

**Ministry of Education**

# **Operational Review Report Near North District School Board**

**December 2008**

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## **Executive Summary**

This report details the findings and recommendations of the Operational Review of the Near North District School Board (the school board) conducted by the Operational Review Team composed of external consultants from PricewaterhouseCoopers LLP and Ministry of Education staff. The Operational Review was conducted over four days beginning October 14, 2008.

## **Introduction**

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

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

The Operational Review Team found that the school board has adopted a significant number of the leading practices in all of the functional areas reviewed. The student achievement results reported by the school board offer opportunities for improvement, particularly in reading, writing, and math in Grades 3 and 6. Results in these areas are below the provincial averages. The school board demonstrates a continued focus on student achievement, which will allow it to take advantage of these opportunities.

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 school board's governance model clearly delineates the roles and responsibilities of the board of trustees and the senior administration. The board of trustees sets the direction for the school board, establishes policy and makes strategic decisions. Senior administration implements policy, supports the decision making process, and manages the operation.

The Board reviews its policies using an established cycle. However, management indicated that in practice, some policies are updated only when required. Management has reviewed all administrative procedures/guidelines over the last five years.

The board of trustees has nine members. The senior administration is composed of the Director of Education and five superintendents.

The working relationship between the Director and the board of trustees is positive. The Director's roles and responsibilities are clearly defined and well documented. This positive working relationship helps the school board establish effective decision-making processes to address student achievement and operational performance targets.

The Board and senior administration engage in three aspects of planning: the strategic plan, Board Improvement Plan and departmental plans. The Director of Education initiated a strategic planning process in September 2007, which is targeted for completion by September 2009. In the interim the Director has established three strategic focus areas: student achievement, fiscal management and staff development. Management is on track in completing the school board's strategic plan.

Management also develops an annual Board Improvement Plan to address academic priorities and initiatives. The Board Improvement Plan addresses three key academic areas: literacy K-8, numeracy K-6, and student success and pathways/transitions for intermediate/secondary level. The Board Improvement Plan includes specific goals and targets for the academic program. The Director provides the Board with an annual report on the achievements related to the plan. The school board's non-academic departments have not been incorporated into the Board Improvement Plan.

Management has not developed annual departmental plans that provide a mechanism to track, monitor and report on specific tasks within the departments. Management noted that when the school board's strategic planning process is completed by September 2009, individual departments will develop their own annual plans aligned with the Board's overall strategic direction.

Management recognizes the need to plan for pending retirements at the senior management level, in the near to medium term. However, the school board has not developed a formal succession plan for its senior administration team.

**Recommendations:**

- Management should continue to develop the Board's strategic plan to provide a framework for annual planning.
- Senior administration should develop annual improvement plans for non-academic departments, and incorporate them into the Board Improvement Plan.

The Board Improvement Plan should be aligned with the board's multi-year strategic plan, and have goals that are specific, measurable, achievable, relevant and timely. This will enable the senior administration and staff to focus on the planned targets for each priority throughout the year, and provide support for the reporting on the school board's accomplishments.

- The Board should improve compliance with its policy review cycle. At a minimum, management should also indicate the last review/revised date for all policies, to demonstrate compliance. Management should also establish a pre-defined review schedule for its administrative guidelines.
- The Director, in consultation with senior staff, should develop a formal succession plan to manage retirements and resignations at the senior administrative level.

### **Human Resources Management and School Staffing/Allocation**

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

- The organizational structure and management that supports the HR function contributes to the department's accomplishments. The department has clearly defined roles and responsibilities with clear lines of internal reporting. The organization of the HR department is available on the school board's website.<sup>1</sup>
- The HR department has developed and documented detailed administrative guidelines for hiring and recruiting staff. The hiring process for all staff groups is centralized through the HR department, and the Board approves all new hires.
- Management has established employee performance appraisal administrative guidelines, covering all school board staff.
- Management is implementing a comprehensive attendance support program that includes three distinct components: disability support, wellness and attendance support.
- Management has conducted an on-line employee satisfaction survey. The school board recently initiated a staff satisfaction survey to inform the strategic planning process.

