

Ministry of Education

**Operational Review Report
Bluewater District School Board**

February 2010

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Executive Summary

This report details the findings and recommendations of the Operational Review of the Bluewater District School Board (the school board) conducted by the Operational Review Team composed of external consultants from Deloitte and Ministry of Education staff. The Operational Review was conducted over three days beginning October 5, 2009.

Introduction

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

The Operational Review Team assessed the school board's operations in four functional areas: Governance and Board Administration; Human Resource Management and School Staffing/Allocation; Financial Management; and School Operations and Facilities Management. The purpose of this was to determine 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 leadership on supply chain management and procurement. A summary of the findings and recommendations identified in each of the functional areas reviewed follows. Details can be found in subsequent sections of the report.

Governance and School Board Administration

The board of trustees includes nine elected trustees, and two trustees appointed to represent the interests of the students from the Chippewa of Nawash Unceded First Nation and Chippewas of Saugeen First Nation. The Senior Administrative Team (SAT) is composed of the Director of Education and six key positions, including two Superintendents of Education (elementary and secondary), the Superintendents of Student Success, Student Services, and Business, and the Administrator of Employee Relations. A recently established communications coordinator position reports to the Director.

The school board has adopted a governance structure that clearly delineates the roles and responsibilities of the board of trustees and senior administration, as shown in two separate policies outlining the roles of the board and the Director of Education. The role of the board stipulates that trustees oversee approved policies, while ensuring that the administration is accountable for established policies and procedures. The policy outlines the director's responsibility for implementing the Board's policies and all aspects of the school board's operations. Policy also stipulates that the Board, through its policy-making function, directs and controls the education operation.

These policies were both developed earlier this year (2009), and will be reviewed again in January 2010. The Chair of the Board reported that the Board is currently evaluating a governance model that would better support more comprehensive and frequent reporting to the trustees on school board operations.

In September 2009, the Board received a report from an independent consultant, following a system-wide review. Many of the report's recommendations focused on the governance model, including the relationship between the board of trustees and senior administration, decision making and accountability, the organization and timing of board meetings, planning, and consultation and communication. At the time of the Operational Review, the school board was currently working on an action plan to address these recommendations. This was expected to be completed at the end of October, 2009.

Recommendations:

- The board of trustees, using a consultative process, should develop and communicate a multi-year strategic plan that provides a framework for annual planning. This will provide direction to all staff on the Board's goals, and clear steps towards achieving them.
- Once this overarching plan is developed, the school board should develop a formal annual operational plan aligned with the Board's multi-year strategic goals. This will also enable all departments to track and report progress on their defined priorities and goals throughout the year.
- Senior Administration should report to the Board of Trustees annually on the status and outcomes of the board strategic plan and annual operating plan, once they are developed.
- The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators, with a particular focus on the non-academic operations of the school board.

Human Resources 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 of the leading practices including:

- 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.
- 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).
- HR records are current, including the formal tracking of teacher qualifications and experience.
- HR management builds staff capacity in understanding of HR policies and administrative procedures.

Recommendations:

- The HR department should consider developing an annual departmental plan aligned with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
- Management should develop recruitment policies and procedures and ensure they are reviewed annually to align staff planning with student achievement.
- The school board is encouraged to segregate the duties of payroll and employee information to maintain the integrity of data.
- Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy development as well as process and program improvement.
- The department should develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance, including positive reinforcement for employees and standardized practices across all employee groups.

Financial Management

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

- The school board's finance department performs three-way matching (purchase order, receipt/invoice and inspection) before invoices are paid.
- The school board actively participates in purchasing consortia/cooperatives and group buying initiatives.
- 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.
- The school board's integrated financial information system provides useful, timely and accurate information for management and stakeholders.

Recommendations:

- The department should consider developing an annual departmental plan aligned with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
- The school board should examine the organizational structure of the finance department to ensure its effectiveness and efficiency.
- The school board is encouraged to compare staffing costs with similar school boards in the budget planning and development process, to ensure efficient use of resources.
- The school board should formally add a step in the budget planning process to ensure alignment between specific budget goals and the objectives outlined in the Board's multi-year strategic plan.
- The department should consider consolidating key risks and mitigation strategies into a single risk plan.
- Management and the board of trustees should add external advisors to the Audit Committee to contribute to the committee's effectiveness.
- Management is encouraged to implement an electronic supplier interface for ordering, processing, and payment. This is an opportunity for increased process efficiencies.

- Management is encouraged to continue to explore additional Electronic Fund Transfers (EFT) opportunities with suppliers, for greater efficiency and security.

School Operations and Facilities Management

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

- For current projects, management uses cost-effective designs, standard footprints, energy conservation measures, and economical construction practices to minimize construction, maintenance, and operation costs.
- An accurate and current assessment of the conditions of board facilities is maintained, based on industry standards (using RECAP methodology).
- The school board receives consolidated billing from each utility for all facilities.
- The school board uses an automated (computerized) work-order system and process to record, monitor and evaluate projects. Management has defined common standards to ensure efficient procurement of supplies, minimizing costs, and promoting energy/operating efficiency and environmental sustainability.

Recommendations:

- The department should consider developing an annual departmental plan aligned with the operating plan and overall strategic plan. This will help the department to track and report the progress of its defined priorities and goals throughout the year.
- The school board is encouraged to develop an annual training plan for staff that addresses ongoing skills development and emerging regulatory issues. This will help to ensure that the professional development of all custodial and maintenance staff is being met and tracked.
- The school board should continue developing an inventory system to track and control major cleaning and maintenance equipment.
- The school board is encouraged to develop an overarching environmental policy that addresses both environmental education and responsible management. The Board is encouraged to finalize its draft environmental policy.
- The school board should establish a multi-year energy management plan with measures to be implemented and the tools to monitor and manage the plan.

- Successful conservation techniques currently used by the board should be communicated across all schools and with other school boards, to enhance recognition of energy management across the system.
- The school board should develop an occupational health and safety plan, to ensure compliance with associated health and safety statutory requirements.
- Management should complete the planned update of its current capital commitments and future requirements. This would include an assessment of the funding to support the existing debt service costs, and a projection of funding sources to support the Board's future capital and facility renewal requirements.

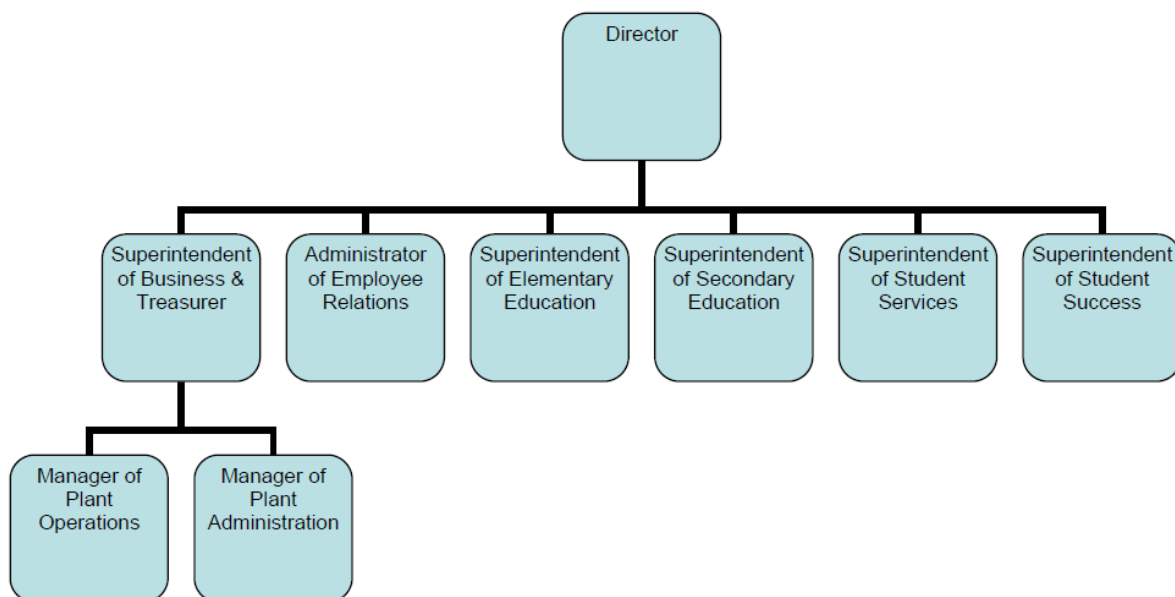
1. Background and Overview

1.1 School Board Profile and Structure

The Bluewater District School Board is committed to a standard of excellence in fostering the academic, physical, social and emotional development of all its students. The school board is responsible for providing public education to almost 8,000 students, offering a diverse range of programs in its 43 elementary schools and 11 secondary schools.

The Board's enrolment continues to decline. Over the last year, enrolment has declined by 3.5 per cent in elementary and 4 per cent in secondary.

The following figure represents the Senior Administrative Team at the school board. The Executive Leadership Team is composed of the Director of Education, the Superintendent of Elementary Education, the Superintendent of Secondary Education, the Superintendent of Business and Treasurer, the Administrator of Employee Relations, the Superintendent of Student Services and the Superintendent of Student Success.



1.2 Key Priorities of the School Board

The vision of the Bluewater District School Board is:

Bluewater District School Board is a learning organization committed to a standard of excellence in fostering the academic, physical, social and emotional development of all our students.

We demonstrate respect for ourselves and others and an appreciation of individual differences.

We accept personal responsibility as contributing members of our local and global communities.

We value people and promote trusting and cooperative relationships in a safe, supportive, and productive environment.

In support of this vision, the following mission statement has been developed for the school board: ***“Learning for a Lifetime.”***

To fulfill its mission and vision, the school board has adopted five beliefs that guide them in achieving the Bluewater standard of excellence:

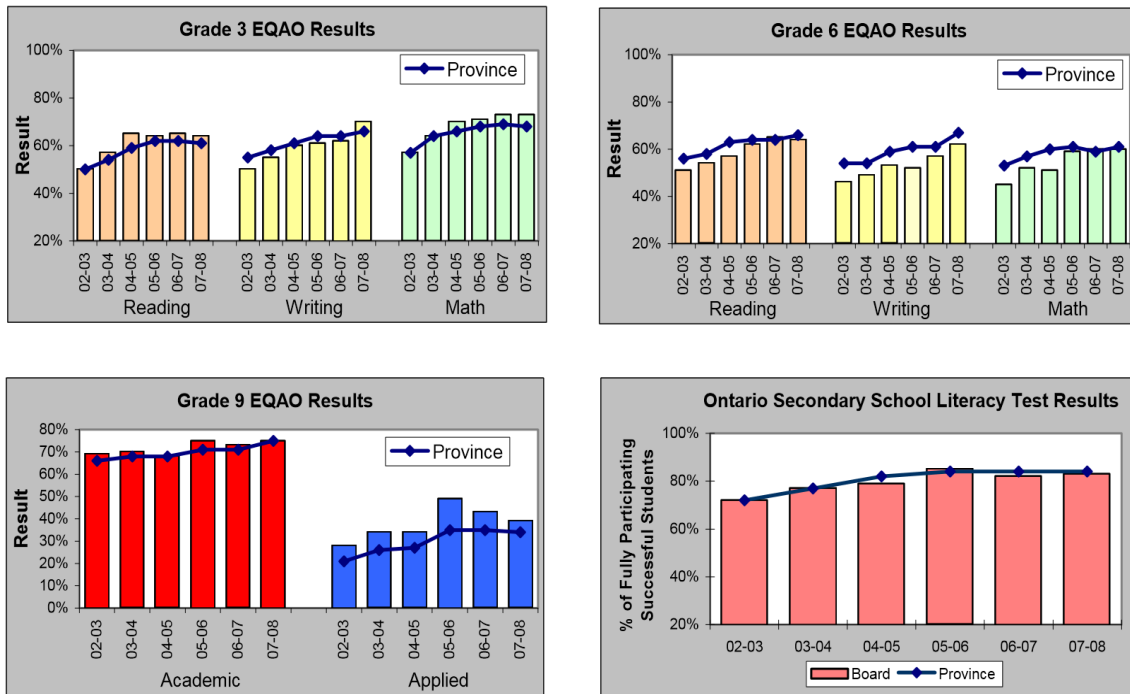
1. Quality
2. Equity
3. Partnerships
4. Accountability
5. Safe Environment

The school board has also adopted the *Image of the Learner*, in which the Bluewater learner demonstrates the knowledge, skills and values necessary for present and future success. Each individual learns for life, acts responsibly, sets priorities, develops positive relationships and works effectively.

1.3 Student Achievement

The school board has performed at or above the provincial average in the last few years. Grade 3 Education Quality and Accountability Office (EQAO) results are above the provincial average since 2007-08.

At the secondary level, Grade 9 EQAO results and Grade 10 Ontario Secondary School Literacy Test (OSSLT) results were either at or above the provincial average. The following charts show the school board’s EQAO and OSSLT results over the last six years.



1.4 Fiscal Overview

Over the past two years, the Board has managed to create in-year surpluses which have allowed the school board to reduce its accumulated deficit. The Board's enrolment continues to indicate a decline. Over the last year, enrolment has declined by 3.5 per cent in elementary and 4 per cent in secondary. Declining enrolment represents a significant budget challenge for the board, since much of the government's grants to school boards are based on enrolment. BWDSB's enrolment decline is slightly higher than the provincial average. Across the province, enrolment declined by 3.4 per cent between 2002-03 and 2006-07.

