and have been mandated by management to cover their own costs and generate revenues. Other revenues are received from facility rentals. This process is managed by the Outreach Coordinator, who works with the school board's third party provider to ensure the online payments process for facility rentals is managed appropriately. These and other non-grant revenues are received through the school board's financial management accounts receivable area. Management works with the provider to update and improve the accounts receivable system.

The school board uses the electronic financial management system to organize, prioritize, and track EPO grants. A virtual clearing house helps management minimize the resources required to manage EPO grants. Responsibilities are designated for each EPO grant and information is clearly communicated across the school board in order to ensure accountability and that EPO funds are appropriately spent.

## 4.6 Supply Chain/Procurement

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

- Whether supply chain/procurement policies and practices comply with the Supply Chain Guideline (SCG) v.1.0 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 procedures are clearly communicated to staff with purchasing authority and are periodically reviewed and updated. | No |
| In line with the SCG, approved procurement policies clearly outline circumstances under which the school board will use competitive versus non-competitive 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, and the SCG. | 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 |

| Leading Practices – Supply Chain/Procurement | Evidence of Adoption? |
|---|---|
| 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? |
|---|---|
| In line with the SCG, 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, receipt/invoice and inspection) before invoices are paid. | No |
| Commitment accounting is in place to monitor budget utilization. | Yes |
| Management has implemented electronic supplier interface for ordering, processing and payment. | Yes |

## Use of Electronic Funds Transfer

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

## Policies and Procedures

The school board has developed procurement guidelines, including a code of ethics, which are aligned with the mandatory elements of the Supply Chain Secretariat's

Supply Chain Guideline (SCG) 1.0. Purchasing guidelines are included in the school board's Administrative Procedure #515, *"Purchasing Procedures"*. Procedures are clearly communicated to staff with purchasing authority, and are periodically reviewed and updated. The Board has not, however, incorporated purchasing guidelines into an overarching Board policy. To ensure accountability for purchasing practices, the Board is encouraged to establish a policy that governs supply chain management, including both planned (recurring) and unplanned (nonrecurring/emergency) purchases, which complies with the BPS Procurement Directive which, has replaced the Supply Chain Guideline 1.0.

The *BPS Accountability Act, 2010* brings new rules and higher accountability standards for designated broader public sector (BPS) organizations. The Act includes sections that provide authority to the Management Board of Cabinet to issue directives to designated BPS organizations in the areas of procurement and expenses. In anticipation of the April 1, 2011 proclamation of these sections of the *BPS Accountability Act*, the BPS Procurement Directive and the BPS Expenses Directive are now available to school boards. The school board should review these documents, note any differences from the Supply Chain Guideline and begin planning compliance with both directives by the proclamation date.

The school board's purchasing procedure indicates circumstances where it will use non-competitive procurement. These circumstances include emergency situations and situations where only one supplier is able to meet the requirements. Thresholds for such situations are clearly outlined in the administrative procedure. Contract award criteria include scoring elements which consider components other than the lowest cost. Recent examples at the school board show that price was worth less than one quarter of the available points in the scoring process. The purchasing procedure includes consideration for local vendors. When the school board and Board work to develop an official purchasing policy aligned with the new *BPS Accountability Act,* any references to local purchasing preferences should be removed.

While the school board has this documented procedure to favour local providers, it was noted at the time of the review that this practice (unless clearly communicated to prospective vendors or proponents in RFx documentation) contravenes the BPS Procurement Directive and the AIT (Agreement for Internal Trade).

Compliance with purchasing procedures is monitored regularly through the accounts payable and purchasing departments. Departmental staff have a clear understanding of their oversight role, and management ensures training is provided to help staff ensure oversight. In particular cases where schools order directly from vendors of record, school board staff complete regularly scheduled, random audits of orders to ensure alignment with purchasing procedures.

**Participation in Group Purchasing Initiatives**

Management uses partnerships to increase purchasing power and minimize the costs of goods and services procured. The school board participates in various purchasing co-operatives and consortia. These include the St. Lawrence Seaway Purchasing Co-Operative, including five school boards and two colleges, for purchases of classroom supplies and furniture, interactive whiteboards, paper and others. As well, the school board collaborates with the coterminous boards for waste management services, custodial supplies and services. The relationship among the coterminous school boards is strong and one that has been proven as being mutually beneficial.

**Purchasing Levels of Authority**

The school board maintains Administrative Procedure #515, *"Purchasing Procedures"* which provides clear guidelines for all areas of purchasing, including competitive procurement and purchasing authority. Dollar limits and requirement for purchasing methods are outlined as follows:

- Purchases up to $5,000 – Verbal quotations or catalogue prices

- From $5,000 to $25,000 - Written quotations on prescribed supplier letterhead;

- From $25,000 to $100,000 - Formal quotations from suppliers on approved list using the Board's standard Request for Quotation Form;

- Over $100,000 - Advertised RFTs and RFPs.