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<sup>1</sup> [http://www.nearnorthschools.ca/hr\\_directory.asp](http://www.nearnorthschools.ca/hr_directory.asp);  
[http://www.nearnorthschools.ca/docs/NNDSB\\_OrgChart.pdf](http://www.nearnorthschools.ca/docs/NNDSB_OrgChart.pdf)



- The HR department has established detailed administrative guidelines to govern total staff needs/requirements and their allocation. These are driven by enrolment forecasting, student need, class size requirements and alignment to collective agreements (including preparation-time allocations).
- During the course of the school year, the HR department conducts periodic comparisons of the original approved staff allocation plan and budgeted, versus the actual allocation. Management periodically monitors the staff allocation complement and budget distribution.

The HR department's informal annual planning includes a "retreat" session in the fall and an "update" session in the spring, to review the progress and set goals for the coming year. The department does not have a formal annual plan to describe its goals and priorities.

The HR department is currently focused on the development of the wellness and attendance support components of the school board's comprehensive attendance management program. Management has hired consultants to help establish administrative guidelines and procedures. At the time of the operational review, management did not have sufficient data to track attendance and establish a baseline for comparison with other boards. Management recognizes the importance of maintaining an accurate attendance support database. They believe that the implementation of the "Smart Find" and "Parklane" software will improve data quality and reporting, and enable analysis of attendance data.

To ensure that all employees eligible for benefits are on insurance company records, HR periodically compares and confirms all data among HR benefits, payroll and external carriers. However, management does not conduct independent compliance audits of the school board's insurance carrier.

The HR department does not conduct exit surveys with employees. The information obtained from exit interviews would add to that obtained from the existing satisfaction surveys.

Management's disciplinary procedures address harassment issues. At the time of the operational review management was finalizing formal disciplinary procedures that address other aspects of behaviour for all teaching and non-teaching staff.

### **Recommendations:**

- The HR department should develop an annual plan aligned to the school board's strategic plan. The departmental plan should include performance measures and targets for specific goals and priorities, and complete the planned annual reporting on achievements. This will enable staff to focus on the planned targets

for each priority throughout the year, and support reporting on the department's accomplishments.

- HR management should proceed with its plans to release administrative guidelines regarding disciplinary issues and provide awareness training for all staff.
- The HR department should proceed with its plans (as approved by the executive council) to develop and implement a formal attendance support program, based on advice by external consultants.
- The HR department should proceed with its plans to implement an information management system to facilitate monitoring of its attendance data. This will also allow formal trend analysis and assessment in the future.
- HR management should conduct independent compliance audits of the school board's insurance carrier periodically, to ensure adherence to the benefit plans terms and conditions.
- The HR department should consider conducting exit interviews.

## **Financial Management**

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

- The annual budget process is transparent, clearly communicated and incorporates input from all key stakeholders.
- The finance department has established a formal internal audit function.
- Management has developed administrative accounting guidelines for non-board school-based funds. They specify accountability for school-based funds, define various types of funds, and provide rules and basic procedures to be followed at the school level.
- The procurement guidelines provide for appropriate authorization levels commensurate with job titles and roles. These are monitored for compliance by the respective department officials.
- There are clearly communicated administrative guidelines for PCard use, and the finance department provides additional information on them to card users.

Although the department identifies its annual priorities and timelines through the regularly scheduled meetings of the executive council, this process generally results in a check list of things to do. The finance department should have a formal annual departmental plan that describes its goals and priorities and is aligned with the board's strategic direction.

The format of interim financial reporting is consistent with good financial reporting standards. However, explanations of whether the percentage spent to date meets expectations for the period reported are often provided only orally during the Board meetings.

The Board has an audit committee composed of five trustees, which meets a minimum of three times a year. There are no external members on the audit committee. Management acknowledges that the mandate of the audit committee should be clarified and communicated to the Board, to ensure its effective functioning.

Management has developed a formal internal audit mandate and charter. The school board has not yet developed a multi-year internal audit plan. Management acknowledges the need for a multi-year internal plan to enhance the school board's internal controls, and ensure that all staff are complying with policies approved by the board of trustees. Management has established a timeline to develop the plan.

Management has been prudent in developing its capital funding plan, and has not issued any long-term debt to finance its planned capital projects. The school board had one uncommitted capital project, to replace a secondary school through the Prohibitive to Repair grant program. Management indicated that the school board has not committed to this new construction until funding is secured and approved by the Ministry.