Highlights of budget reductions for 2009-10 include:

- Reduction in reimbursements of km rate from .42 to .40 — \$24,000
- Supply teachers — \$100,000
- Deficit reduction from \$1M to \$250,000 — \$750,000
- Staff Development — \$450,000
- School budgets reduction equal to textbooks grant reduction — \$206,500
- Portable operating savings — \$60,000
- Plant Operations — \$400,000

- Supplies/services reductions for non school budgets — \$60,773
- Math/Literacy contact teachers – reduction 3.1 FTE — \$276,722

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

Summary Financial Data (Revenues)

| Revenues | 2006-07 Financial Statements | 2007-08 Financial Statements | 2008-09 Revised Estimates |
|------------------------------------|------------------------------|------------------------------|---------------------------|
| Legislative Grants | \$126,416,820 | \$131,117,589 | \$135,458,783 |
| Local taxation | \$51,169,487 | \$52,013,935 | \$51,311,636 |
| Board Revenues | \$4,271,445 | \$3,626,937 | \$2,618,433 |
| Other Operating & capital Grants | \$3,316,033 | \$4,201,906 | \$509,890 |
| Total Revenues (Schedule 9) | \$185,173,785 | \$190,960,367 | \$189,898,742 |

Summary Financial Data (Expenditure)

| Expenditures: | 2006-07 Financial Statements | 2007-08 Financial Statements | 2008-09 Revised Estimates |
|---|------------------------------|------------------------------|---------------------------|
| Operating expenditures | \$177,079,958 | \$177,828,694 | \$180,350,131 |
| Capital expenditures - Before transfers from reserves | \$8,138,707 | \$10,666,777 | \$8,491,191 |
| Transfer to (from) Reserves | \$71,975 | \$1,020,005 | \$14 |
| Total Expenditures | \$185,290,640 | \$189,515,476 | \$188,841,336 |
| In-year Surplus (Deficit) | -\$116,855 | \$1,444,891 | \$1,057,406 |

School Board Reserves and Deferred Revenues

| School Board Reserves and Deferred Revenues | 2006-07 Financial Statements | 2007-08 Financial Statements | 2008-09 Revised Estimates |
|---|------------------------------|------------------------------|---------------------------|
| Reserve for Working Funds | \$0 | \$214,962 | \$214,962 |
| WSIB | \$319,775 | \$1,117,255 | \$1,117,255 |
| OSCVI | \$19,956 | \$27,518 | \$27,518 |
| Total Reserve Funds (Schedule 5) | \$339,731 | \$1,359,735 | \$1,359,735 |
| Improved Access for Special Education Reserve | \$1,447 | \$1,447 | \$1,447 |
| Proceeds of Dispositions Reserve-School Buildings | \$309,181 | \$537,436 | \$537,436 |
| Other Capital Deferred Revenues | \$0 | \$179,805 | \$179,805 |
| Total Deferred Revenues (Schedule 5.1) | \$310,628 | \$718,688 | \$718,688 |
| Total Board Reserves and Deferred Revenues | \$650,359 | \$2,078,423 | \$2,078,423 |

1.5 Key School Board Statistics

The following table highlights key statistics for the school board. There is a declining enrolment trend.

Day School Enrolment

| Day School Enrolment | 2002-03 Actual | 2007-09 Revised Estimates |
|-----------------------------------|----------------|---------------------------|
| Elementary Day School ADE | 13,812 | 11,105 |
| Secondary Day School ADE | 7,761 | 6,954 |
| Total Day School Enrolment | 21,573 | 18,059 |

Primary Class Size

| Primary Class Size | 2003-04 | 2008-09 |
|-------------------------------|---------|---------|
| % of Classes Less Than 20 | 31% | 94% |
| % of Classes Less Than 23 | 66% | 100% |
| Average Class Size - Jr/Inter | 27.69 | 25.80 |
| % of 3/4 Classes 23 & Under | 26% | 100% |
| % of Combined Classes | 37% | 52% |

Staffing

| Staffing | 2003-04 | 2008-09 |
|---|---------------|---------------|
| School Based Teachers | 1,211 | 1,134 |
| Teacher Assistants | 190 | 286 |
| Other Student Support | 62 | 84 |
| School Administration | 72 | 68 |
| School Clerical | 90 | 82 |
| School Operations | 181 | 175 |
| Other Non-Classroom | 61 | 59 |
| Total Staffing | 1,868 | 1,887 |
| Teacher - Pupil Ratio | 1:18 | 1:16 |
| FTE Staff per 1,000 Pupils (ADE)¹ | 86.6 | 104.5 |
| Total Salary & Benefits as % of Net Operating Expenditures | 82.60% | 81.90% |

¹ Note: Impacted by Class Size and Special Education

Special Education

| Special Education | 2003-04 | 2008-09 |
|--|-------------------|------------------|
| Special Education Incremental Expenditures | \$16,443,489 | \$23,384,946 |
| Special Education Allocation | \$17,170,733 | \$23,125,893 |
| Spending above Allocation (Reserve) | -\$727,244 | \$259,053 |

School Utilization

| School Utilization | 2003-04 | 2008-09 |
|---------------------------|----------------|----------------|
| Number of schools | 58 | 55 |
| Total Enrolment (ADE) | 21,573 | 18,059 |
| School Capacity (Spaces) | 25,707 | 24,128 |
| School Utilization | 83.9% | 74.8% |
| Board Area (Km2) | 8,673 | 8,673 |
| Number of Trustees | 11 | 12 |

2. Governance and School Board Administration – Findings and Recommendations

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

Governance and board administration processes are reviewed to:

- Understand how the governance model supports operational effectiveness and delineates the division of duties between the board of trustees and the administration;
- Assess the development of the annual plan (including the goals/priorities) and actions to engage and communicate with key stakeholders and the related reporting against the plan;
- Assess how policies and related procedures are generated and maintained;
- Determine whether staffing levels and organization structures provide for clarity of roles and accountability sufficient to carry out the school board's objectives;
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

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

Establishment of an Effective Governance Model

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

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

| Leading Practices – Governance and School Board Administration | Evidence of Adoption? |
|---|-----------------------|
| The board of trustees, using a consultative process, develops and communicates a multi-year strategic plan that provides a framework for annual planning. | No |
| The director of education and senior staff develop an annual operating plan of their goals/priorities, incorporating both academic and non-academic departments. The plan is aligned with the Board's multi-year strategic plan and has goals that are specific, measurable, achievable, relevant and timely. | No |
| The senior administration periodically/annually report to the board of trustees on the status and outcomes of the board strategic plan and annual operating plan. | No |

Decision Making Processes

| Leading Practices – Governance and School Board Administration | Evidence of Adoption? |
|--|-----------------------|
| The board of trustees and senior administration have appropriate processes for decision making to address student achievement targets and operational performance. | Yes |
| The board of trustees and senior administration have appropriate processes for the establishment and regular maintenance of policies and administrative procedures for the efficient and effective operation of the board. | Yes |

Organizational Structure and Accountability

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

Succession and Talent Development

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

Stakeholder Engagement

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

Establishment of an Effective Governance Model

The board of trustees includes nine elected trustees, and two trustees appointed to represent the interests of the students from the Chippewa of Nawash Unceded First Nation and Chippewas of Saugeen First Nation. The Senior Administrative Team (SAT) is composed of the Director of Education and six key positions, including two Superintendents of Education (elementary and secondary), the Superintendents of Student Success, Student Services, and Business, and the Administrator of Employee Relations. A recently established communications coordinator position reports to the Director.

The school board has adopted a governance structure that clearly delineates the roles and responsibilities of the board of trustees and senior administration, as shown in two separate policies outlining the roles of the board and the Director of Education. The role of the board stipulates that trustees oversee approved policies, while ensuring that the administration is accountable for established policies and procedures. The policy outlines the director's responsibility for implementing the Board's policies and all aspects of the school board's operations. Policy also stipulates that the Board, through its policy-making function, directs and controls the education operation.

The Chair of the Board reported that the Board is currently evaluating a governance model that would better support more comprehensive and frequent reporting to the trustees on school board operations.

In September 2009, the Board received a report from an independent consultant, following a system-wide review. Many of the report's recommendations focused on the governance model, including the relationship between the board of trustees and senior administration, decision making and accountability, the organization and timing of board meetings, planning, and consultation and communication. At the time of the Operational Review, the school board was currently working on an action plan to address these recommendations. This was expected to be completed at the end of October, 2009.

As part of the review, the school board enlisted the help of the Ontario Education Services Corporation to develop the policies on the responsibilities of the Board and the Director of Education. The policy outlining the role of the Board includes 10 principles to direct its governance approach, and guidelines for the respective roles and responsibilities of administration and trustees.

The policy for the role of the director was developed in March 2009. It outlines 11 areas of responsibility: student welfare, educational leadership, fiscal responsibility, organizational management, strategic planning, personnel management, policy/procedures, director/board relations, communications and community relations, student/staff/district recognition, and system leadership. Though both of these policies have been approved by the Board and are in place until March 2012, the Chair and Director will review them in January 2010, to ensure that they are meeting the needs of the Board, and accurately reflect the roles and responsibilities of both the director and the Board.

The school board also has procedural by-laws for the operation of the Board and its committees, outlining elections, agenda setting, committees, meetings, rule of order and procedures at Board Meetings, Board and Board Committees in closed session, and delegations. These procedures were developed in June 1998 and amended on November 20, 2007. The Board reported that changes will be made to these

procedures. The board is also considering making the trustee code of conduct a separate policy.

The board has established three types of committees: Committees of the Whole Board, Statutory Committees and Board Committees, with 21 committees in total. They are:

Committees of the Whole Board:

- Business Committee
- Educational Issue Committee
- Policy Committee

Statutory Committees:

- Occupational Health and Safety
- Special Education Advisory committee (SEAC)
- Supervised Alternative Learning for Excused Pupils (SALEP)

Board Committees:

- First Nation, Métis and Inuit Committee
- Saugeen Education Committee
- Nawah Education Committee
- Amabel-Sauble Community School Management Committee
- Audit Committee
- Bi-Board (with Bruce-Grey Catholic DSB)
- Suspension/Expulsion Appeal Committee of the Board
- OPSBA Board of Directors
- Parental Involvement Committee
- Principal/Vice-Principal Staffing Committee
- School Year Calendar

- Textbook Appeal Committee
- The Bluewater Education Foundation Liaison Committee
- The Outdoor Educational Trust
- SAT/Union/Trustee

The committee structure is part of the system-wide review, and the Board is planning to reduce the number of committees. The Board has established a set of policies and procedures (available on the school board website) that provide a framework for decisionmaking and the effective operation of the school board. The Board has a policy review committee to ensure periodic review of the Board's policies and procedures.

The Board of Trustees conducts a scheduled, formal performance appraisal of the Director of Education. The Director's current evaluation is based on evidence of meeting all 11 areas of responsibility, as outlined in the Role of the Director policy.

The senior administration team has developed a comprehensive trustee orientation process. This process begins when trustee candidates identify themselves, after which they are invited to a session with current trustees and the system administrative team members. An overview of the role of the trustee, trustee duties and responsibilities, and the Bluewater school board context is provided to trustee candidates at this time to support them during the campaign process.

Once a trustee is elected, they receive a trustee orientation that includes a half-day session on the roles of the trustees and the senior administration team. New individual trustees also meet with each member of the system administrative team following the general orientation to gain specific information on each area. The school board reported that additional background information to assist new trustees with understanding the context for discussions and decisions is also provided. This process was introduced before the last trustee election in 2006 and will occur again for the election in 2010.

The Board also holds Trustee Professional Learning Community meetings monthly. Last year, training in this area focused on lessons learned from a book entitled "Crucial Conversations". The sessions involved a series of role playing exercises, to develop a better understanding of the relationship between the SAT and the Board, and to enhance communications.

Trustees are also invited to a school site visit with one of the superintendents. The Board reported that this was highly useful in providing the trustees with an understanding of the broader impact of the Board's budget decisions on programming.

The Board of Trustees and senior administration reported that they have reviewed the Ministry's Report on the Governance Review Committee at one of their Professional Learning Community meetings.

Development and Reporting of Annual Goals and Priorities

The Board currently uses a policy titled *Foundations for Learning* as its framework for planning. This outlines the Board's academic vision and beliefs. The document states that the school board is a learning organization, committed to a standard of excellence in fostering the academic, physical, social and emotional development of all students.

As part of this policy, the board has established the following beliefs: quality, equity, partnerships, accountability and a safe environment. For each of these areas, the Board has identified a series of belief statements. The policy also includes a section entitled Image of the Learner, which outlines the knowledge, skills and values needed for student success. These student qualities are: learns for life, acts responsibly, sets priorities, develops positive relationships and works effectively. For each of these areas, the Board has developed a series of statements that demonstrate success for each quality.

While this and other documents are considered to be key elements in strategic planning, the Board has not developed a multi-year strategic plan to provide sufficient guidance for annual planning. The Board is encouraged to develop a multi-year strategic plan that incorporates both academic and operational themes, and provides a clear direction (to all staff) on the Board's long-term and short-term goals. The Board noted that the development of a strategic plan is a priority for the 2009-10 school year. Once the multi-year strategic plan is developed, the Board is encouraged to develop a formal annual operational plan that will further enhance effectiveness, by demonstrating the alignment of the plan to the Board's multi-year strategic goals.