The Board's purchasing procedure outlines in detail the definitions and requirements regarding each level of purchasing (verbal quotations, written and formal quotations, sealed request for tenders, etc.). The purchasing procedure also identifies in the appendices, process flowcharts for the competitive acquisition process (Appendix A) and purchasing procedures, approval levels (Appendix B). These documents provide a very clear, step-by-step overview of the process, and ensure that staff are held accountable to the administrative procedure. A purchasing code of ethics is in place at the school board, and maintains three key pillars:

I.    Personal Integrity and Professionalism

II.   Accountability and Transparency

III.  Compliance and Continuous Improvement

To support the purchasing procedure and code of ethics, all staff are provided with general training on purchasing procedures and responsibilities. As noted, staff groups to

which specific purchasing procedures apply are provided with more detailed training on these procedures.

**Policies and Procedures for PCard/Corporate Card Use**

PCards have been in use at the school board since amalgamation. PCards are used at all schools and in all departments. Trustees are the only group for which PCards are not issued. One school board staff member holds a corporate credit card to make travel arrangements for trustees. PCards are used for low value purchases, and may only be used to a maximum transaction of $500, carrying a maximum monthly balance of $3,000. Others are authorized to carry a balance of $5,000. PCards are used for smaller purchases, with all purchases above $2,000 requiring a Purchase Order (PO). Management and finance staff analyze PCard spending to ensure appropriate spending and that VOR agreements are respected.

**Accounting for Completeness of Purchase/Payment Cycle**

The school board has minimized the number of PO purchases below $2,000 through the PCard program. As such, management has considered (but has not implemented) three-way matching, citing cost/benefit concerns. The school board's financial management system permits most steps of the procurement process to take place electronically. Purchases are made online and transmitted automatically to the accounting department with supervisor approval. The accounting department will approve the requisition and create a PO, which is e-mailed to the appropriate vendor and creates an encumbrance on the related budget line. Invoices are sent directly to the school board, and in certain situations accounts receivable will follow-up with schools sending confirmation of their intent to pay the invoice. It is at this stage where there is an opportunity for the school to stop payment if there is an inconsistency with the order.

Strict three-way matching is not enforced at the school board, as the school board uses a process of "negative confirmation". The facilities services department does, however, have a standardized three-way matching process, because of the material cost involved and that often the department is purchasing services which require confirmation. The school board conducts a two-way match on the majority of purchases to increase oversight on the completeness of all purchases. The school board should consider the cost benefit of implementing a three-way matching process.

Commitment accounting is in place to monitor budget utilization, and is processed through the school board's electronic financial management system. The department has implemented electronic supplier interface for ordering and processing. Electronic systems for ordering are set up and managed by vendors. The online supplier catalogues ensure up-to-date pricing and ease of use for school board purchasing.

**Use of Electronic Funds Transfer for Greater Efficiency**

The school board currently makes use of Electronic Funds Transfers (EFT) for many payments to vendors. The school board's electronic payment system is managed through its banking institution. Using the one central banking institution facilitates the electronic funds transfer process.

**Recommendations:**

- The Board should use existing supply chain and procurement documents to develop a procurement policy to complement the existing comprehensive procurement administrative procedure ensuring alignment to the BPS Procurement Directive which has replaced the Supply Chain Guideline 1.0.

- Management should perform a detailed review of the school board's purchase-to-payment cycle and implement three-way matching.

# 5    School Operations and Facilities Management – Findings and Recommendations

**SchoolOperations and Facilities Management**

| Organization | Custodial and Maintenance Operations | Energy Management |
| --- | --- | --- |
| Health Safety and Security | Capital Plans, Policies and Procedures | Capital Project Delivery |
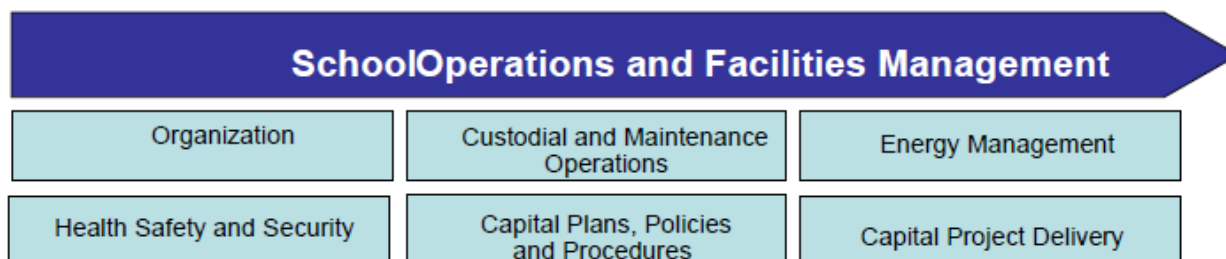
Efficient and effective management of the school board's facilities (particularly schools) is an important factor in student achievement. Along with providing a positive learning environment for students, this function sets and meets standards of cleanliness and maintenance, examines opportunities to 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 accountability. | Yes |

## Organizational Structure and Accountability

| Leading Practices – Operations and Facilities Organization | Evidence of Adoption? |
|---|---|
| The School Operations and Facilities department has clearly defined organizational units and delineates the 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 and/or experience. | Yes |

## Monitoring and Communication of Policies

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

## Development and Reporting of Annual Goals and Priorities

The Facility Services Department sets goals based on the school board's strategic plan. The department's key initiatives align to the overall strategic goal #5, "Prepare for future

system changes and plan for environmental sustainability." These key initiatives for the 2010-11 year are:

- Increase the number of schools participating in the Eco-Schools Program.