Finance staff have implemented three-way matching between purchase orders, receipt/invoice and payment.

Management acknowledges the need for an automated matching process using the capacity of the existing financial system. Management has not implemented an electronic supplier interface for ordering, processing and payment.

The Board does not currently make broad use of electronic payment systems with its suppliers or community users of school, but recognizes the advantages, from both efficiency and risk perspectives.

**Recommendations:**

- The finance department should develop an annual plan that includes performance measures and targets for its specific annual goals and priorities,

and complete the planned annual reporting on achievements. This will enable staff to focus on the planned targets for each priority throughout the year, and provide support for reporting on the department's accomplishments.

- The interim financial reporting to management and the Board is comprehensive in the detail and analysis provided. It should be enhanced by providing an expected level of expenditures for each category based on historical data, or, in the case of salaries and benefits, the number of staff and pays processed to date.
- Membership of the audit committee should be expanded to include at least two external members with appropriate professional backgrounds and designations to act as advisors and contribute to the committee's effectiveness.
- Management should implement its intention to prepare a multi-year internal audit plan. The plan should be consistent with the mandate of the internal auditor, as described in the internal audit charter.
- Management should consider implementing an electronic payment and registration system for its continuing education and community use of facilities programs. In doing so, management should review the existing electronic solutions in place at several other school boards.
- Management should determine the feasibility and requirements to implement an electronic supplier interface for ordering, processing and payment.
- Management should consider implementing an automated three-way matching process using the capacity of the existing financial system.
- Finance staff should maximize use of EFT payments to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.

## **School Operations and Facilities Management**

The plant department implemented a number of the leading practices in its caretaking and maintenance operations. The following leading practices are noted:

- Through the support of the HR department, appropriate training is provided to custodial and maintenance staff to address policy issues and the need for compliance with the various regulatory requirements.
- Management has developed appropriate health and safety procedures to ensure compliance with statutory health, safety and security requirements.

- The school board has developed and submitted its 10-year capital plan to the Ministry through the Ministry's SFIS web site. This plan includes the school board's capital requirements, as well as the facility renewal needs for the same time period.
- Management maintains a detailed funding forecast of both committed and proposed capital projects, based on the Ministry capital funding template. The monitoring and planning of school capacity is reported each year in the Student Facilities Inventory System ("SFIS").
- Facility staff currently uses ReCAPP as a tracking tool for projects eligible for Renewal Grant and the Good Places to Learn funding. The ReCAPP database is updated at least two times a year.

The plant department identifies its priorities and timelines primarily through the regularly scheduled meetings of the executive council. The plant department does not have a formal annual business plan setting out specific goals and priorities.

The plant department has a list of facility renewal priority projects that is reviewed by management and implemented throughout the school year. Management has identified the development of a multi-year maintenance plan and cleaning standards as two specific priorities for the near term.

The school board has not developed formal written cleaning standards. Management indicated that the development of cleaning standards is one of the immediate priorities of the plant department. Cleaning standards should enable management to monitor, manage and report on cleanliness levels on a regular basis.

The school board's custodial staff allocation model is based entirely on square footage of facilities. This model provides for a basic method of deployment of custodial resources across the school board's facilities. However, it is common for school boards across the sector to include other factors in the custodial staff allocation model. These include the number of teachers and students per school, the number of rooms in use and the number of plumbing fixtures.

Management has established administrative guidelines concerning the lending of school board-owned equipment to staff. However, the plant department does not maintain a formal inventory of major cleaning and maintenance equipment.

The plant department tracks maintenance and custodial work orders manually using a paper-based system. Management acknowledges that the existing paper-based work ordering process is not optimal. At the time of the operational review the plant department was developing an electronic system to track and monitor all work orders.

The manager of plant monitors the purchase of cleaning and maintenance supplies, based on the allocated budget. The plant department has hired external consultants to assess the cost and usage of custodial supplies. Management noted that this will help ensure efficient procurement, to minimize costs and promote energy and operating efficiency.

In the past, designated plant department staff tracked electricity consumption at the school level each month. However, due to limited resources, the department no longer generates consumption reports.