The school board has developed a draft board improvement plan focused on academic priorities. This plan includes a section on SMART goals, resources required, monitoring, areas of responsibility, and an evaluation cycle. This plan can serve as a foundation for an operational plan to cover non-academic areas such as human resources, finance, and plant services. A further opportunity exists to develop annual departmental plans for HR, finance and plant operations that are aligned with the overall Board strategic plan and the annual operating plan.

Once these plans have been developed, senior administration should report annually to the board of trustees on their status and outcomes.

Decision-Making Process

The primary responsibilities of the board of trustees are set out in the *Role Description-Board Policy* and are as follows:

- Accountability for Student Achievement in the District
- Accountability to the Provincial Government
- Accountability to the Community
- Policy Development, Implementation and Review
- Director / Board Relations
- Board Development
- Strategic Planning
- Fiscal Responsibility
- Political Advocacy
- Recognition

The Board meets monthly, and all Board and Committee of the Whole meetings are open to the public. As per the *Education Act*, in-camera meetings are conducted to discuss matters of personnel, property, contract negotiations and litigation. The Board is considering the recommendations made by the independent consultant during the system-wide review, which address the organization and timing of the board meetings.

There is a formal policy review committee, and the Board outlines the policy development process in a document, *The Development and Implementation of Board Policy*. This includes developing a needs assessment and rationale before a policy is developed. All policies are reviewed every three years. The Board reported that it will be considering reducing the number of policies in place. A number of these policies may become procedures which are easier to refresh as circumstances change. All policies are posted on the school board's website.

The corporate services officer is responsible for preparing the items for Board meetings. All materials are sent electronically to the trustees three days before the Board meeting. The Board does not currently have a formal agenda-setting process in place. Meetings are set through a combination of notice of motions that have been brought forward and a list of priorities from the SAT. The Board is encouraged to develop a formal agenda-

setting process which will also help determine what items go before the board of trustees for decision.

Organizational Structure and Accountability

The board of trustees includes nine elected trustees, and two trustees appointed to represent the interests of the students from the Chippewa of Nawash Unceded First Nation and Chippewas of Saugeen First Nation. The Senior Administrative Team (SAT) is composed of the Director of Education and six key positions, including two Superintendents of Education (elementary and secondary), the Superintendents of Student Success, Student Services, and Business, and the Administrator of Employee Relations. A recently established communications coordinator position reports to the Director.

Each superintendent has responsibility for a ‘family of schools’. This structure helps develop common education strategies to improve student achievement. The school board has also current role descriptions for the Director and superintendents. Their names, areas of responsibility and a school board organization chart are posted on the school board’s website.

The Board reported that while the policy for hospitality and travel expenses meets Ministry requirements, it is under review. To ensure appropriate levels of oversight, the Board’s policy requires all out-of-province travel to have formal Board approval.

Succession and Talent Development

The school board has not established a formal succession plan. A number of initiatives (such as mentorship programs and job shadowing) are in place for office professionals and custodial staff. There is also a formal mentorship program (Emerging Leaders) for principals and vice-principals. The school board would benefit from the establishment of a formal succession plan for key management positions for both academic and non-academic positions, to help build and sustain capacity.

Stakeholder Engagement

Management is undertaking a number of initiatives to engage internal and external stakeholders on a regular basis and through a variety of communication vehicles. This is supported by the recent decision to hire a communications coordinator, who reports to the Director of Education.

The school board reported that it is committed to listening to the concerns of the communities it serves, and is taking action to address those concerns. In May 2009, the board launched a multi-phase consultation process, consisting of facilitated public input meetings, a written discussion guide, a public satisfaction survey, and focus groups.

As part of this initiative, BWDSB announced an outreach initiative (Bluewater Education Outreach) for parents/caregivers, staff, and students, aimed at improving the school board's accountability and transparency in communication, managing complaints, and resolving disputes. There are four key components to Bluewater Education Outreach:

- Trustee Parent/Community Public Consultation
- Meetings with Union and Federation Leaders
- Public Satisfaction Survey and Focus Groups
- Formal Review of Complaints Process

A report on phase one of Bluewater Education Outreach is available on the school board's website. The school board is awaiting the results of a satisfaction survey of teachers, parents, and staff.

Further initiatives are underway as part of the school board's plan to improve accountability, transparency, and communication with its key constituents. This will be rolled out in late 2009, pending the results of the satisfaction survey.

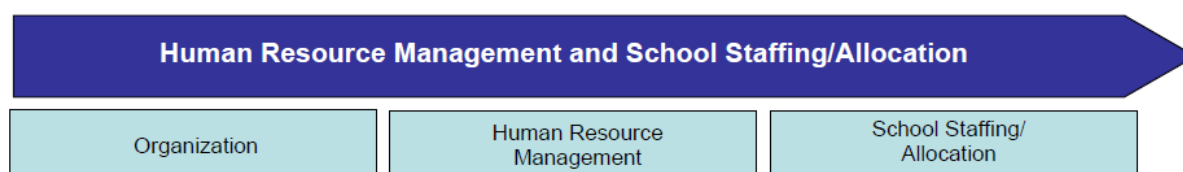
Members of the senior administrative team are actively involved in various provincial and national forums, including the Regional Skills Steering Committee, the Ontario Youth Apprenticeship Program partnership committee, and the Grey-Bruce Children's Alliance.

Recommendations:

- The board of trustees, using a consultative process, should develop and communicate a multi-year strategic plan that provides a framework for annual planning. This will provide direction to all staff on the Board's goals, and clear steps towards achieving them.
- Once this overarching plan is developed, the school board should develop a formal annual operational plan aligned with the Board's multi-year strategic goals. This will also enable all departments to track and report progress on their defined priorities and goals throughout the year.
- Senior Administration should report to the Board of Trustees annually on the status and outcomes of the board strategic plan and annual operating plan, once they are developed.

- The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators, with a particular focus on the non-academic operations of the school board.

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 Resources Organization

The review of the organization of the HR department assesses:

- Whether appropriate policies and procedures have been established and maintained to support the HR functions and required priorities, and whether they are aligned with the school board's directions;
- Whether an annual departmental plan setting out the goals and priorities and their alignment to the school board's strategic directions has been established;
- Whether the roles and responsibilities of staff support the key functions, activities and practices of HR;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Development and Reporting of Annual Goals and Priorities

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

Organizational Structure and Accountability

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

Monitoring and Communication of Policies

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

Development and Reporting of Annual Goals and Priorities

The HR department does not develop an annual departmental plan. Instead, management and staff establish priorities informally, and report annually to the board of trustees on the status of HR initiatives.

Organizational Structure and Accountability

The HR department performs standard functions such as HR data management, staffing, and the management of health and safety programs. The Health and Safety unit was added to the Human Resources department in 2008-09. The HR functions report to the Administrator of Employee Relations, who is part of the Senior Administrative Team.

The HR department's job descriptions or "job fact sheets" are accurate and up-to-date, and the department has clearly defined organizational units delineating roles and responsibilities. A current organization chart is posted on the board's website and is supplemented by contact information for all key HR staff.

Department staff are qualified through a combination of professional designations and work experience.

Monitoring and Communication of Policies

The HR department has responsibility over a number of policies, all of which are listed on the school board's website. The listing includes policies on workplace accommodation, human rights, and staff development. Compliance with HR policies is monitored by HR department staff through standard procedures designed to support policy. For example, with some policies, such as return to work, the HR department is directly involved in overseeing HR procedures carried out by other departments; while with other policies, such as harassment, the HR department takes action only when policy non-compliance is reported.

The department helps ensure staff are aware and understand the policies and procedures in a number of ways. For example, new HR procedures and policies are circulated to all staff, and are also a standing item at joint labour/management committees. They are also reviewed at the yearly meetings that attended by administration, all principals, and union stewards. For administrative staff, the HR department has organized a policy and procedure "on-boarding" process, where a team at the school trains new administrative staff on specific policies and procedures.

Recommendation:

- The HR department should consider developing an annual departmental plan aligned with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.

3.2 Human Resource Management

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

- Planning and processes are in place for the recruitment and hiring of the appropriate number of qualified staff to support the student achievement targets;
- Appropriate processes are in place to promote the personal and professional growth of all staff;

- Adequate systems and procedures are in place to manage employee compensation plans, labour relations, employee performance and attendance, and other support services to foster employee satisfaction;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes can be identified.

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

Staff Recruitment/Hiring

| Leading Practices – Human Resource Management | Evidence of Adoption? |
|--|-----------------------|
| Recruitment policies and administrative procedures are reviewed annually, and are aligned with staff planning in support of student achievement. | No |
| The hiring policies and administrative procedures are standardized into one package for the respective staff groups. | Yes |

Labour Relations

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

Employee Performance Evaluation Processes

| Leading Practices – Human Resource Management | Evidence of Adoption? |
|--|-----------------------|
| HR management has policies and procedures for an employee evaluation/performance system for all staff. | Yes |
| HR management maintains and communicates formal disciplinary policies and procedures for all staff. | Yes |

| Leading Practices – Human Resource Management | Evidence of Adoption? |
|--|-----------------------|
| The HR department actively supports the professional development activities of the school board. | Yes |

Attendance Management Processes/Programs

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

Management of HR and Payroll Data

| Leading Practices – Human Resource Management | Evidence of Adoption? |
|---|-----------------------|
| Payroll processing is segregated from employee data records and changes to data are adequately controlled. | No |
| 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 Employee 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 the benefit plans terms and conditions. | No |
| Employee data is automatically synchronized between the board and the external carriers (i.e. OTPP, OMERS and the board's benefit provider). | Yes |

| Leading Practices – Human Resource Management | Evidence of Adoption? |
|--|-----------------------|
| Policies and/or 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 does not have policies or formalized procedures to support the recruitment process. Staff explained that such policies and procedures are no longer necessary, since the school board has been in a position of significant declining enrolment, with no shortage of staff or potential recruits. To recruit for teaching positions, the board has used 'Apply to Education', a website to source for education positions in Canada. Advertisements in local papers are used for other positions (e.g. custodial staff).

New hire policies and procedures are standardized into one package for use in all departments. HR staff participate in all interviews, and approve every hire recommended by departments. Reference and criminal background checks are performed for each potential hire. Management organizes orientation sessions for all new hires.

The procedures for adding teachers to the board's occasional teaching list are outlined in the collective agreement. Occasional teachers are recruited twice a year, and are given priority when the school board is hiring.

Labour Relations

The Administrator of Employee Relations has direct responsibility for labour relations, including all negotiations, grievances and arbitrations. HR management and the board of trustees have established four labour/management committees as follows:

- Senior Administrative Team/Union Presidents
- Senior Administrative Team/Union/Trustees

- Association of Bluewater Administrators' Executive/Senior Administrative Team
- Individual Union Groups

These groups meet anywhere from three to six times a year, or as outlined in the collective agreement. The school board reported that the relationship with unions is cordial.

The Administrator of Employee Services is involved in the negotiation of collective agreements. The Administrator and the HR officer are responsible for managing grievances. The process differs depending on the collective agreement of the individual(s) involved. The board reported that every effort is made to work with the unions and try and resolve issues before they become grievances. Training on collective agreements is provided to all staff by HR. The Administrator of Employee Services also conducts sessions with principals specifically on the collective agreements of the staff in their schools.

Hiring and dismissal processes are covered in current HR policies and procedures, and are updated to reflect the current collective bargaining agreements.

Employee Performance Evaluation Processes

The school board has developed procedures for conducting employee performance appraisals, and has created templates for supervisors who conduct the performance appraisals. Staff also reported that they are looking at moving the templates online in the coming school year. The HR department is responsible for ensuring that scheduled reviews are done on a timely basis. They are using a consultant to facilitate the New Teacher Induction Program (NTIP) program within the board, due to the number of new teachers they train. The training includes three days of release for orientation, planning, assessment, and classroom management, plus an FSL component for French teachers. The HR Officer reports NTIP completion to the College of Teachers. The board is using the services of a consultant to ensure that notations are reported to the Ontario College of Teachers for new teachers who have completed the New Teacher Induction Program.

In line with the Ministry of Education's 'Supporting Teaching Excellence' document, the school board evaluates its experienced teachers on a five-year cycle. New teachers are reviewed twice during the first year as part of NTIP. The teacher performance appraisal (TPA) is conducted by principals, channeled to the respective superintendent of education, and filed at the central board office. In addition to the five-year cycle, a principal or superintendent may trigger a supplemental TPA as required.

The Superintendent Officers Performance Appraisal is based on "Putting Ontario's Leadership Framework into Action". This document is based on the Ministry of

Education mini-discussion paper, *Leading Education: New Supports for Principals and Vice-principals in Ontario Publicly Funded Schools*. This identifies initiatives to develop, support, and sustain the highest-quality leadership possible in schools across the province.

Superintendents review each of the five categories, and choose three practices that best describe their strengths. The five categories are as follows:

- Setting Directions
- Building Relationships and Developing People
- Developing the Organization
- Leading the Instructional Program
- Securing Accountability

Following this, the SOs provide one example from their work from the previous year that demonstrates success in that practice, including reasons why this was an area for growth. Plans to improve areas of strength in skills, knowledge and attitudes are then identified, and supported with specific examples. A plan of action is then discussed.