- Continue to implement additional energy management capital projects in accordance with energy audit recommendations.

- Conduct system review of recycling practices.

- Reduce dependence on bottled water service throughout the district.

- Complete design, tender, and begin construction of new schools in east Kingston and Greater Napanee.

- Select architect, complete design process, and prepare tender documents for new school in Sharbot Lake.

- Continue with Program and Accommodation reviews for selected school areas.

- Install new portable(s) at various schools as required.

- Complete major heating retrofit project at N.D.S.S.

- Replace boiler systems at Sydenham H.S. and L.C.V.I. and heating and ventilation system at Perth Road P.S.

- Complete Enhancement Projects at various schools to meet program and ODA needs.

- Continue to work with community partners to finalize planning and construction of Kingston community track and field facility.

- Complete construction of addition at Sydenham H.S.

- Upgrade building automation control systems at various schools.

- Install new biomass boiler system at N.A.E.C. and geothermal heating system at Bath P.S. and Perth Road P.S.

- Complete other projects as listed in Board's 10-year capital spending plan.

Key personnel, action steps, timelines, budget and status are indicated for each key initiative. The annual department plan is updated in conjunction with the annual update

of the overarching strategic plan. Reports on the annual plan are presented to the Board at mid-year and at the end of year in August.

**Organizational Structure and Accountability**

The Manager of Facility Services reports directly to the SBO. The Manager of Facility Services has seven direct reports, within a total staff complement of over 40. Facilities administrative staff are located at the school board office and trades staff are located at the central shop depot at the main school board office site. The department maintains a production shop at a school site. The structure of the department and lines of reporting are reflected in the school board's publicly available organization chart. Changes in the department structure have been triggered by changes in departmental funding. As more Ministry funding is available to the school board for programs and initiatives, the required support within the department changes. Job descriptions exist for all positions in the department. Supervisors and staff are qualified through a mix of experience and training. Staff hold a number of different degrees and certifications that include an engineering degree, Masters of Business Administration, civil technologist, architectural technologist, and others. Trades people hold trades tickets, many of which are at the master level.

**Monitoring and Communication of Policies**

The Facility Services department is responsible for procedures and policies including the following:

- purchasing cards

- business credit cards

- video surveillance

- playground equipment

- community use of school facilities

- facility partnerships

- encouraging facility partnerships

The department maintains a Facility Services Department handbook. The handbook is developed for principals although is applicable and used by facility staff and other non-departmental staff. Senior departmental staff are responsible to monitor for new legislation and regulations. Senior staff meetings are held bi-weekly, where updates are

communicated with the group regarding anticipated or pressing regulatory or policy changes. These meetings include updates from the SBO.

Management communicates new policies and procedures through direct communication and staff training. Maintenance and caretaking staff take part in two weeks of new hire mentoring to ensure a solid foundation, not only in the roles, but also with respect to familiarizing themselves with Board policy and administrative procedures. The Facility Services Department ensures communication of priorities and changes to regulations to the whole system through standing items on the Executive Committee and at each District Principals' meeting. These meetings also permit senior departmental staff to receive input from the broader school board system.

## 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 maintain 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. The school board has developed a guideline/manual for custodial and maintenance services to support these cleaning standards. | Yes |

| Leading Practices – Custodial and Maintenance Operations | Evidence of Adoption? |
|---|---|
| The school board has implemented a formal green clean program as part of its overarching Education Environmental Policy. The green clean program incorporates principles from the Ministry's Green Clean Program Resource Guide. | 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, optimizes the use of available funding (Annual Renewal Grant and Good Places to Learn funding). The plan is approved by the Board and accessible by the public. | Yes |

## Training to Support Skills Development and Safety

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

## Standardization of Cleaning and Maintenance Supplies

| Leading Practices – Custodial and Maintenance Operations | Evidence of Adoption? |
|---|---|
| Management uses an inventory system to track and control major cleaning and maintenance equipment. | Yes |
| Management has defined common standards to ensure efficient procurement of supplies 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 the Board's Cleaning Standards and Maintenance Requirements

Cleaning standards and maintenance requirements are included in the Facility Services Handbook, and updates are communicated through regular memos from the Coordinating Supervisor of Caretaking Services. School facilities are checked for cleanliness once a month, using a standardized quality assurance form. These forms are collected and reviewed by the department, to ensure oversight, monitor trends, and improve the delivery of services. Principals are encouraged to discuss or raise issues directly with their school's caretaker or head caretaker. These close working relationships and reporting procedures help foster ownership of school board facilities and a cleaner environment for all staff and students.