### **Recommendations:**

- The plant department should proceed to develop an annual plan that includes performance measures and targets for its specific annual goals and priorities, and complete the planned annual reporting on achievements. This will enable staff to focus on the planned targets for each priority throughout the year, and provide support for reporting on the department's accomplishments.
- The school board should proceed with its initiative to develop cleaning standards. Management should ensure that these standards are implemented effectively, through periodic site visits and maintenance of a proper review log.
- Management should consider reviewing its custodial allocation formula, and include additional factors that could affect the allocation outcome. These factors should be reviewed and adjusted annually to reflect changes during the year. The formula should also account for any regulatory or Ministry requirements.
- Management should establish a multi-year maintenance and renewal plan which includes the funding available to support it. This would provide the senior administration, the Board and its stakeholders with a clear forecast of the school board's critical needs over the next several years.
- Management should develop an inventory of major equipment used by maintenance and custodial staff. Trades employees could work with their supervisors to complete an inventory of their own tools. These measures would increase management confidence that staff are accountable for their use of the school board's assets.
- Based on the assessment of cost and usage of custodial supplies, management should further develop common standards to ensure efficient procurement.
- Management should consider developing a business case to implement an automated (electronic) work order system to streamline the management,

dispatch, tracking, costing and reporting of facility renewal and general maintenance work orders.

- The school board should consider establishing a formal multi-year energy management plan that incorporates quantifiable measures and is aligned with the strategic direction of the school board.
- Management should carefully consider returning to the practice of recording and tracking energy consumption/expenditure data at the facility level.
- The school board should examine ways to fully consolidate its utility billings across its facilities. This will enable management to better track and monitor energy consumption patterns, and provide formal annual reporting on the conservation savings.

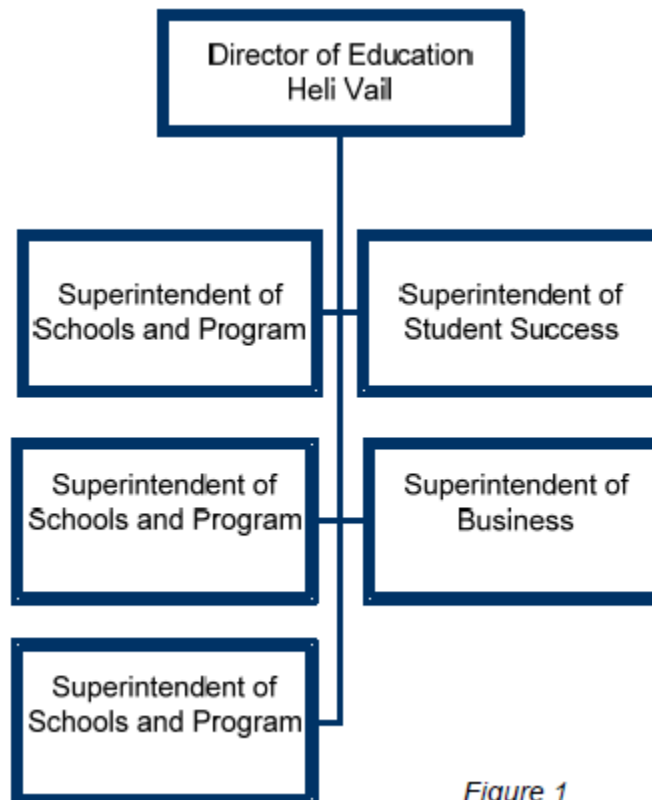
## 1. Background and Overview

### 1.1 School Board Profile and Structure

The Near North District School Board provides educational services to more than 11,000 students in 43 elementary and secondary schools. The Near North District School Board comprises numerous small towns and communities over a large area in northwestern Ontario. The school board's large area requires frequent and extensive travel by trustees, senior administration and certain staff. The school board maintains two corporate offices, in the municipalities of North Bay and Parry Sound.

The school board's enrolment has declined by about 2,400 students from 2002-03 to the forecasted 2008-09 fiscal year, or 18.3%. The decline has been about 23.2% for elementary schools and 9.5% for secondary schools. This trend is expected to continue for the next several years. The school board has developed a 10-year capital plan that reflects the implications of its capacity issues on its program delivery and school facilities.