The staff categories each have their own appraisal methods. The office professional's performance appraisal framework includes the following:

- A set of 'Key Elements' that define the skills, knowledge and attitudes that office professional members require
- Observable behaviors for the key elements (as described below)
- A rubric describing evidence of performance at each of the two levels
- A rating scale that summarizes the levels of the overall performance

Key Elements define the skills, knowledge and attitudes that office professionals require:

- Inter-Personal Relationships and Communication Skills
- Professional Knowledge
- Practice
- Leadership and the Learning Community

- Ongoing Professional Learning

Performance appraisals for educational assistants include the following:

A set of 'Key Elements' that define the skills, knowledge, and attitudes those educational assistants require

- Observable behaviors for the key elements
- A rubric describing evidence of performance at each of the two levels
- A rating scale that summarizes the levels of the overall performance

Key Elements define the skills, knowledge and attitudes that educational assistants require:

- Inter-Personal Relationships and Communication Skills
- Professional Knowledge
- Practice

The school board has a formal policy governing the discipline of performance issues, entitled the FRISK Documentation Model, which is described as a practical and straightforward method of communicating and documenting unsatisfactory performance. The goal of the documentation is corrective and to improve performance. A series of progressive steps ensures that the employees understand expectations, understand where they have failed to meet expectations, have adequate time and support to correct performance, and know the serious consequences of continued sub-standard conduct. This document is being used to manage disciplinary issues, and is currently under revision.

The HR department actively supports the professional development activities of the school board. HR plays a coordinating role to support the professional development of staff, and is supported by the respective elementary or secondary superintendent of education when conducting professional development for teachers. The school board reported that professional development is driven in large part by staff collective agreements, in particular by setting the minimum hours for training. For example, professional development for custodial staff is planned in conjunction with CUPE representatives. For non-union staff, staff development is self-directed. All staff are currently working towards developing annual learning plans.

The school board also supports staff with time off to pursue related higher education. A number of staff are enrolled in the Master of Education (Curriculum) program. There are

also three individuals who are pursuing their SO certification. Local institutions are used for staff training when appropriate.

Teachers and principals are involved in planning staff development activities and programs for school based administrative staff. Administration planning is tied to student performance and outcomes. For example, administrative staff meet with the secondary instructional leadership team four times a year, and all educational assistants attend mandatory workshops on positive behavior supports and data collection. The school board reported that all schools receive a budget for staff development. Through this, teachers and nonacademic staff have the opportunity to attend professional development conferences.

The school board reported that the format and content of professional development for staff will be revisited, once they receive the results from the organizational wellness survey. This survey is part of the larger governance review the school board is undertaking.

Attendance Management Processes/Programs

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

The school board does not have an attendance management program. However, in 2007-2008 a Paid Sick Leave Utilization Study was conducted by School Boards' Cooperative Inc. (SBCI) and was presented to the school board in May 2009. The purpose of the study was to better understand the school board's performance with regard to sick leave utilization for the 2007-2008 fiscal years. The study provided sick leave benchmarking statistics based on other boards across the province.

In the current process for reporting teacher absences, the teacher calls the school principal/vice-principal, who triggers the call out system (SmartFind) to find a replacement. The system uses the information entered to perform an automated call-out to a predefined list of occasional teachers. As part of an initiative to improve the accuracy of attendance reporting, a committee was set-up to review and refine system absence codes. The school secretary is responsible for coding the absence into the attendance management system.

The school board reported that principals are able to generate attendance reports directly from the call-out system, as well as reports on occasional teacher budget impacts for their school directly from the school board's financials system.

Management of HR and Payroll Data

The school board does not currently have a payroll processing system that is segregated from employee data records. Staff who enter information into HRIS also have the ability to update pay and benefit changes. The school board is encouraged to segregate duties between payroll and employee information, to maintain the integrity of data.

HR records are current, including the formal tracking of teacher qualifications and experience. Unions and management work together on re-classifications, and the school board recently conducted a classification review for all non-union staff. All personnel files are stored in a locked room with limited access. Teacher qualifications are synchronized with the Ontario College of Teachers database, which the school board uses on an individual basis to check data on new teachers.

The school board has a current pay equity plan. In the 2008-09 school year, all administrative non-union staff were evaluated using the Hay Management method and some inequities were addressed within available and approved budget resources. The school board reported that, over time, all inequities will be resolved.

Management of School Board's Employee Benefit Plans

The school board's benefits plans are provided to teaching staff directly by their union groups. The school board manages the benefit plans for non-union staff, principals, and CUPE staff. It was reported that the school board's plan costs were benchmarked to other schools as part of the E and E review carried out by COSBO, and were in line with those of other school boards.

Management ensures all eligible employees are properly enrolled, through an electronic file transfer with Ontario Teachers' Pension Plan (OTPP) every pay period.

HR management does not conduct independent compliance audits of the board's insurance carrier.

Monitoring Staff Satisfaction

The school board is currently conducting a system-wide staff satisfaction and wellness survey. The results will be used to inform multiple operational areas of the school board, including professional development.

Management does not conduct formal exit interviews.

Recommendations:

- Management should develop recruitment policies and procedures and ensure they are reviewed annually to align staff planning with student achievement.
- The school board is encouraged to put in place a segregation of duties between payroll and employee information to maintain the integrity of data.
- Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy as well as process and program improvement.
- The department should develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance, including positive reinforcement for employees and standardized practices across all employee groups.

3.3 School Staffing/Allocation

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

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

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

Processes for Annual Staff Planning and Allocation

| Leading Practices – School Staffing/Allocation | Evidence of Adoption? |
|---|-----------------------|
| The school board'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 |

| Leading Practices – School Staffing/Allocation | Evidence of Adoption? |
|--|-----------------------|
| 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 has a formal procedure governing the determination and allocation of total staff requirements. This procedure complies with legislation and collective agreements. The process is based on enrolment projections, student need, class size requirements, preparation time, and alignment to collective agreements.

The process as described by the school board is as follows:

1. March 2009 – Projected enrolment for October 2009 and March 2010 is collected.
2. Projected staff calculations are based on the requirements of collective agreements, Ministry of Education requirements, system needs, funded programs and other budgetary constraints.
 - Collective Agreement
 - Class Sizes: Primary 20 (hard cap), Junior/ Intermediate 25.8 (board average)
 - Preparation Time: 210 minutes per cycle of five instructional days

- Student Services/ Learning Resources Teachers: number of students less Developmental Learning Teachers divided by factor of 270
- Ministry of Education requirements
 - A web-based tool (Staffing Plus) was implemented in the spring of 2009 to ensure compliance with Ministry of Education requirements related to class sizes and averages.
- System needs, funded programs and other budgetary constraints (reported to Human Resources from System Administration Team member)
 - Developmental Learning Teacher school-based allocations
 - Behavior Teacher school-based allocations
 - System level Student Services components (previously defined)
 - Instructional Contact Teacher school-based allocations
 - System level support roles (not Student Services) i.e. System Curriculum Lead Teachers (2.0 FTE), Technology Centre Teachers (4.0 FTE)
 - Native Second Language Teachers – 0.5 FTE
- 3. April 2009 – Current staffing details shared with School Administrators
- 4. April 30 – Lay-off notification date
- 5. May 15 – Surplus to school notification date
- 6. June 6 – Elementary Surplus/ Transfer Meeting
- 7. By June 30 – approval of 2009-2010 budget items
- 8. Lay-off/Recall process begins and is ongoing
- 9. Second Friday in September – final enrolment collected and final staff allocations finalized based on enrolment on this date

Senior staff involved in the staffing process include: the superintendent of special education, who has overall responsibility of the elementary teacher group; the superintendent of student services, who is responsible for the student services portion of the elementary teacher budget, including in-school classroom components and

system level support roles; and the staffing supervisor (HR), who reports to the Superintendent of Elementary Education for all components of the elementary staffing process and to the Superintendent of Secondary Education for the staffing of secondary teachers.

A formal procedure for the staffing of non-teaching staff is also developed. Procedures for allocating office professionals and technical staff are driven by relevant collective agreement articles. The Superintendent of Business and staffing supervisor are involved in this staffing process. A summary of the procedures is listed below:

1. After the projected enrolment has been collected for the next school year, the Staffing Supervisor prepares calculations of potential staffing and sends to the Superintendent of Business for review and approval.
2. Once the plan is approved by the Superintendent of Business, it is shared with the union at the Staff Advisory Committee Meeting.
3. The Staff Advisory Committee also reviews other staffing information (retirements, leaves, etc.) with the goal of confirming the vacancies for the following school year.
4. Once all vacancies are known, they follow the following steps:
 - a. Lateral Transfer Opportunity
 - b. Internal posting (first two postings are composite postings)
 - c. External hiring
5. Vacancies outside of schools are approved through the budget process and included in the hiring process.
6. Once the actual enrolment is collected in the fall, step 1 and 2 take place again based on this enrolment. Typically, adjustments to staffing levels are not needed at this time of year.

Monitoring and Reporting on Staff Allocation

Systems are in place and accessible by both HR and Finance staff to establish and track an approved level of staff. This includes reporting on elementary and secondary teachers, supply teachers, and educational assistants. There is also a chart developed for supervisory officers, trustees, administration, and transportation. All charts show variances to revised estimates.

The board of trustees approves the staffing allocation models, and final numbers of staff. While the models incorporate factors such as Ministry directives, the Board considers student needs and student achievement as the key driving factors in staffing. A validity check is performed by HR administration once the school year has begun to ensure schools have followed the model. Payroll also performs a validity check through pay runs.

Adjustments to Board-approved staff allocation must be passed through the Board for reapproval. Additional hiring is examined closely, given the school board's declining enrollment. The school board reported that adjustments to staff allocations for school-based staff are infrequent, as measures to ensure utilization remains on target are taken during the planning process.

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 is 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 by 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/priorities relating to 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 fieldwork, 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;
- Financial department support of the overall goals/priorities and accountability measures established by the school board;
- The efficiency and effectiveness of department structure and support of the roles and responsibilities for the key functions, activities and practices;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Development and Reporting of Annual Goals and Priorities

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

Organizational Structure and Accountability

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

Monitoring and Communication of Policies

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

Development and Reporting of Annual Goals and Priorities

The department does not currently develop an annual departmental plan. Instead, management and staff establish priorities informally, and report annually to the board of trustees on the status of departmental initiatives.

Organizational Structure and Accountability

The department reports to the Superintendent of Business. Since the promotion of the previous Manager of Finance to SBO, the school board has not filled the vacant

Manager of Finance position. Filling this vacancy could help meet the financial reporting requirements of the board. The SBO also has direct responsibility for the General Manager of

Transportation and Purchasing under whom there is a Supervisor of Purchasing. The latter position is shared with Bruce-Grey Catholic District School Board as part of a joint purchasing consortium.

The department's job descriptions or "job fact sheets" are accurate and up-to-date, and the department has clearly defined organizational units delineating roles and responsibilities. There is no up-to-date organization chart posted on the website, but contact information for key finance staff is available.

Department staff are qualified through a combination of professional designations such as CGA, CMA and payroll designations, and work experience.

Monitoring and Communication of Policies

The department has responsibility over a number of policies, all listed on the school board's website. These include policies on donations, travel expenses, and fundraising in schools, among others. Compliance with policies is maintained through the ongoing monitoring of staff in their execution of supporting procedures, through financial system enabled security and approvals, and through spot audits conducted by finance staff. The department's school office support team trains new school office staff on finance policies and procedures, before they are granted permission to access the finance system or conduct finance-related activities.

In addition to the support team concept, the department helps ensure staff understanding of finance policies and procedures through other means, such as e-mail or monthly principal meetings, depending on the staff group and the policy.

Recommendations:

- The department should consider developing an annual departmental plan aligned with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
- The school board should examine the organizational structure of the finance department to ensure its effectiveness and efficiency.

4.2 Budget Planning and Development

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

- Understand the linkages between the board of trustees' goals and priorities and the operational budgeting process;
- Assess whether sufficient transparency and controls exist in the budget planning and development process;
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Annual Budget Development Process

| Leading Practices – Budget Planning and Development | Evidence of Adoption? |
|--|-----------------------|
| The annual budget development process is transparent, clearly communicated and incorporates input from all key stakeholders including management (with principals), board of trustees and the community. | Yes |
| Management has adopted an integrated (at school board and school 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. | No |

Risk Mitigation and Board Approval

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

| Leading Practices – Budget Planning and Development | Evidence of Adoption? |
|---|-----------------------|
| The annual budget presented for approval demonstrates that it is linked to the board-approved goals and priorities including student achievement targets. It provides useful and understandable information for all stakeholders. | No |

Annual Budget Development Process

The annual budget process at the school board is transparent, clearly communicated, and well documented, incorporating input from all key stakeholders, including representatives from the federations and union/non-union employee groups.

The school board adopted the following guiding principles for the 2009-10 budget:

- increase student achievement
- reduce the academic performance gap by increasing equitable access to programs and learning opportunities for all students
- increase public confidence.

The following implementation principles have also been adopted:

- department/services must have adequate funding
- support services are a critical component of overall student success
- balanced budgets are required by regulation.

The budget development process is reviewed using a formal and documented framework developed by the school board. At its highest level, the budget needs to be reviewed within the overall context of Board-approved objectives and priorities, and its general ability to meet them. Equally important to the board is the requirement for the budget plan to meet all regulatory requirements and contractual obligations. Once this has been done, the budget is then measured against Ministry of Education allocations and provincial benchmarking.