Management noted that 75 per cent of the cleaning products used by the school board are green-certified. The process to test and evaluate green cleaning products is ongoing. Originally, one K-12 school was switched to using 100 per cent green clean products. From this multi-month test, certain products were set as standards across the system. Other products were not used, as they were cost prohibitive. Procedures and standards for green clean products are in practice across the school board. Training on green cleaning systems is facilitated, in some cases through vendors. Although the school board has made significant progress in implementing green cleaning, there are several aspects of the initiative that are not formalized in line with the Ministry's Green Clean Program Resource Guide. The Guide recommends a 10-step Green Clean Implementation Plan. In particular, management should consider the following:

- Development of tools to support implementation – a Green Clean Standard Operating Procedures (SOP) Manual should set out the school board's expectations for green clean operational procedures in schools.

- Communications strategy – a communications strategy will help educate stakeholders (building occupants, custodians, vendors) on the benefits of the program and their role in supporting the program.

- Measuring and monitoring progress – over the first year of implementation, a review of the initiative should be conducted every three to six months. After the first year, a review should be conducted annually.

The caretaker staffing allocation model is based principally on facility square footage, and is included in the collective agreement. Initial projections are set by allocating one caretaker for every 20,000 square feet in the school board. Once this overall staffing number is set, a committee, including union and management representation, explores issues of community use, age of facilities, numbers of portables among other inputs and set caretaker levels per school. The caretaker allocation is very close to the level of funding designated by the Ministry, and management ensures that caretaking costs are regularly compared with other school boards, particularly in eastern Ontario.

## Development of Annual and Multi-Year Maintenance Plan

The department tracks yearly enhancement projects through the school board project management system. Enhancement projects are decided annually by a committee consisting of maintenance staff and representation from both elementary and secondary principal groups. The committee uses a ranking system that prioritizes projects based on their alignment first to the strategic plan, second to health and safety priorities, then energy saving, as well as other measures. The Enhancement Committee considers projects ranging from $25,000 to $250,000. The committee will also consider data from the work order system that highlights trends and areas that may require attention and enhancement funds. Each school is permitted to submit projects, along with projects submitted by the Facility Services Department. Projects that are not funded are not carried over to the following year. The committee will only consider new submissions. Trustees are not involved in the approval of projects, but will approve and set the overall renewal budget.

## Training to Support Skills Development and Safety

The Facility Services Department uses online and in-person training for new staff. Training includes mandated courses such as WHMIS and fall-arrest, as well as other programs. Staff training courses are tracked through departmental spreadsheet files and include records of all training received by all staff. The training database flags individuals who require retraining or updates to required courses. Vendors are used for system specific training. Although cross training is not officially conducted, some caretakers have been trained on building automation systems, including basic HVAC and boiler training, so that they are better able to determine maintenance concerns at school sites. Management suggests training is a priority for the Facility Services Department, as it has a direct correlation to health and safety statistics and the school board's Workplace Safety and Insurance Board (WSIB) costs.

**Standardization of Cleaning and Maintenance Supplies**

The school board uses the project management program to track and inventory all major equipment. As such, maintenance and upkeep on systems and major equipment is entered and scheduled through the project management system, producing work orders for maintenance staff. Included in the system are all school board vehicles and a record of past and required associated maintenance. The caretaking supervisor also keeps tracking spreadsheets of all caretaking equipment, and logs of all maintenance preformed on each piece.

The department has established common standards to ensure efficient procurement of supplies in order to minimize costs, and promote energy and operating efficiency and environmental sustainability. Using standing offers with preferred vendors as part of the tri-board agreement, orders are managed centrally through the PO system to ensure efficiency. Management has completed costing per school of caretaking costs. These costs are used as baseline measurements for yearly reports on cost savings from new initiatives and project. Management has included language in purchasing procedures that encourages use of environmentally sustainable products. Language included in section 5.4.0 of *"Purchasing Procedures"* is as follows:

 "The Board supports environmentally sustainable products and services. Where feasible and cost effective, and all criteria being equal, the Board will give preference to environmentally sustainable products and services. On a commodity basis, the following environmental factors shall be considered when specifications are developed:

  a) products of recycled and/or recyclable content

  b) products that meet environmental safety and low toxicity standards and provide acceptable levels of performance

  c) products and technology that minimize use of paper products

  d) bulk purchasing.

**Project Management, Monitoring and Supporting Systems**

The school board uses a computerized program to track work orders by location and type of work performed. Custodial and maintenance staff use personal digital assistants (PDAs) to access, communicate, open and close work orders while in the field. Information is routed to PDAs centrally through a maintenance control clerk, who can open and close work orders. Each work order provides management with a full picture of costs, including hours, materials and other costs associated. To complement the electronic systems, management also ensures careful recording of contractor visits to schools, requiring that they sign in and out. These systems allow school staff to cross check the numbers of hours spent on site with the number of hours billed by

contractors. Management ensures an ongoing measure of internal and contractor cost comparing to find efficiencies. Management must consider that collective agreements govern some of what work can and cannot be done by internal and contract staff. As part of the department's cost control measures, attention is paid to return-to-work efforts. Employees are given every opportunity to return, and the department will make investments to facilitate this.

**Recommendation:**

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

## 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. | Yes |
| The Board has established an overarching environmental policy that addresses both environmental education and responsible management practices. | No |

**Energy Management Plan**

The school board has incorporated energy management elements into its facility plans. However, it has not formally developed an energy management plan. Management monitors utility consumption, invests in renewable energy projects, distributes energy conservation literature to school board staff, and encourages the Ontario ecoSchools program for students across the district. Utility consumption is entered in the school board tracking system and monitored for irregularities by one staff member. Schools, through principals, have access to energy consumption data, and management suggests they plan on displaying live energy consumption data at school sites.