The school board's senior administration (Executive Council) is as follows:



*Figure 1*



## **1.2 Key Priorities of the School Board**

The Director of Education has initiated a strategic planning process that began in September 2007 and is targeted for completion by September 2009. The plan will address the long-term strategic direction and priorities for the school board. In the interim, the strategic plan has identified three focus areas: student achievement, fiscal management and staff development. Management is on track in completing the school board's strategic plan.

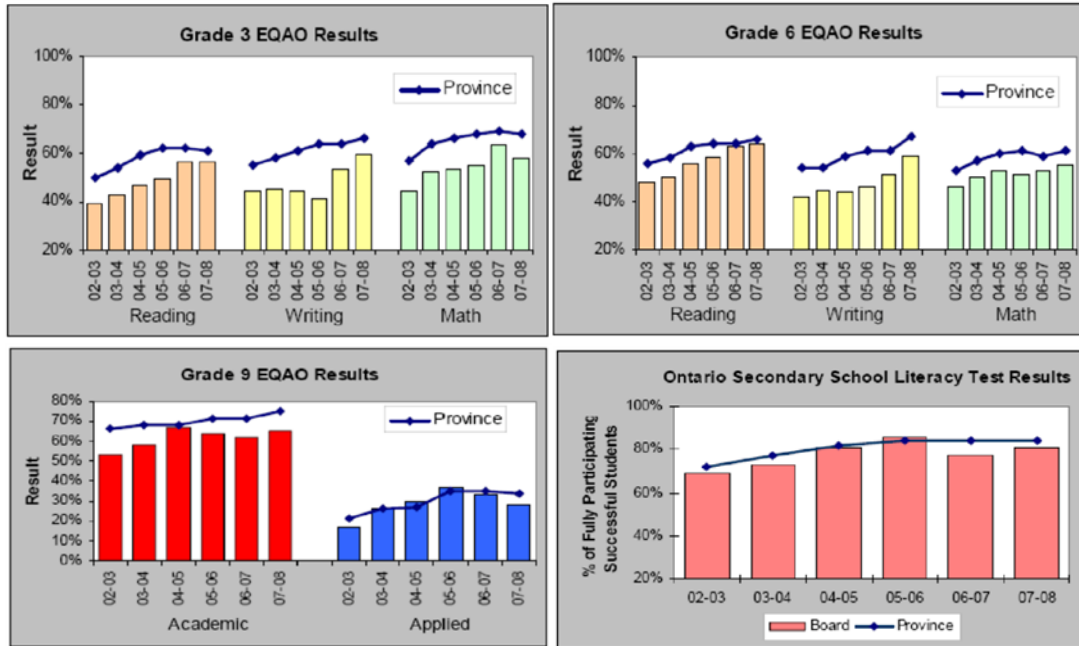
Management develops an annual Board Improvement Plan that addresses the academic priorities and initiatives of the school board. The Board Improvement Plan addresses three key academic areas including: literacy K-8, numeracy K-6, and pathways/transitions for the intermediate/secondary level.

## **1.3 Student Achievement**

The school board has shown a steady increase in most of the student achievement results as measured by the EQAO scores since 2002-2003. However, the results showed student scores in Grade 3 and Grade 6 reading, writing and math are below the provincial averages.

The school board recognizes that the results create an opportunity for improvement, and has taken action to improve the outcomes through the strategies and key areas of focus established in the Board's Improvement Plan 2007-08. The Director of Education has identified improving student success as the school board's priority for senior administration. Results from the most recent year, particularly in Grade 3 and Grade 6, indicate that the school board is making encouraging progress in all areas.

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



## 1.4 Fiscal Overview

The school board has achieved a balanced budget for the past several years. Management has been prudent in developing its capital funding plan, and has not issued any long term debt to finance its planned capital projects. Management indicated that the school board has not committed to any new construction until funding is secured and approved by the Ministry.