The school board ensures that the budget's relevance can be measured and has set out the following priorities to ensure it is done so:

- Define and measure the plan against the prior plans that have produced a service or product that meets the school board priorities and objectives

- Assess services that have been removed from the plan in terms of their impact on the students, system and/or community
- Assess the merit of alternate delivery methodologies if required
- Assess budget plan service additions and provide the rationale
- Assess the impact of inflationary cost increases where applicable
- Measure the plan against overall financial resources and provide value judgements relating to the level of priority set by the Board and the province
- Review the plan within the context of provincial allocations and benchmarking
- Review the plan within the longer term operational view and sustainability

The budget development process begins in February, with each department submitting a written summary of expenditures overspent and under spent. Information on student enrolment and the economic climate (which can affect people moving in and out of the area) is then considered. The school board is forecasting a drop in secondary enrolment which will not level off until 2015-2016.

The information is then compiled into the financial system for reporting. After meetings with individual departments to go over the information, the SAT meets to look at the budget and consider possibilities for reductions. Public consultations on the budget were held for the first time for the 2009-10 budget. Ongoing consultations with the unions are also held each May.

In mid-May, the initial draft of the budget is presented to the business committee, which is a Committee of the Whole. The school board's focus again this year was to reduce its accumulated deficit.

Revised grant estimates take place in November, after the annual enrolment count deadline on October 31. At this point, any additional changes in the form of expenditures or revenues are incorporated. The complete and revised estimate package is then sent to the Ministry.

Enrolment projections are developed by the SBO and school principals. Input from principals is particularly useful in developing enrolment projections. Enrolment forecasting is currently based on declining enrolment. The school board participated in the Declining Enrolment Working Group consultations. The school board maintains that a margin of error of 1% is acceptable, and acknowledges that it must work closely with the community (including band councils and the local separate school board) to mitigate budget risks related to enrolment.

The budget development process at the school board accounts for all of the required cost and revenue changes. Revenues and expenditures are monitored closely, and no significant items are added to the budget without pre-allocated funding attached. Collective agreements are used to establish the non-staffing components of the expenditure forecast. A preliminary financial forecast is also prepared for trustees early in the planning process, to guide decisions required relating to teacher and non-academic staffing. It was reported that changes in the revenue process are usually due to Ministry of Education grants received part way through the year.

The school board does not compare its staffing costs with similar school boards. It should consider incorporating this step into the budget planning and development process. This will help the school board compare allocations of staff and average compensation costs, to ensure the efficient use of resources.

Risk Mitigation and Board Approval

The school board reported that due to their past deficit position, there was limited flexibility for creating a budget with a contingency. As a result, the school board did not formally develop procedures to help mitigate the risk of spending beyond authorized/budgeted levels. Instead, close monitoring to mitigate budgetary risks are proactively managed by the finance department and reported to the board of trustees regularly. School budgets are also jointly monitored closely by finance staff and school principals, as each principal is provided an annual school budget to manage.

The SAT reports to the board of trustees four times a year on the budget, with numbers for the total budget and total spent to date. Comparisons are also done with the budget from last year. This is done only at the initial budget stage, not during the financial reports.

Now that the board has reduced the deficit over the last two years, the department should consider consolidating key financial risks and mitigation strategies into a single risk plan.

Recommendations:

- The school board is encouraged to compare staffing costs with similar school boards in the budget planning and development process, to ensure efficient use of resources.
- The school board should formally add a step in the budget planning process to ensure alignment between specific budget goals and the objectives outlined in the Board's multi-year strategic plan.

- The department should consider consolidating key risks and mitigation strategies into a single risk plan.

4.3 Financial Reporting and Analysis

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

- Assess whether procedures are in place to ensure that management, the board of trustees and the Ministry receives timely, accurate and complete financial information of all school board activities;
- Identify opportunities to support continual improvement in the effectiveness and efficiencies of all processes.

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

Integrated System for Variance Analysis and Financial Reporting

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

Interim and Annual Financial Reporting

| Leading Practices – Financial Reporting and Analysis | Evidence of Adoption? |
|--|-----------------------|
| Interim financial reports provide sufficient detail (including a comparison of actual to budget and to appropriate benchmarks and with appropriate variance explanations) for a clear understanding of the status of the current year's budget and the outlook for the year. | Yes |
| Senior management is held accountable for the integrity of financial reporting through formal sign-off and approval procedures. | Yes |
| Management completes and files all financial reports in accordance with established timelines. | Yes |

Audit

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

Integrated System for Variance Analysis and Financial Reporting

The school board uses an integrated financial system to record, track, and report financial data. The system integrates general ledger, accounts payable, accounts receivable, budget, and purchasing modules. The financial system facilitates variance analysis and management reporting.

The department's two financial analysts are responsible for creating new GL accounts. The financial system allows principals, managers, and school secretaries to print their own budget tracking reports. It was reported that all schools can access their budget online, allowing them to track their commitments.

Interim and Annual Financial Reporting

A number of factors (including variances in actual enrolment versus projections, contract negotiations, macro-economic trends, and Ministry directives) can produce in-year percentage variances between budget estimates and actual costs. Interim financial reporting allows management to track such variances, and communicate them to the trustees and other key decision-makers.

To that end, finance staff at the school board prepare expenditure variance reports that compare budget to actual, and the deficit or surplus variance monthly for the SAT. The reports are also presented to the trustees four times a year: in December as part of the revised estimates, January/February, May, and July. Trustees also receive an interim report with the financial statements in November. The director of education signs off on the interim financial statements. The school board reported that it completes and files all financial reports to the Ministry in accordance with established timelines.

The department should expand on existing report templates to incorporate the recommendations made by the Interim Financial Reporting Committee as outlined in SB Memo #38. Enhancements should include calendarized reporting that uses historical

expenditures as a benchmark for comparison. This will provide more accurate information on whether variances are in line with historical spending trends.

Audit

The primary function of an internal auditor is to provide added assurance that the internal controls established by management are operating effectively, and comply with policies and procedures.

The school board has an internal audit function performed by a financial analyst (as part of regular job duties) who reports to the Superintendent of Business. The finance team responds to the management letters provided by the external audits, and the letters and responses are presented to the audit committee. The school board provided copies of the external auditor's annual management letters, with management's response for the past three years. Based on the recommendations, management reported back with an action plan which was subsequently implemented. All internal audit plans are documented, and a follow-up report goes back to the school and the audit committee.

While the board has clearly adopted the leading practice by having an internal audit function, it should reconsider the formal reporting relationship between Audit and Finance, to maintain the independence of the internal audit function. It is recognized that the Superintendent of Business will continue to play an important role in directing the work of the internal auditor. However, it may be more appropriate for the internal auditor to report to the Director of Education or the Audit Committee of the Board.

The board of trustees has an audit committee, but it does not include external members as advisors. The Chair, Vice Chair, Business Communication Chair and one other trustee comprise the Audit Committee of the Board. The Audit Committee performs the following functions:

- Meet and review audit plan for the year;
- Receive and review yearly report from the Management Audit Committee; and
- Review the external auditor's management letter.

Recommendation:

- Management and the board of trustees should add external advisors to the Audit Committee to contribute to the committee's effectiveness.

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 the 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 institution. | Yes |
| Management periodically reports to the board on the performance of the investment activity and the approved investment policy in accordance with the <i>Education Act</i> . | Yes |
| Management periodically compares the board's banking terms and conditions to those of similar school boards. | Yes |
| Management monitors financial risk related to cash/investment management and has a plan to mitigate associated risks. | No |

Cash and Investment Management

The school board's cash management process is efficient, minimizing idle cash by monitoring daily cash flows against forecasts and making short-term investments. The department uses its financial system to monitor and report on cash flow, and bank reconciliation is performed daily. Staff involved in cash management are covered through the school board's insurance policy. Since the school board operates solely on its line of credit, the SAT does not prepare an investment report at year-end, since there are no investments to report.

Management has consolidated cash management activities for the school board and the majority of its schools with one institution. Accounting staff have access to all school accounts in order to manage funds appropriately. Accountability and accuracy for cash flow forecasts are set up through projects codes in BAS. The department reported that they look at the competitive rates of banks, and periodically compare banking terms and conditions to those of similar school boards.

Management actively monitors financial risk related to cash/investment management, and has a plan to mitigate associated risks in accordance with the limits set out in the *Education Act*. The school board has authorization levels for wire transfers which can only be approved by SBO, Director, Chair or Vice-Chair. The school board has also developed procedures for cheque requisitions.

Management has established three sinking funds that are sufficient to retire capital debt. Two of these debts pre-date amalgamation and one came after amalgamation. The school board has also maintained in-year surpluses in both 07-08 and 08-09. The department is encouraged to develop a cash investment/management process in order to mitigate any associated budgetary risks and maximize potential returns on idle cash.

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.

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

Management of School-Based Funds

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

Management of Non-Grant Revenue

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

Management of School-Based Funds

Management ensures adequate controls are in place to safeguard school-based funds, and coordinates the annual reporting of revenues and expenditures from schools and school councils. Fundraising activities involving students are based on the school board's accounting procedures, which provide a clear process for all school activity funds and the handling of petty cash. Two signatures are required to withdraw funds from the account. There is an expectation that funds raised in-year should be spent in-year, unless a justification is provided.

The department is responsible for the accounting of funds generated by schools and school councils, which is done through Cashnet. The financial analyst has full access to the bank accounts at the school level, and checks the accounts periodically as part of the central oversight. The school board does not have any fundraising activities specifically for capital projects.

Management of Non-Grant Revenue

The school board reported that non-grant revenue management is minimal, as community use fees are kept low. The school board has also established reciprocal agreements with municipalities in certain locales, and for purposes of sharing resources such as ice rinks. Local coordinators at each of the high schools are responsible for receiving and reporting on payment. As a result, adequate controls are in place to

safeguard non-grant revenue and coordinate the annual reporting of revenues and expenditures from all sources, through their regular accounting procedures.

The school board has established a procedure for the application of its fee structure, and all invoices come into the school board via accounts receivable. Management reported that a review of their continuing education non-grant revenue has been performed.

EPO grants received by the school board are sent to the Director of Education who then forwards them to the appropriate superintendent. The finance department controls the reporting requirement, and performs a reconciliation to ensure funds are spent for the purpose of the grant. The external auditor also performs an audit on all non-grant revenue.

4.6 Supply Chain/Procurement

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

- Whether supply chain/procurement policies and practices are in place to ensure that the school board acquires goods and services through an open, fair and transparent process;
- Whether appropriate internal controls support the procurement and related payment process;
- Whether school board processes ensure value for money from all acquired goods and services;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Policies and Procedures

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

Participation in Group Purchasing Initiatives

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

Purchasing Levels of Authority

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

Policies and Procedures for PCard and Corporate Card Use

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

Use of Electronic Funds Transfer

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

Policies and Procedures

The school board is part of a collaborative purchasing consortium with Bruce-Grey Catholic District School Board. This consortium was formed two years ago. Bluewater DSB pays the staffing costs for the supervisor of purchasing and three buyers.

The school board has developed a purchasing policy which ensures that expenditures are supported by competitive purchasing to produce maximum education value. This policy is further supported by a procedure entitled 'Purchasing - Guiding Principles and Roles' to help ensure fair and equal treatment of all qualified suppliers, provide the best value for the school board, and minimize the school board's risk.

The purchasing policy was issued in December 1997, and the procedure was introduced in November 1998. This document is comprehensive, including a supply chain code of ethics, procedures for avoiding conflict of interest, definitions of purchasing roles, and circumstances where the board will use competitive versus non-competitive procurement methods. In this regard, the board feels that its purchasing guidelines are aligned with the Supply Chain Secretariat's Supply Chain Guideline 1.0.

It was reported by the school board that sole source contracts are infrequent, and only occur in cases where there is a specific product that only one vendor can supply. Unique requirements for sourcing are clearly documented in requests for proposals, tenders, and contracts. The school board has developed standard tendering and contract documents and is waiting for the 2.0 Supply Chain Guidelines from Ontario Buys to further refine their guidelines. To date, the school board has not established an

organization-specific VOR or leveraged on exiting Ministry VOR arrangements for Ontario Public Sector organizations.

The school board's purchasing procedures consider factors other than lowest price in vendor selection. This includes consideration of the service, quality, price, capacity, and delivery. As far as is practical, preference is given to 'Made in Canada' products.

The purchasing manager monitors purchasing activities for compliance with the board's procurement policies and procedures through the finance system. All purchases must be made through the online school board catalogue. This is reinforced in the purchasing guide that stipulates that it is the responsibility of the Supervisor of Purchasing and administrators to ensure that all purchases made by the school board are in accordance with the Purchasing Policy and Administrative Procedures. Training sessions on the procurement policy also occur as part of professional development days with a focus on principals and office administration staff.

Participation in Group Purchasing Initiatives

Management has developed strategies to increase purchasing power and minimize the costs of goods and services procured, and actively participates in purchasing consortia. This includes OASBO for fuel and electricity, the Educational Computing Network of Ontario for software, and the shared purchasing services with Bruce-Grey Catholic District School Board. The manager of purchasing also compares cost studies with other entities through the Ontario Provincial Buying Union.

Schools are required to use the school board's system supply contracts for all local purchases. Buyers in the centrally shared purchasing department review and approve requisitions which have been submitted online by staff and approved by supervisors. Buyers then convert the approved requisition to a purchase order, and the system performs an automated batch dispatch. Purchase orders are dispatched via fax and the majority of orders are dropped shipped to schools.

Purchasing Levels of Authority

The department has developed a matrix that outlines purchasing approval to obtain product or service, and has segregated at least three of the five procurement roles identified in the Supply Chain guideline. For purchases of less than \$1,000, a verbal quote as a minimum is required; for purchases between \$5,000-\$10,000, three quotes are required; and anything above \$10,000 requires three written quotes documented on the requisition by the requisitioner and retained by the requisitioner as part of the purchasing file. Contracts above \$15,000 are reviewed by the GM of Transportation and purchasing before a PO is created, and contracts above \$25,000 also require the approval by the SBO.