The school board also works with community partners as part of the energy management efforts. Third party contractors and technologist students from a local college complete energy audits of school facilities yearly. As well, the school board works with local building contractors to provide students with an opportunity to learn home building techniques.

In the recent Harvesting House initiative (http://theharvestinghouse.limestone.on.ca/) students built an environmentally-friendly and efficient home, which is now used for both school and public education. The initiative helps teach hands-on energy management processes and principles.

The school board communicates successes in energy management both internally and externally. The school board should continue with current initiatives and plans to establish a multi-year energy management plan in line with the *Ontario Green Energy Act, 2009,* which incorporates measures to be implemented and the tools to monitor and manage the plan.

While school board has aligned procurement practices to support energy management efforts, procurement practices are not aligned to specific goals, because there is no official plan. The school board should formalize its energy management plan and

ensure alignment of purchasing policies. Energy and natural gas are purchased through consortia, and business cases have been explored for switching fuel types at some sites to make the system more efficient. The school board reports that purchasing practices encourage energy efficient products.

**Tracking and Reporting Energy Conservation**

Although the school board tracks and monitors energy use, there is currently no formal energy conservation plan. As a result, there is no annual reporting against conservation goals. Consumption tracking is facilitated through a custom program that provides management with historical analysis of energy consumption trends. The school board should develop, track, and report energy conservation goals.

The school board has struck a working committee, and is developing an overarching environmental policy that encourages the protection of the school environment. A number of environmentally conscious initiatives are in place. The school board should continue with current efforts while planning proceeds.

**Recommendations:**

- Using energy consumption data, the school board should establish a multiyear energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the *Green Energy Act, 2009*, energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities, with milestones, roles, responsibilities and budgets with a process for ensuring community support.

- The school board should enhance its procurement policy to support energy management goals.

- Management should provide formal annual reporting to the Board on the energy conservation savings achieved against the plan once it has been developed.

- The school board should develop a system to track consumption, budget expenditures, and identify opportunities for further energy management savings.

- The school board should develop an overarching environmental policy that complements the existing Administrative Procedure - Environmental Education, addressing both environmental education and responsible management.

## 5.4    Health, Safety and Security

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

- Whether planning and communication exist to support the provision of a safe and healthy 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 an occupational health and safety strategy/plan that reflects the board's occupational health and safety policies and administrative procedures and ensures the school board is in compliance with associated occupational health and safety statutory requirements. | Yes |
| Develop, implement and monitor a security strategy/plan that reflects the board's security and student safety policies and administrative procedures and ensures the board is in compliance with statutory/policy security requirements. | Yes |
| Develop, implement and monitor a health strategy/plan that reflects the board's health policies, procedures and programs and ensures the school board is in compliance with statutory health requirements. | No |

### Health, Safety and Security Management

The school board maintains and refreshes annually an Occupational Health and Safety (OH&S) handbook, supported by Administrative Procedure #404, *Health and Safety Procedure*. The school boardmandates an OH&S committee comprising members from all employee groups at all school sites, and maintains one overarching joint OH&S committee. The school board treats OH&S issues with urgency in all cases. Reports of mould or air quality issues result in a facilities staff member on site within one hour.

The school board maintains a security strategy, which reflects multiple security components included in the departmental plan. Management has completed school 'climate' surveys with students and staff, providing base-line data regarding opinions about feelings of safety at schools. The school board intends to administer the surveys with parents. Safe school teams are organized at each school and include threat assessment teams at each site. Police and fire protocols have been standardized across the school board, and emergency procedure training takes place with police and fire services.

The school board is working to separate employee health and wellness programs from those focused on students. Management is currently training staff for the rollout of a nutrition program in September 2011. The school board should continue to develop an overarching health strategy, reflecting the school board's policies and procedures to promote overall health and wellness of both students and all employee groups.

**Recommendation:**

- The school board should consider establishing an integrated health plan/strategy that would reflect the existing policies and procedures regarding the health of both students and employee groups and aim to promote health and wellness across the school board. Management should also consider coordinating the development, implementation and monitoring of the plan centrally.

## 5.5 Capital Plans, Policies and Procedures

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

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

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

- 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 as reflected in the school board's Capital Wrap-Up Template. | No |
| The school board has an approved pupil accommodation review policy. | Yes |
| The school board has an approved facility partnership policy. | Yes |

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

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

**Development of Annual and Multi-Year Capital Plans**

In compliance with Ministry requirements, the school board has completed its capital liquidity template and is appropriately funded. The school board maintains a rolling 10-year facilities improvement schedule that is updated using SFIS and ReCAPP. One staff member is responsible to update ReCAPP. The school board work order system flags facilities and systems that require attention, and ReCAPP "high" and "urgent" projects drive a great deal of the multi-year capital projects. Senior Administration, with input from facilities management, recommends approval to the Board and the Board approves the 10-year capital projects schedule. The 10-year schedule supports the departmental plan and the strategic plan, and was developed with input from a 2007 third party long-term accommodation plan.