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

### Summary Financial Data (Revenues)

Revenues	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Legislative Grants	\$80,566,179	\$78,863,959	\$82,751,919
Local taxation	\$38,127,880	\$39,884,827	\$39,922,201
Board Revenues	\$4,978,277	\$5,243,946	\$2,575,071
Other Operating & capital Grants	\$3,950,812	\$2,868,947	\$258,174
<b>Total Revenues</b>	<b>\$127,623,148</b>	<b>\$126,861,679</b>	<b>\$125,507,365</b>

## Summary Financial Data (Expenditure)

<b>Expenditures:</b>	<b>2005-06 Financial Statements</b>	<b>2006-07 Financial Statements</b>	<b>2007-08 Revised Estimates</b>
Operating expenditures	\$120,948,882	\$124,394,157	\$121,213,898
Capital expenditures-Net of Reserve transfers	\$7,291,806	\$6,520,405	\$4,184,053
Transfer to (from) Reserves	-\$619,557	-\$4,058,958	-\$619,686
<b>Total Expenditures</b>	<b>\$127,621,131</b>	<b>\$126,855,604</b>	<b>\$124,778,265</b>
<b>Surplus (Deficit)</b>	<b>\$2,017</b>	<b>\$6,075</b>	<b>\$729,100</b>

## School Board Reserves and Deferred Revenues

<b>School Board Reserve and Deferred Revenues:</b>	<b>2005-06 Financial Statements</b>	<b>2006-07 Financial Statements</b>	<b>2007-08 Revised Estimates</b>
Reserve for Working Funds	\$5,911,008	\$3,897,497	\$1,474,783
Reserve for Science Labs	\$1,532,465	\$143,704	\$143,887
Reserve for Unorganized Taxes	\$1,289,481	\$1,125,784	\$1,289,481
Reserve Charity	\$399,310	\$465,513	\$399,310
Reserve for School Surplus	\$751,150	\$0	\$0
Pupil Accommodation Debt Reserve	\$1,313,526	\$1,722,476	\$1,366,465
<b>Total Reserve Funds</b>	<b>\$11,196,940</b>	<b>\$7,354,974</b>	<b>\$4,673,926</b>
Reserve for Classroom Expenditure	\$763,869	\$841,646	\$19,981
Special Education Reserve	\$4,511	\$4,693	\$4,693
Proceeds of Dispositions - School Buildings	\$560,073	\$1,066,980	\$1,065,040
<b>Total Deferred Revenues</b>	<b>\$1,328,453</b>	<b>\$1,913,319</b>	<b>\$1,089,714</b>
<b>Total Board Reserves and Deferred Revenues</b>	<b>\$12,525,393</b>	<b>\$9,268,293</b>	<b>\$5,763,640</b>

## 1.5 Key Statistics: Near North District School Board

The following table highlights key statistics for the school board. Of note are the decreasing enrolment trend and the large geographic area and dispersion of the school board. These statistics illustrate a unique and challenging operating environment.

### Day School Enrolment:

Day School Enrolment:	2002-03 Actual	2007-08 Revised Estimates
Elementary Day School ADE	8,279	6,664
Secondary Day School ADE	4,731	4,414
<b>Total Day School Enrolment</b>	<b>13,010</b>	<b>11,078</b>

### Primary Class Size:

Primary Class Size:	2003-04	2007-08
% of Classes Less Than 20	34%	90%
% of Classes Less Than 23	56%	100%
Average Class Size - Jr/Inter	25.5	24
% of 3/4 Classes 23 & Under	50%	100%
% of Combined Classes	30%	45%

### Staffing

Staffing:	2003-04	2007-08
School Based Teachers	834	774
Teacher Assistants	152	175
Other Student Support	95	195
School Administration	58	47
School Clerical	73	55
School Operations	165	133
Other Non-Classroom	56	45
<b>Total Staffing</b>	<b>1,433</b>	<b>1,424</b>
<b>Teacher - Pupil Ratio</b>	<b>1:9.0</b>	<b>1:6.4</b>
<b>FTE Staff per 1,000 Pupils (ADE)<sup>2</sup></b>	<b>99.0</b>	<b>129.0</b>

<sup>2</sup> Note: Impacted by Class Size and Special Education

<b>Staffing:</b>	<b>2003-04</b>	<b>2007-08</b>
<b>Total Salary &amp; Benefits as % of Net Operating Expenditures</b>	<b>80.9%</b>	<b>82.6%</b>

## Special Education

<b>Special Education:</b>	<b>2003-04</b>	<b>2007-08</b>
Special Education Incremental Expenditures	\$12,042,820	\$16,704,244
Special Education Allocation	\$13,043,688	\$15,916,650
<b>Spending above Allocation (Reserve)</b>	<b>-\$1,000,868</b>	<b>\$787,594</b>