At the time of the review, a draft travel and expense policy for staff and the board of trustees was going to the Business Committee for final approval. The current system requires individuals to fill out travel expense forms which are then sent to their supervisor for approval. Reimbursements are done through electronic funds transfer. As outlined in the draft policy, the board plans to make the travel expense forms available online.

Policies and Procedures for PCard and Corporate Card Use

The school board has an approved policy on PCards entitled 'Corporate Cards, Purchasing Cards and Petty Cash' which can be found on its website.

The rationale for the policy is as follows:

'To provide a convenient method of procuring and paying for low value goods and services, Bluewater District School Board has determined that it is good business practice to empower employees with an alternate method to pay for these types of goods and services that are of a low value to simplify the procurement process.'

The policy outlines the following objectives for issuing PCards to staff:

- Reduction in the cost of processing low value purchases
- Faster receipt of goods and services
- Simplified and expedited payment process

The current threshold for PCards is \$500. Statements for purchases made on PCards are issued electronically. There are also seven corporate credit cards for members of the SAT. Trustees do not have credit cards.

Accounting for Completeness of Purchase/Payment Cycle

The board's finance department performs three-way matching of purchase orders, vendor invoices and packing receipts before paying vendors. Hard copy packing receipts are signed off on at schools by authorized school administrators, entered into the online receipting system, after which the receipt is sent to finance. Within finance, the accounts payable department matches the PO with the packing receipt and then matches the receipt number with the invoice. This is performed online and approved by the AP clerk before the bill is paid.

Budgetary compliance is ensured as a manager's authorization is required before a purchase order can be dispatched to a vendor. However, the finance system has not been configured to warn users when an encumbrance, created by a PO, exceeds the maximum budget for a specific department or commodity. In addition to oversight and

controls provided by the board's three-way matching process, Excel-based catalogues have been set-up online to ensure that staff can incorporate the correct vendor information (such as IDs) directly into their online requisitions.

While the board is currently performing three-way matching, there are potential ways for the board to increase efficiency in areas where processes such as receiving and the actual matching process are still manual. In this regard, the board should consider a review of the matching process, to identify any opportunities to increase efficiency and oversight.

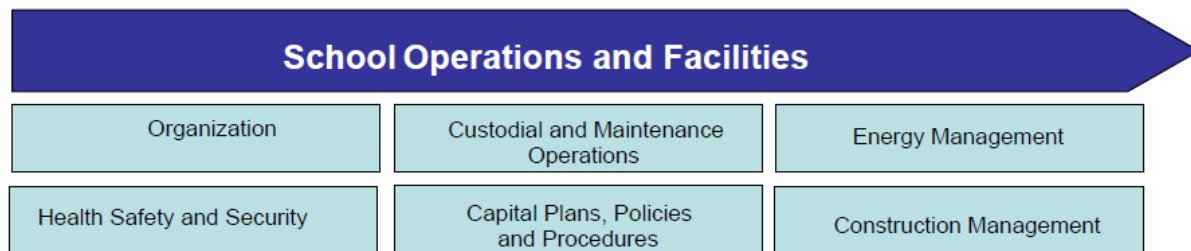
Use of Electronic Funds Transfer

The school board currently uses cheques to make most vendor payments, but is in the process of transitioning to electronic funds transfer (EFT). EFT is now used in a limited way. Management recognizes that additional EFT opportunities should be explored to maximize efficiency within the department.

Recommendations:

- Management is encouraged to implement an electronic supplier interface for ordering, processing, and payment. This is an opportunity for increased process efficiencies.
- Management is encouraged to continue to explore additional Electronic Fund Transfers (EFT) opportunities with suppliers, for greater efficiency and security.

5. School Operations and Facilities Management – Findings and Recommendations



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

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 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 reviewing the organization of operations and facilities is to assess:

- Whether the board of trustees and management have established policies and procedures that support the key departmental functions and activities, strong internal controls and financial management;
- Whether the department supports the overall goals, priorities and accountability established by the school board in support of student achievement targets and strategies;
- The efficiency and effectiveness of the departmental structure and whether roles and responsibilities support the key functions/activities and the required business practices;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Development and Reporting of Annual goals and Priorities

| Leading Practices – Operations and Facilities Organization | Evidence of Adoption? |
|---|-----------------------|
| The 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 responsibilities. | No |

Organizational Structure and Accountability

| Leading Practices – Operations and Facilities Organization | Evidence of Adoption? |
|---|-----------------------|
| The School Operations and Facilities department has clearly defined organizational units and delineates 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. | 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 department's primary goal is to ensure that students have an environment in which they can learn and succeed. To meet this goal, the department relies on several sources of information to prioritize activities throughout the year. In this regard, maintenance planning is performed based on the ongoing prioritization of items in the work order system. Principals prepare a facility renewal list annually, which provides the plant department with insight on what individual schools may require.

These lists, combined with scheduled capital initiatives, give the department a comprehensive view of school specific needs. The department uses this detailed view to develop project plans and budgets that effectively coordinate minor maintenance with renewal and other facility needs, reducing disruption and duplication of effort.

Organizational Structure and Accountability

The department reports to the Superintendent of Business through the Manager of Plant Service Administration and the Manager of Plant Services Operations. The Manager of Plant Service Administration oversees capital planning and contracts, as well as community education operations. The Manager of Plant Services Operations oversees maintenance operations and custodial operations.

The department's job descriptions or "job fact sheets" are accurate and up-to-date, and include major duties and responsibilities, and skills and knowledge required. The job fact sheets have all been reviewed by the HR department. The department has clearly defined organizational units delineating roles and responsibilities. An up-to-date organization chart is posted on the website, supplemented by contact information for all key staff.

Department staff are qualified through a combination of professional designations and work experience. Team qualifications include building code inspector certification and land planning experience. Professional designations are also required from contractors who perform work for the school board.

Monitoring and Communication of Policies

The department has responsibility over a number of policies, such as the board's Health and Safety policy, the Pesticides policy, and the Emergency Use of Schools During A Disaster policy, among others. All policies are listed on the school board's website, along with compliance test results (e.g. water testing). The board reported that they are currently in the process of creating a custodial maintenance handbook to ensure that all policies and related procedures can be easily found in one location.

The department helps ensure staff understanding of policies and procedures in a number of ways. Included in the various policy delivery mechanisms are professional

development days, and the circulation of all new policies and procedures through the school board's email system.

Senior management within the department are responsible for monitoring new legislation and regulations, and implementation remains the responsibility of the managers. Monitoring occurs through professional associations, technical publications, and e-mail or memoranda. These come from various groups such as OPSBA, OASBO, the Ministry of Education, and the Ministry of Labour. All school board memos related to facilities policy or procedure are sent by the Director of Education to both plant managers and the SBO, after which the managers assign the work to the appropriate staff.

The school board reported that the local fire department comes in to review fire policies. Each school has its own health and safety committees, which are made aware of any changes to policies or procedures by the plant managers. The policy committee is also notified of any potential change to a policy or procedure as any relevant information would be forwarded to the policy committee to advise of new legislation and/or regulations that would impact board policy or procedures. The committee would survey affected departments when policy is being reviewed.

Recommendation:

- The department should consider developing an annual departmental plan aligned with the operational plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.

5.2 Custodial and Maintenance Operations

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

- Whether custodial and maintenance services are responding effectively and efficiently to maintaining an optimized learning environment;
- Whether the department has the appropriate organizational structure to effectively manage service delivery;
- Whether appropriate internal controls effectively manage custodial and maintenance operations and expenditures;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

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

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

Development of Annual/Multi-Year Maintenance Plan

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

Training to Support Skills Development and Safety

| Leading Practices – Custodial and Maintenance Operations | Evidence of Adoption? |
|--|-----------------------|
| A monitored annual training plan for staff addresses ongoing skill development and emerging regulatory issues. | No |

Standardization of Cleaning and Maintenance Supplies

| Leading Practices – Custodial and Maintenance Operations | Evidence of Adoption? |
|--|-----------------------|
| Management uses an inventory system to track and control major cleaning and maintenance equipment. | No |
| Management has defined common standards to ensure efficient procurement of supplies in order to minimize costs, promote energy and operating efficiency, and environmental sustainability. | Yes |

Project Management, Monitoring and Support Systems

| Leading Practices – Custodial and Maintenance Operations | Evidence of Adoption? |
|---|-----------------------|
| An automated (computerized) work-order system and process records, monitors and evaluates projects ensuring the effective use of resources. | Yes |
| Senior administration regularly evaluates the overall effectiveness and efficiency of its maintenance and custodial service delivery model. | Yes |

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

To help maintain a consistent level of school cleanliness across the system, the department has developed a custodial cleaning duties and frequency chart guide. This document outlines daily, weekly, monthly, quarterly, semi-annually, annual and 'as required' duties for each location within a school (e.g. classrooms, lunchrooms and cafeterias, gyms and offices) which are tracked in a spreadsheet. Each school has a head custodian, who can customize the cleaning schedule based on the school.

The school board reported that the custodial supervisors work in conjunction with the principals to ensure their needs are met in a timely manner. Inspections are conducted by the head custodian, principal, custodial supervisor, local health & safety committee and annually by members of the central H&S committee. Many local fire prevention officers do an annual inspection. There is an annual inspection performed by the Electrical Safety Authority as part of the Continuous Safety Services program. Other inspections include annual fire alarm and emergency lighting system inspections and verifications, annual boiler inspections for TSSA and insurance carrier requirements, audit inspections for underground storage tanks by OSBIE, and playground and property audits by OSBIE. Daily and monthly inspections performed are reported in the custodian log books, which are regularly reviewed by supervisors.

The school board's maintenance function is performed in-house. The school board contracts external experts for specific items such as large boilers, gas technicians, glazing, and glass. The department has maintained a lean maintenance staffing model by not filling some positions as they became vacant.

The department reports that its maintenance allocation model has been effective in meeting the needs of the school board, which is dispersed over a significant geographic area. The allocation model is based on a mobile workforce, which is assigned work orders and vehicles at the central school board office at the beginning of each week. The staff work remotely and then return the vehicles at the end of the week. Maintenance staff who work off-site during the week keep in touch with the board office through cell phones, but can also update the status of their work orders through the department's on-line work order system, which is available at each school.

This mobile workforce model has not only allowed the school board to provide more effective and efficient service to schools, but also to realize significant savings in gas and vehicle maintenance. Vehicles are owned by the school board, and are inspected annually, in addition to a rigorous ongoing maintenance schedule.

Custodial service is also performed in-house. The department has developed a custodial allocation model using the optimum number of resources to implement the school board's cleaning standards and practices. This model is based on a sliding scale formula which takes into account the size of the facility as well as the number of occupants.

The current model is based on a split shift, where head custodians work from 7:30 a.m.-4:30 p.m. and afternoon facilities staff come in from 3:30 p.m.-11:30 p.m. Having a one hour overlap between the two shifts allows the head custodian to communicate any issues that require attention to the individual who is taking over. Maintenance staff are based in Owen Sound, and are given their work schedules weekly through an online system which can be accessed either at the shop or at schools. All staff are considered to be present unless management hears otherwise from the head custodians or maintenance supervisors. Absenteeism is reported through an online system.

The department prepares a budget worksheet that controls staffing through a model that has been approved by the Board. Staff reported that they had analyzed the staffing models at seven different Ontario school boards before developing their own model that considers the board's large geographical area. The current allocation for the school board is 160 custodial staff and 18 maintenance staff, all full-time.

The school board has not implemented a formal green clean program. However, the school board is in the process of investigating products and methods through their cleaning supply vendors. Some progress has been made on purchasing and piloting the use of eco-certified products. The school board has had a recycling program in place for

eight years. The school board acknowledged that their next steps towards introducing a green clean program is pending the results of their internal pilot project and a review of the *Ontario Green Energy Act, 2009*.

Development of Annual and Multi-Year Maintenance Plan The department establishes the annual maintenance and renewal plan through a combination of the maintenance work orders, Good Places to Learn funding, and consultations with the school principals, head custodians and maintenance staff. Input is also sought from various committees such as the special needs committee on accessibility issues. The school board reported that priority is given to life safety issues and student needs, and the net positive impact on students is what ultimately drives the plan. ReCAPP is used in the development of the board's renewal budget and prioritization of major maintenance projects.

Once the department's priorities have been developed, they are presented to the Senior Administrative Team through the Senior Business Officer. This process takes place in November. Following this, the plan is submitted to the business committee, which is a Committee of the Whole, for approval.

The department is encouraged to link the annual and multi-year maintenance plan to the departmental plan, once the latter has been formalized.

Training to Support Skills Development and Safety

The school board has developed a list of the related training that is necessary for all custodial staff as follows:

1. Workplace Hazardous Materials Information System
2. Basic workers occupational health and safety rights and obligation
3. Basic asbestos awareness training
4. Hot work permit systems
5. Basic ergonomics
6. Lockout/tag out procedures
7. Respirator use and maintenance
8. Fall arrest/ life training
9. First aid training

10. School inspections

The department supports ongoing trade certification, and reimburses staff for the cost of ensuring their certification is up to date. Cross-training occurs for maintenance staff, and custodial staff have the opportunity to move into maintenance positions if they meet the requirements for the position.

The school board is encouraged to unify these elements, and develop an annual training plan for staff that addresses ongoing skills development and emerging regulatory issues. This will help to ensure that the professional development of all custodial and maintenance staff is being met and tracked.