Although the school board develops an annual maintenance plan and uses SFIS to determine some capital needs, it does not develop a clearly articulated, multi-year capital plan that is approved by the Board. It is recognized that the school board takes into account stakeholder considerations when planning capital projects. The school board is encouraged to develop a multi-year capital plan that includes the related funding plan and has formal Board approval, to provide a long-term forecast of planned capital planning.

The school board has an approved pupil accommodation review policy. Policy #15, *School Accommodation*, outlines the details regarding the school board's Program and Accommodation Review Committee (PARC). The school board also has an approved facilities partnership policy.

**Ongoing Monitoring and Maintenance of Data to Support Capital Planning**

To maintain the accuracy of capital needs forecasts, the school board designates management of the SFIS system to the Planning Department, while ReCAPP is managed by the Facility Services Department. ReCAPP is updated regularly and most recently completed to align with an upcoming PARC process. The school board uses the Ministry guidelines to identify Prohibitive to Repair (PTR) schools, using ReCAPP. Capital forecasts and related funding plans are assessed annually and adjusted to meet current needs and changes with input from all stakeholders. The school board has incorporated Full-Day Early Learning Kindergarten into the enrolment projections.

**Recommendation:**

- The school board should develop an approved annual and multi-year capital plan that includes the related funding plan.

## 5.6   Capital Project Delivery

The purpose of reviewing all related capital project delivery 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 capital project delivery, 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 – Capital Project Delivery | Evidence of Adoption? |
|---|---|
| Management gives full consideration to the use of all available school space in their local communities before proceeding to build, purchase or lease other spaces. | Yes |
| Management uses cost-effective designs, standard footprints, energy conservation and economical construction practices to minimize construction and future maintenance and operation costs. The school board is guided by the principles outlined in the manual prepared by the Expert Panel on Capital Construction: *From Concept to Classroom – Leading Practices Manual for School Construction in Ontario*. | 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 – Capital Project Delivery | Evidence of Adoption? |
|---|---|
| A Project Manager is appointed to oversee all aspects of the project including monitoring the budget and project timelines and ensuring management processes are in place for issues such as change orders and other internal approvals. This includes periodic project status updates and post-construction project evaluation. | Yes |
| An independent Cost Consultant is retained by the school board to review the design, provide objective costing analysis and advice, and report to the school board on options to ensure that the proposed capital expenditure is within the approved budget, prior to tendering a project. | Yes |

## Maintaining Current Approved Professional Service Providers

| Leading Practices – Capital Project Delivery | 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

Management gives full consideration to the use of available school space in local communities before proceeding with the construction, purchase, or lease of other spaces. Management aims to rationalize school facilities, given the declining enrolment. The school board uses cost-effective processes and designs in their current construction projects. Management has retained one architectural firm to manage the design process for the new schools, and reports efficiencies, particularly in community outreach processes. Supporting the design process are building design committees consisting of principals, parents from affected parent councils, program staff, the facilities staff, a financial services representative, planning and IT representatives, and a trustee.

Management makes use of cost-effective designs and energy conservation principles, in line with the *Green Energy Act*. The school board also benchmarks the construction costs of coterminous boards and industry standards. A cost consultant has been retained to review current construction projects, and will complete formal cost estimates three times during the construction project.

## Monitoring and Reporting of Progress on Construction Projects

Management has an effective process in place to monitor and control construction project costs, in line with Ministry requirements. All renewal projects are managed internally, with supervision from the capital project coordinator, a certified engineering technologist. Minutes are kept of site meetings and provided to facilities management, which makes determinations regarding any change in cost or change order. Ten per cent contingencies are built into each project. Changes to construction costs or purchase orders follow the same regulations as per the school board purchasing procedure. As such, change orders are approved at the staff level. Payments are approved by the architect and the Capital Project Coordinator, then approved by the Manager of Facility Services. An independent cost consultant is used for each major project. A cost consultant is currently engaged, and management does have the option to retain services for additional projects.

## Maintaining Current Approved Professional Service Providers

The school board makes use of internal trades staff for small projects or renovations. The school board has four architectural firms on VOR, and has contracted mechanical engineering services to a vendor for the 2011-13 period. The school board uses a standard contract, and ensures contracts are aligned with the Canadian Construction Documents Committee (CCDC) contract for construction projects. This includes documentation of due diligence, comprising proof of compliance with Occupational Health and Safety legislation and Workplace Safety and Insurance, bonding status, and

verification of required qualification for the design and construction of electrical and mechanical systems.