## School Utilization

<b>School Utilization:</b>	<b>2003-04</b>	<b>2007-08</b>
Total Capacity (Spaces)	17,237	16,651
% of excess capacity (under capacity)	75.5 %	66.5 %
Number of schools	44	43
<b>Board Area (Km<sup>2</sup>)</b>	<b>17,020</b>	<b>17,020</b>
<b>Number of Trustees</b>	<b>9</b>	<b>9</b>

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

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

Governance and school board administration processes are reviewed to:

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

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

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

## 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 between the board of trustees and the director of education. The Board has established clearly defined duties and responsibilities to support on effective working relationship.	Yes

## Development of the Board's Strategic Direction and the Annual Board Improvement Plan

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees develops and communicates a multi-year strategic plan that provides a framework for annual planning.	No
The director of education and senior management develop an annual board improvement 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
Senior management periodically/annually report to the Board on the status and outcomes of the annual board improvement plan.	No

## Decision Making Processes

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees and management establish processes to facilitate decision making that address student achievement targets and operational performance.	Yes
The board of trustees and management have appropriate processes for the establishment and regular maintenance of policies for the efficient and effective operation of the school board. Policies are posted on the school board's web site.	No

## Organizational Structure and Accountability

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The organizational structure has clearly defined organizational units that delineate roles and responsibilities, minimize administrative costs and ensure effective and efficient operation.	Yes
The director has established a formal succession plan to manage retirements and resignations of key managers/administrators.	No
A departmental organization chart (supplemented with a directory of key staff contact information) is publicly available on the school board's web site.	Yes

## Stakeholder Engagement

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees and management proactively engage internal and external stakeholders on a regular basis and through a variety of communications vehicles (e.g., websites, email, memos, town halls, etc.).	Yes
Key senior staffs, of 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 school board's governance model clearly delineates the roles and responsibilities of the board of trustees and the senior administration. The board of trustees sets the direction for the school board, establishes policy and makes strategic decisions. Senior administration implements policy, supports the decision making process, and manages the operation.

The Board regards the Director as its "only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the Director" <sup>3</sup> This governance structure has been approved by the Board, and is clearly documented in the school board's *Governance Manual*.<sup>4</sup>

The Board is composed of nine trustees. The senior administration is composed of the Director and five superintendents.

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<sup>3</sup> (\*BDL-3)

<sup>4</sup> Governance Manual



The Board acknowledges that implementation of the policy governance model should account for the different governing styles of individual trustees. On the whole, it appears that the Board is able to function effectively in its role, and is committed to evolving its governance approach to achieve best results.

### **Development of the Board's Strategic Direction and the Annual Board Improvement Plan**

The school board has developed a clear mission statement, which is to “educate learners to their fullest potential in preparation for life-long learning.”<sup>5</sup>

The Board and senior administration engages in three aspects of planning: the strategic plan, the Board Improvement Plan, and departmental plans. The Director of Education initiated a strategic planning process in September 2007 that is targeted for completion by September 2009. The plan will address the long-term strategic direction and priorities for the school board. In the interim the Director has established three strategic focus areas: student achievement, fiscal management and staff development. Management is on track in completing the school board's strategic plan.

In support of the development of the multi-year strategic plan, the Director has developed a consultative strategic planning process, which engages all key stakeholders.<sup>6</sup> The strategic planning process began with an orientation session for the board of trustees, and includes surveys, focus group meetings and working groups to fully engage stakeholders through a period of approximately one year. The strategic planning process is well into the data collection phase. Management is consulting with teachers, staff, parents, students and the broader community using various survey tools.

The first draft of the strategic plan will be reviewed by the board of trustees in November 2008, and presented to other stakeholders for feedback at focus group meetings in January 2009. The Board will review the survey results, and the stakeholder feedback process will be reiterated for the second and third drafts of the strategic plan. Once the board of trustees approves the final edition of the plan, management will establish working groups to develop implementation strategies. The Director will report regularly to the Board on the status of the strategic plan.