Standardization of Cleaning and Maintenance Supplies

The department has developed a 'plant services practice' for maintaining equipment. This process stipulates that when equipment is assigned to a particular employee, it is the employee's responsibility to maintain and keep the equipment clean, and to report any repairs to the head custodian. The head custodian is responsible for completing the work order and submitting it for action. The custodial supervisor inspects equipment from time to time.

Each maintenance vehicle is equipped with the required tools and equipment to perform specific trade-related jobs. The department has made a concerted effort to standardize materials (e.g. plumbing fixtures) to perform the job. The school board does not have an inventory system to track major cleaning or maintenance equipment, and is encouraged to complete their current process to develop one.

Management has defined common standards to ensure efficient procurement of supplies to minimize costs, and promote energy and operating efficiency and environmental sustainability. All custodial supplies are tendered, and the school board uses just-in-time ordering for products to decrease waste. The school board reported that in some cases they have delayed re-tendering supply contracts, as they are waiting for the Ministry's evaluation of the various green products.

All purchases are currently made through a standard online catalogue, allowing management to track spending based on the previous two years of consumption. All purchases require head custodian approval. Maintenance staff also have purchase cards. Purchases on each PCard statement are coded to a general ledger account number to allow the department to monitor purchases through the school board's financials system. A purchasing template has also been developed to allow coding for all products and invoices. The purchasing template is an integral part of the online system. It automatically allocates the appropriate location and GL code for the type of supply item or equipment. This also occurs for all work orders and facility renewal requests generated by the online systems. Invoices, including those for the PCards, are

reviewed and authorized by the appropriate supervisor to ensure correct coding, purchase order numbers, and dollar amounts.

All products and equipment are delivered to the location from which they were ordered.

Project Management, Monitoring and Supporting Systems

The school board uses a computerized program that was developed in-house to track work orders by location and type of work performed. This also allows staff the ability to prioritize their work day, since head custodians submit work orders to the maintenance staff to make repairs or improvements at a specific location. Part of the functionality of the system allows work orders to be routed to external contractors, who receive a confidential e-mail containing their particular work list.

Recommendations:

- The school board is encouraged to develop an annual training plan for staff that addresses ongoing skills development and emerging regulatory issues. This will help to ensure that the professional development of all custodial and maintenance staff is being met and tracked.
- The school board should continue developing an inventory system to track and control major cleaning and maintenance equipment.

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 <i>Ontario Green Energy Act, 2009</i> , senior administration has established a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan. | No |
| Procurement practices support the objectives and targets of the energy management plan. | Yes |
| Successful conservation initiatives are communicated across all schools and with other school boards. | No |

Tracking and Reporting Energy Conservation

| Leading Practices – Energy Management | Evidence of Adoption? |
|---|-----------------------|
| Management provides formal annual reporting on the conservation savings achieved against the plan. | Yes |
| A comprehensive system exists to budget expenditures, track and regulate consumption, and identify opportunities for further savings. | Yes |
| 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

During the amalgamation of Grey and Bruce County School Boards in 1997, the Plant Amalgamation Committee suggested that the Energy Management and Conservation Program be reproduced in the new board. However, the board reports that due to the wide variation of buildings and HVAC systems, as well as the limited number of staff trained in energy management, a formal energy management plan and program was never implemented.

The school board reports that it is currently making some inroads in energy conservation, such as performing utility costing and energy audits based on consumption versus cost. Although the school board does not have a formal energy management plan, the best practices and energy conservation program was implemented across the entire district. The board has made significant inroads in energy conservation, and this has been confirmed by the findings of the recent energy audits. Many of the board's facilities are operating below the MNEBC and that of other new facilities that were built to LEEDS certification.

It was reported that an environmental policy is also in draft version. The school board is encouraged to continue along this path and establish a multi-year energy management plan that incorporates measures to be implemented, and the tools to monitor and manage the plan. The board should also incorporate training and education programs for staff and students as part of the larger energy management plan. Successful conservation techniques which are currently being used in the school board should be communicated across all schools and with other school boards, to build recognition of energy management across the system.

The school board's procurement practices support the principles of energy efficiency. The board's procurement policy requires that all new equipment must be energy efficient, and there is an initiative within the board to make this the standard. The board belongs to a consortium for bulk energy purchasing, and uses a consultant to negotiate gas prices.

Tracking and Reporting Energy Conservation

The school board reported that they are aware of the benefits of the Ministry-sponsored Utilities Consumption Database. The department has developed a system to track and regulate consumption and identify opportunities for further savings. The school board analyzes costs for water, electricity, gas, and oil, and has a third party perform energy audits based on consumption versus cost. The energy audits were recently conducted as part of the Energy Efficiency School Funding provided by the Ministry. Energy audits are not a typical reoccurring event, as is the annual utility costing. These audits will provide management with more recent baseline data for future energy conservation initiatives.

Management provides formal annual reporting on the conservation savings achieved against plan. Each school's data is broken down according to total costs, custodial cost per metre, utility cost per metre, administrative cost per metre, total costs per metre and costs per student. Vendor billing is consolidated from each utility and paid as often as possible, via e-payment.

The school board has developed a draft environmental policy which includes the commitment of sustainable environmental practices into the school board's operations, as well as a determination to create a healthier learning environment through the use of energy conserving equipment. The school board is encouraged to make this a formal policy document.

Recommendations:

- The school board is encouraged to develop an overarching environmental policy that addresses both environmental education and responsible management. The Board is encouraged to finalize its draft environmental policy.
- The school board should establish a multi-year energy management plan with measures to be implemented and the tools to monitor and manage the plan.
- Successful conservation techniques currently used by the board should be communicated across all schools and with other school boards, to enhance recognition of energy management across the system.

5.4 Health, Safety and Security

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

- Whether adequate planning and communication exist to support the provision of a safe teaching and learning environment;
- Whether school board structure and processes are in place to implement safety precautions;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Health, Safety and Security Management

| Leading Practices – Health, Safety and Security | Evidence of Adoption? |
|--|-----------------------|
| Develop, implement, and monitor 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. | No |
| 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 |

| Leading Practices – Health, Safety and Security | Evidence of Adoption? |
|--|-----------------------|
| Develops, implements and monitors a health strategy/plan that reflects the board's health policies and procedures and ensures the board is in compliance with statutory health requirements. | Yes |

Health, Safety and Security Management

The Occupational Health and Safety (OHS) portfolio is led by the Occupational Health and Safety Officer and Health and Safety Assistant who report to the Administrator of Employee Relations. The board feels that there are benefits in having OHS report directly to the senior administration team, since there is an added level of reporting transparency and OHS is not accountable to any one department.

There is a central health and safety committee with representatives from each union group. The committee is responsible for policy. Each school also has a local health and safety committee responsible for the local school environment and reporting back to the central committee. Yearly surveys on the local committees are performed by the central committee as part of the annual school inspections.

The board reported that these surveys were effective in identifying gaps at the local level, which can then be prioritized and addressed. For example, as part of the 2008 school inspections carried out by members of the joint health and safety committee, site supervisors were asked to fill out a questionnaire to check their knowledge of procedures governing critical and WSIB reportable injuries. This was to check the participant's knowledge of the definition of a critical injury, reporting and investigation requirements, and required timelines.

The survey found that the majority of school administrators lack some basic knowledge to fulfill their obligations as a site supervisor where accident reporting and investigations are concerned. As a result, the following recommendations were made:

1. A training session in accident investigation should be held for all school administrators and other front line supervisors
2. Training in accident investigation and reporting should become a regular part of the training required for all new school administrators or other front line supervisors

As part of their planning process, the health and safety team prepares an outline for the year that includes procedures that need to be updated, certification deadlines and target areas of concern such as parking lot safety. Based on the successes and accomplishments of the school year, the occupational health and safety team prepares an annual report on health and safety, which include sections on workplace accidents

and costs, accident prevention, and WSIB Claims Management. The latest report was presented to the board of trustees in January 2009.

The school board has a security and student safety plan in the form of their Student Security and Lockdown Policy. This plan was developed in conjunction with the Senior Administrative Team, and local committees have worked with the school principals and parent councils in drafting the security policy. The plan has been approved by the board of trustees. All schools also have an emergency response plan. Casual and temporary staff are provided with an orientation on the plan when they join the schools.

The school board has established a local police and school board protocol, and police are involved with schools to conduct safety assessment. The fire department is also involved with the schools at the local level, with fire safety protocol and fire alarm drills. There are cameras and sign-in procedures at all schools. In cases of security incidents the head custodian responds and sends a message to the central plant team for immediate action.

The school board has developed a health strategy which includes H1N1 preparedness. The school board has also developed a separate policy on anaphylaxis (Sabrina's Law). The superintendent of elementary and secondary education are spearheading the initiative on healthy schools under the direction of the director of education. Plans resulting from this initiative are shared with all supervisor officers, principals, and the local health and safety committees.

The school board monitors water and air quality standards. This is all performed in-house as the manager of plant services operations is certified in water quality standards and the occupational health and safety officer is certified in conducting air quality testing. Monthly inspections are also conducted by the local health and safety committees, and compliance with procedures was reported as being high.

Recommendation:

- The school board should develop an occupational health and safety plan, to ensure compliance with associated health and safety statutory requirements.

5.5 Capital Plans, Policies and Procedures

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

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

- Assess whether management is appropriately prioritizing the maintenance and renewal expenditures in light of the available Ministry funding and multi-year capital programs;
- Identify appropriate controls and transparency within the current planning process;
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Development of Annual and Multi-Year Capital Plans

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

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

| Leading Practices – Capital Plans, Policies and Procedures | Evidence of Adoption? |
|--|-----------------------|
| The school board maintains accurate and up-to-date inventories of school capacity and inventories using SFIS. | Yes |
| An accurate and current assessment of facility conditions is maintained, based on industry standards (using RECAPP methodology). | Yes |
| Capital forecasts and related funding plans are assessed annually and adjusted to meet current needs and changes to original assumptions such as enrolment projections and capital grants. | No |

Development of Annual and Multi-Year Capital Plans

In compliance with Ministry requirements, the school board has completed its capital liquidity template. Due to declining enrolment, the plan is currently based on only the

highest priority needs. Data points include enrolment numbers, safety, and need assessments from principals, with the overriding concern to provide the optimum learning environment. Management reported that due to funding constraints, facility renewal is kept to a minimum. Management reported that a debt repayment plan for current capital debt commitments has been resolved through discussions with the Ministry.

The capital plan is coordinated with the renewal plan through the following process. Before a capital project is started, management gets a budget based on the scope of work required. This is then applied to preliminary projects, which the SAT then prioritizes given the data listed above. The school board reported that their most immediate challenge is how to address one-school communities.

The department develops a capital plan that is presented to the SAT, the business committee, and the Committee of the Whole. Management noted that current capital challenges for the board include the Owen Sound and Walkerton Accommodation Review Committee (ARC) recommendations and the accommodation of early learning.

The board has had a long-standing process for conducting accommodation reviews, but has recently made updates to align with ministry recommendations. The new 'Pupil Accommodation Review Guidelines' have been approved by the board of trustees.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

To maintain the accuracy of capital needs, the school board keeps accurate and timely inventories of school capacity and utilization through SFIS and ReCAPP. SFIS was introduced in 1998 to expedite the process of maintaining building information.

ReCAPP methodology is also used to maintain an accurate and current assessment of facility conditions. The ReCAPP database is updated yearly in September and October, with preliminary database setup commencing after the tendering process is complete. All completed events that were part of a project with funding sources from facility renewal, GPTL and Energy Efficiency are updated. Once projects have been tendered and line item costs are obtained the initial step of updating commences. This entails recording relevant information (costs, funding sources, and descriptive narrative) in the data manager module of ReCAPP. After this is completed, the process of building projects in the project manager module of ReCAPP is undertaken.

This initial phase of building a project in ReCAPP can commence prior to its actual completion. Events need to be approved, start and completion dates set and event line items need to be entered. The status of the project - approved, active or complete - is entered at this time.

As work on the projects progress various event line items are updated with factual information i.e. costs, firm dates and status of the event (i.e. not started, active, or complete). Once all projects are complete and all relevant information entered, the projects are archived. This archiving process updates the data manager module.

Capital forecasts are reviewed twice a year (at year end and in August) for reporting purposes to the board of trustees. The plant department has worked closely and proactively with the finance department to help reduce the board's overall debt exposure, by ensuring that all appropriate steps are taken to take advantage of the Good Places to Learn and Prohibitive to Repair funding provided by the Ministry.

Recommendation:

- Management should complete the planned update of its current capital commitments and future requirements. This would include an assessment of the funding to support the existing debt service costs, and a projection of funding sources to support the Board's future capital and facility renewal requirements.

5.6 Construction Management

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

- Whether processes are in place to ensure that school boards complete construction projects on-time, on-budget and with due regard to economy;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Cost Effective Practices in the Design and Construction of Facilities

| Leading Practices – Construction Management | Evidence of Adoption? |
|--|------------------------------|
| Management uses cost-effective designs, standard footprints, energy conservation, and economical construction practices to minimize construction and future maintenance and operation costs. | Yes |

| Leading Practices – Construction Management | Evidence of Adoption? |
|---|-----------------------|
| In constructing, acquiring, operating and managing school facilities, the school board is guided by the principles outlined in the <i>Ontario Green Energy Act, 2009</i> . | Yes |
| Senior administration maintains standard policy and/or procedures to rationalize construction projects, including benchmarking against other school board construction costs and design standards (including coterminous boards). | Yes |

Monitoring and Reporting on Progress of Construction Projects

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

Maintaining Current Approved Professional Service Providers

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

Cost-Effective Practices in the Design and Construction of Facilities

Staff and management minimize construction, future maintenance and operations costs through the use of cost-effective designs, standard footprints, energy conservation, and economical construction practices. To control school renewal and construction project costs, management maintains as much standardization as possible. For example, wherever possible, elementary schools are built on a standard footprint. In addition, common components such as lights, windows, and doors are identical throughout all schools.