# Appendices

## Appendix A: Overview of the Operational Review

### Operational Review Objectives

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

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

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

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

- Leverage "best practices" across the education sector;

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

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

### Operational Review Summary Scope

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

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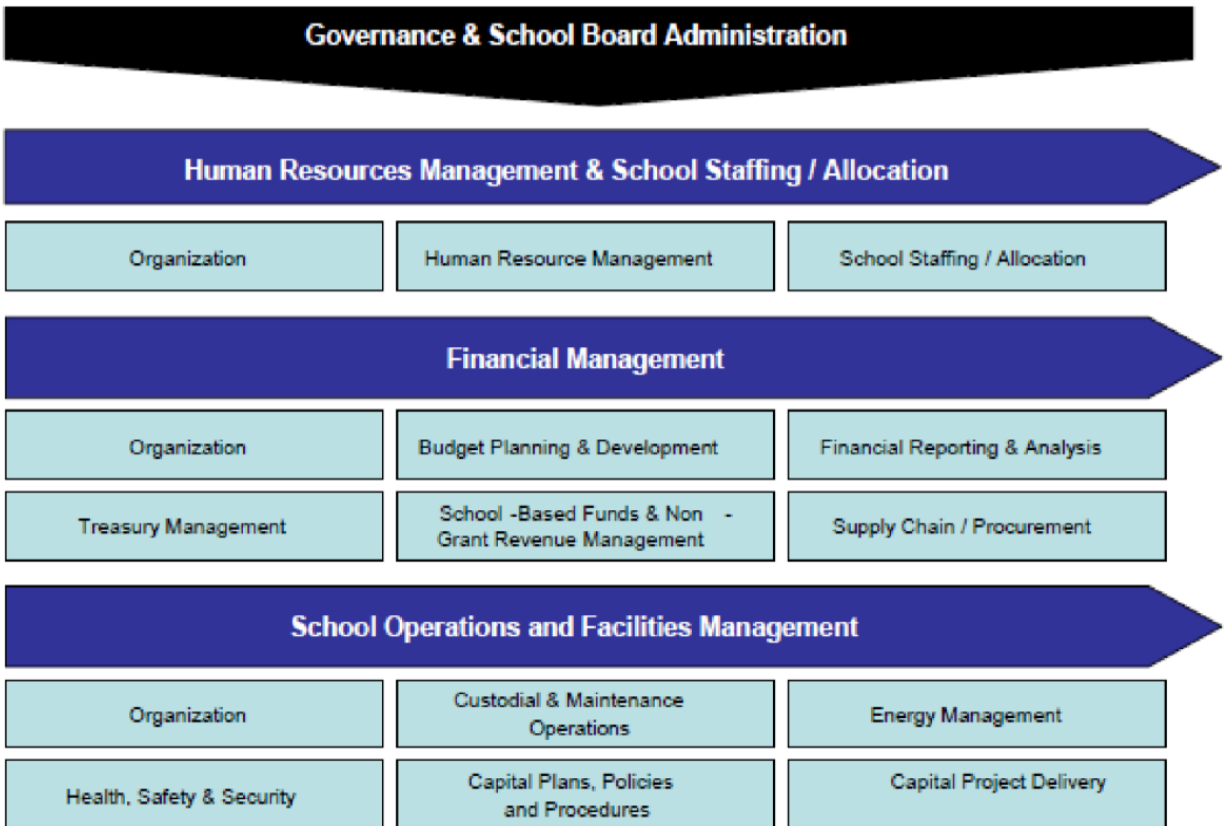
## Operational Review Summary Approach

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

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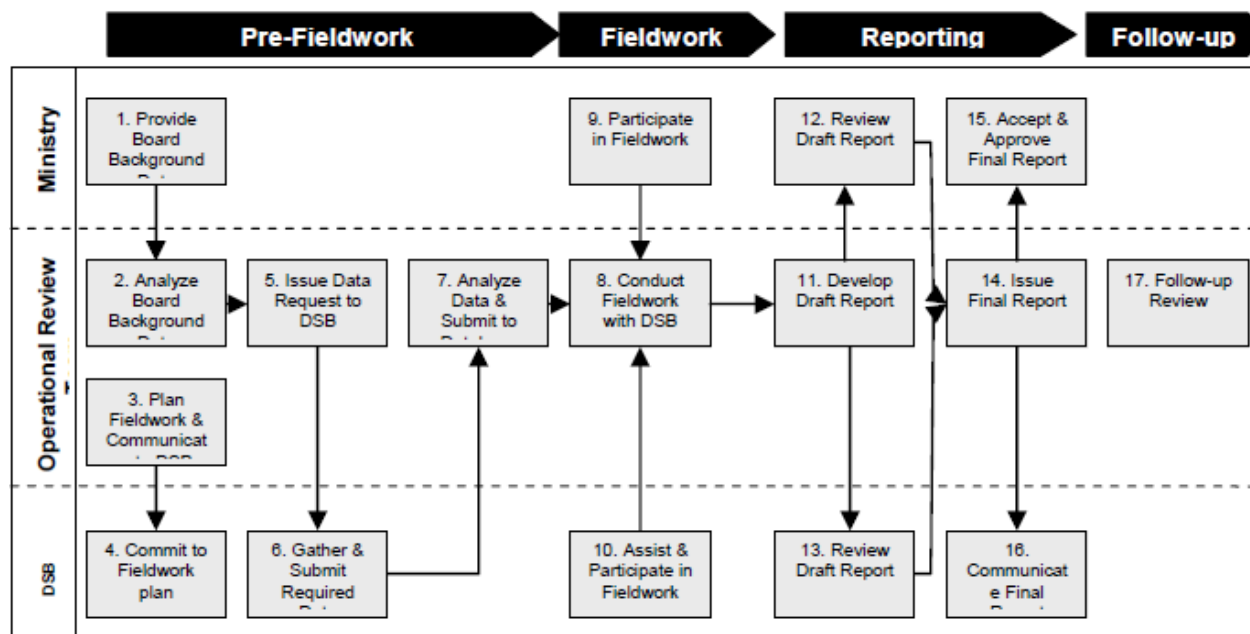
The Table below defines the key phases and activities which comprise the Operational review Methodology.