The school board reported that wherever possible, recyclable materials are used. For example, concrete polished flooring is now being used in schools, as it requires less maintenance and is more environmentally friendly. The architects that the school board uses are also LEED certified, and provide the school board with checklists on types of designs that could be incorporated into the building of new schools to make them more energy efficient. The school board is currently working on a draft environmental policy, and is aware of the implications of the *Green Energy Act, 2009*.

Management reported that they compare construction costs with other northern school boards, and perform a benchmarking exercise with their own schools to compare construction costs. It was reported that it can be difficult to get trades people in the area. The majority come from the Kitchener-Waterloo area, which leads to higher labour costs as there are additional accommodation costs incurred. The school board reported that estimates and actual costs are quite similar, as management monitors fluctuations closely. The school board also mentioned that there is an emphasis on managing costs due to declining enrolment.

Monitoring and Reporting of Progress on Construction Projects

Management has an effective process in place to monitor and control construction projects and their costs. The planning process begins with an extensive outreach to all staff and trustees for input. Before construction begins, administration also provides the school board with all costs and contingencies, which are built into the approved budget. Once the budget has been approved, the responsibility for the construction lies with the project manager. Weekly status meetings between the architect, project manager and administration are scheduled in advance, and visual reports are prepared for the board of trustees and presented monthly.

Maintaining Current Approved Professional Service Providers

The school board outsources all new construction. To control school renewal and construction costs, management works with its prequalified list of approved contractors. Due to the long-term relationship the school board has with its contractors, it is able to negotiate a rate that is below the industry average. Management evaluates contractors based on past performance.

Appendices

Appendix A: Overview of the Operational Review

Operational Review Objectives

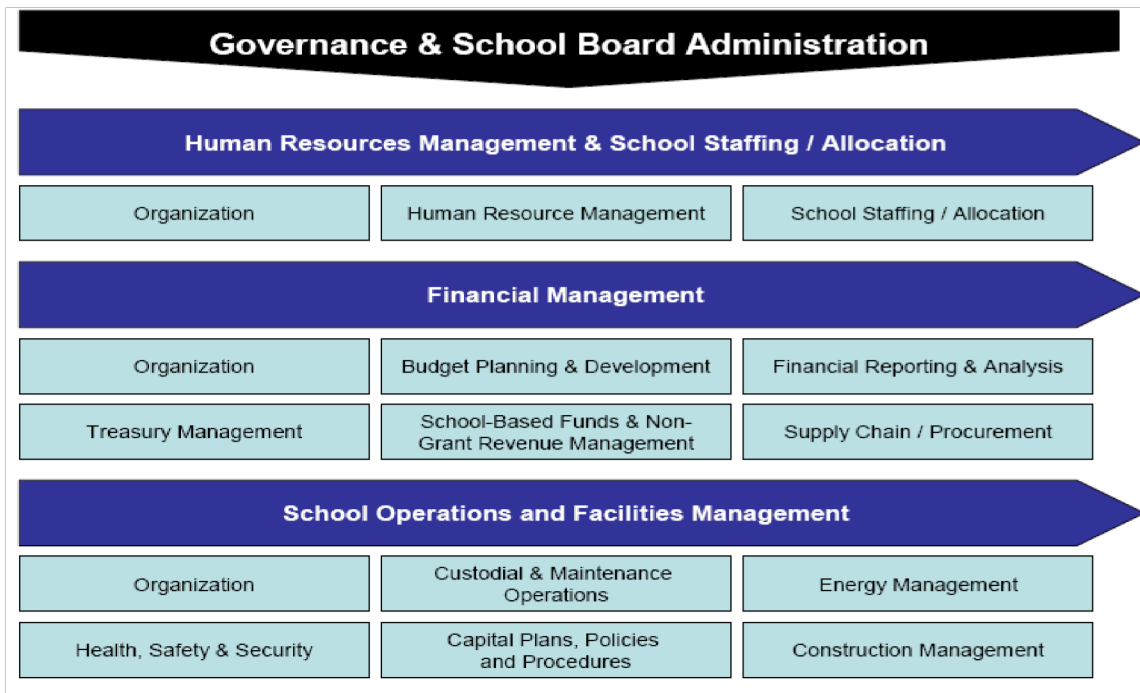
To perform an effective and consistent operational review the Ministry has worked with independent consultants to develop a Sector Guide that defines consistent standards and leading practices against which the operational reviews and analysis will be based.

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

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

Operational Review Summary Scope

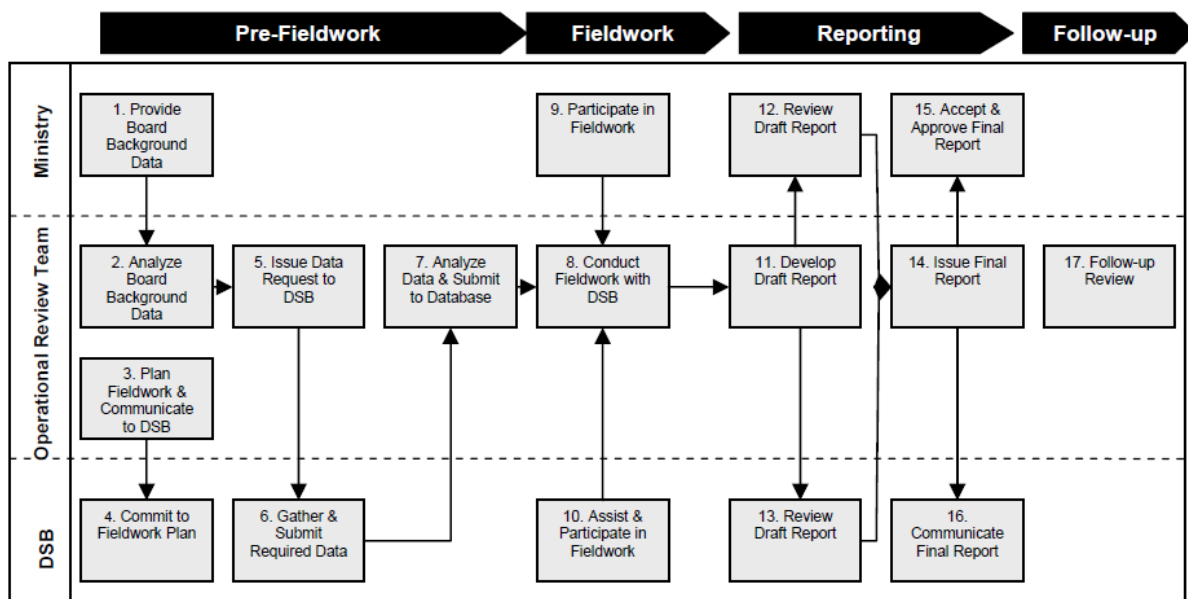
The scope of the Operational Review consists of the following functional areas which have been divided into key processes as shown below. The processes represent the end-to-end lifecycle of activities performed by school boards under each functional area. Each of the processes was examined based on its activities and its adoption of sector agreed leading practices, including alignment and support of student achievement strategies.



Operational Review Summary Approach

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

Observations and assessments are made by the Operational Review Team based on a set of agreed upon leading practices designed for each functional area. The onsite reviews allow the team to validate ministry and board data; provide a better understanding of the environmental conditions and allow the team to review materials that support the existence 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 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 board before the start of field work. |

| Key Activity | Description |
|--|--|
| Gather and Submit Required Documentation | Upon receipt of the request for supporting documentation, each board compiles the requested data. School boards have at least three weeks to complete this process prior to the start of field work. |
| 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 board. |
| Participate in Fieldwork | Ministry staff support the review team in the performance of fieldwork, to ensure continuity and knowledge transfer of school board operations. |
| Assist and Participate in Fieldwork | School board staff participate in the fieldwork. The number of participants involved will vary depending on the size of the 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 (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. |

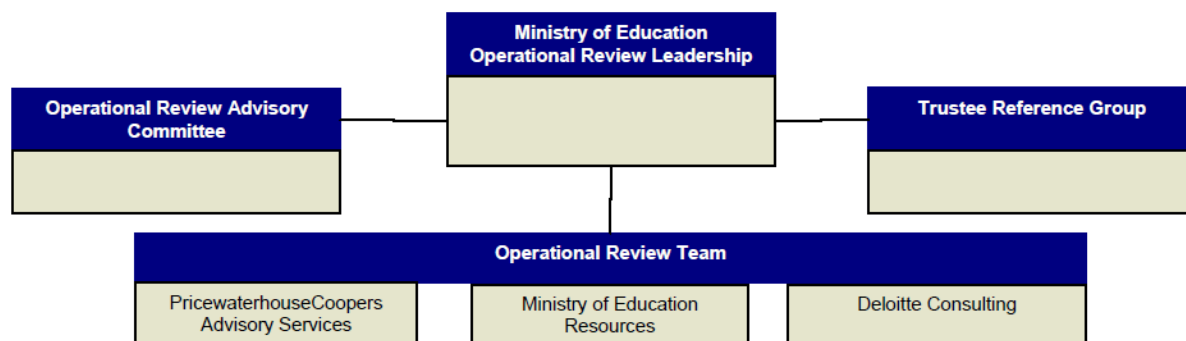
Phase: Follow up

| 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 of the board's adoption and implementation of the recommendations. |

The Operational Review Team

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

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



Limitations of this Review

The purpose of this Report is to document the results of the Operational Review of Bluewater District School Board. The review has been conducted using the methodology as previously described. The review is not of the nature or scope that constitutes an audit made in accordance with generally accepted auditing standards.

Appendix B: Summary of Recommendations

Governance and School Board Administration

| No. | Recommendation |
|-----|--|
| 1. | The board of trustees, using a consultative process, should develop and communicate a multi-year strategic plan that provides a framework for annual planning. This will provide direction to all staff on the Board's goals, and clear steps towards achieving them |
| 2. | Once this overarching plan is developed, the school board should develop a formal annual operational plan aligned with the Board's multi-year strategic goals. This will also enable all departments to track and report progress on their defined priorities and goals throughout the year. |
| 3. | Senior Administration should report to the Board of Trustees annually on the status and outcomes of the board strategic plan and annual operating plan, once they are developed. |
| 4. | The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators, with a particular focus on the non-academic operations of the school board. |

Human Resources Management and School Staffing/ Allocation

| No. | Recommendation |
|-----|---|
| 5. | The HR department should consider developing an annual departmental plan aligned with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year. |
| 6. | Management should develop recruitment policies and procedures and ensure they are reviewed annually to align staff planning with student achievement. |
| 7. | The school board is encouraged to put in place a segregation of duties between payroll and employee information to maintain the integrity of data. |
| 8. | Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy as well as process and program improvement. |
| 9. | The department should develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance, including positive reinforcement for employees and standardized practices across all employee groups. |

Financial Management

| No. | Recommendation |
|-----|---|
| 10. | The department should consider developing an annual departmental plan aligned with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year. |
| 11. | The school board should examine the organizational structure of the finance department to ensure its effectiveness and efficiency. |
| 12. | The school board is encouraged to compare staffing costs with similar school boards in the budget planning and development process, to ensure efficient use of resources. |
| 13. | The school board should formally add a step in the budget planning process to ensure alignment between specific budget goals and the school board's annual district goals and the objectives outlined in the Board's multi-year strategic plan. |
| 14. | The department should consider consolidating key risks and mitigation strategies into a single risk plan. |
| 15. | Management and the board of trustees should add external advisors to the Audit Committee to contribute to the committee's effectiveness. |
| 16. | Management is encouraged to implement an electronic supplier interface for ordering, processing, and payment. This is an opportunity for increased process efficiencies. |
| 17. | Management is encouraged to continue to explore additional Electronic Fund Transfers (EFT) opportunities with suppliers, for greater efficiency and security. |

School Operations and Facilities Management

| No. | Recommendation |
|-----|---|
| 18. | The department should consider developing an annual departmental plan aligned with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year. |
| 19. | The school board is encouraged to develop an annual training plan for staff that addresses ongoing skills development and emerging regulatory issues. This will help to ensure that the professional development of all custodial and maintenance staff is being met and tracked. |
| 20. | The school board should continue developing an inventory system to track and control major cleaning and maintenance equipment. |
| 21. | The school board is encouraged to develop an overarching environmental policy that addresses both environmental education and responsible management. The Board is encouraged to finalize its draft environmental policy. |
| 22. | The school board should establish a multi-year energy management plan with measures to be implemented and the tools to monitor and manage the plan. |

| No. | Recommendation |
|-----|--|
| 23. | Successful conservation techniques currently used by the board should be communicated across all schools and with other school boards, to enhance recognition of energy management across the system. |
| 24. | The school board should develop an occupational health and safety plan, to ensure compliance with associated health and safety statutory requirements. |
| 25. | Management should complete the planned update of its current capital commitments and future requirements. This would include an assessment of the funding to support the existing debt service costs, and a projection of funding sources to support the Board's future capital and facility renewal requirements. |