## Phase: Pre-Fieldwork

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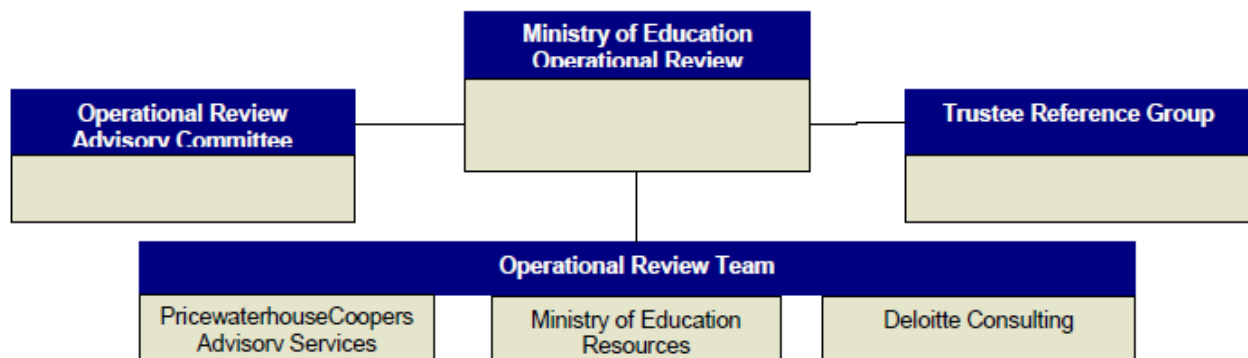


## Limitations of this Review

The purpose of this report is to document the results of the Operational Review of the Limestone 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. | To help build and sustain leadership capacity, the school board should expand its formal succession plan which includes plans for senior staff in non-academic functions. |

### Human Resources Management and School Staffing/Allocation

| No. | Recommendation |
| --- | --- |
| 2. | The Director should review the composition of the school board's interview panels, and develop formal hiring policies and procedures to clarify the roles of trustees and school board staff. Trustees should provide strategic policies to govern staffing and recruitment, but should not sit on interview or hiring panels with the exception of hiring the Director. |
| 3. | Trustees should continue to provide the school board with a policy and priority framework for bargaining. They should not directly participate in labour negotiations. |
| 4. | HR management should establish and manage formal professional development guidelines for non-teaching staff, including annual learning, plans for minimum training hours, and an in-depth supervisory training program for all managers of administrative functions. This will help ensure the school board is meeting the needs of its employees. |
| 5. | Management should consider conducting exit interviews with all staff exiting the school board to obtain input on HR policy, as well as process and program improvement. |

### Financial Management

| No. | Recommendation |
| --- | --- |
| 6. | Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels. |
| 7. | Management should continue working with the regional audit team on the development of a risk assessment to determine priority areas for internal audit activities. |
| 8. | Management should work with the regional audit team to ensure annual audit plans are clearly documented. Audit report recommendations should be followed up and acted upon by management. Where management chooses not to implement an audit recommendation and to accept the risks associated with an audit finding, the justification should be clearly documented and agreed to by the audit committee. |
| 9. | The Board should use existing supply chain and procurement documents to develop a procurement policy to complement the existing comprehensive procurement administrative procedure ensuring alignment to the BPS Procurement Directive which has replaced the Supply Chain Guideline 1.0. |

| No. | Recommendation |
|---|---|
| 10. | Management should perform a detailed review of the school board's purchaseto-payment cycle and implement three-way matching. |

## School Operations and Facilities Management

| No. | Recommendation |
|---|---|
| 11. | The school board should review the Ministry's Green Clean Program Resource Guide and use it to develop a formal green clean program as part of its overarching Education Environmental Policy. |
| 12. | Using energy consumption data, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the Green Energy Act, 2009, energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities, with milestones, roles, responsibilities and budgets with a process for ensuring community support. |
| 13. | The school board should enhance its procurement policy to support energy management goals. |
| 14. | Management should provide formal annual reporting to the Board on the energy conservation savings achieved against the plan once it has been developed. |
| 15. | The school board should develop a system to track consumption, budget expenditures, and identify opportunities for further energy management savings. |
| 16. | The school board should develop an overarching environmental policy that complements the existing Administrative Procedure - Environmental Education, addressing both environmental education and responsible management. |
| 17. | The school board should consider establishing an integrated health plan/strategy that would reflect the existing policies and procedures regarding the health of both students and employee groups and aim to promote health and wellness across the school board. Management should also consider coordinating the development, implementation and monitoring of the plan centrally. |
| 18. | The school board should develop an approved annual and multi-year capital plan that includes the related funding plan. |