Management also develops an annual Board Improvement Plan that addresses the academic priorities and initiatives of the school board. The Board Improvement Plan addresses three key academic areas including: literacy K-8, numeracy K-6, and student success and pathways/transitions for the intermediate/secondary level. The Board

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<sup>5</sup> <http://www.nearnorthschools.ca/goals.asp>

<sup>6</sup> Refer to on-site documentation binder for the description of the strategic planning process

Improvement Plan includes specific goals and targets for the academic program. The Director provides the Board with an annual report on the achievements related to the plan. The school board's non-academic departments have not been incorporated into the Board Improvement Plan.

Management has not developed annual departmental plans to track, monitor and report on specific tasks within the departments. Management noted that once the school board's strategic planning process is completed by September 2009, individual departments can develop their own annual plans that are aligned with the Board's overall strategic direction.

### **Decision-Making Process**

The school board has formal, documented policies for governance and school board administration, which are easily accessible on its website.<sup>7</sup> Management indicated that it operates in a generally harmonious relationship with the board of trustees.

This positive working relationship contributes to the ability of the school board to establish effective decision-making processes to meet student achievement targets and optimize operational performance. The process for setting the agenda for Board meetings is clearly defined in the administrative guidelines. Management reported adherence to these guidelines.

The Board's Governance Manual mandates a periodic monitoring of all the existing policies, which are typically set on an annual review cycle. However, management indicated that in practice, some policies are updated only when required.

The senior administration has developed administrative guidelines that support the implementation of the Board's policies. The school board has 128 administrative guidelines posted on the website.<sup>8</sup> All of the administrative guidelines have been reviewed over the last five years, and the last review date of each guideline is duly noted on the website. However, unlike the Board's policies, there is no schedule to review and update the school board's administrative guidelines. Furthermore, the website currently organizes its administrative guidelines in alphabetical order. Management might consider categorizing administrative guidelines by function, which would be useful as a reference for both trustees and management.

The policies and administrative guidelines are reviewed by the executive council and approved by the board of trustees.<sup>9</sup> The administrative guidelines are developed by the

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<sup>7</sup> <http://www.nearnorthschools.ca/docs/gm.pdf>

<sup>8</sup> <http://www.nearnorth.edu.on.ca/guidelines.asp>

<sup>9</sup> <http://www.nearnorthschools.ca/guidelines.asp>

senior administrative team and appropriate committee members. New and revised guidelines are noted under the information section of the Board's agenda.<sup>10</sup>

## Organizational Structure and Accountability

The school board's senior administration is composed of the Director of Education and five superintendents. The organization of the school board's senior administration is operating effectively.

The Board has an approved Board Committee Structure, which includes the Policy Committee, an Audit Committee, Special Education Advisory Committee (SEAC), Supervised Alternative Learning for Excused Pupils Committee (SALEP), and the First Nations Advisory Committee (FNAC). The Board also has *ad hoc* committees, which include the Building Committee, the Mattawa Schools Committee and the Accommodation Review Committee.

The Board's *Governance Manual* describes the various Board's committees' roles, mandates, members, and operating procedures. The Board's committees are intended to reinforce the integrity of the board of trustees, while not interfering with delegation from the board of trustees to the Director.<sup>11</sup> In addition, the Board has established other *ad hoc* committees to address specific issues. These include the Budget Committee, the Strategic Planning Committee, the Building Committee, the Environmental Committee, the Policy Committee, the Mattawa School Committee, the Building School Committee and the Accommodation Review Committee.

On average, the board of trustees conducts monthly meetings. In the past, members of the board of trustees have expressed the need for more adequate time to consider emerging issues before the final recommendation for approval is tabled. To meet this need, the Board schedules additional meetings for a more complete discussion of pertinent issues.

The Board may consider increasing the frequency of formal Board meetings to allow trustees more time to consider important matters. In particular, a twice-monthly meeting schedule, with the first meeting is dedicated to information-sharing and the second meeting dedicated to decision-making, may enhance the Board's decisionmaking abilities.

The school board indicated that it recognizes the need to plan for pending retirements at the senior management level in the near to medium term. However, the Board has not developed a formal succession plan for its senior administration team. Management

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<sup>10</sup> <http://www.nearnorthschools.ca/guidelines.asp>

<sup>11</sup> Governance Manual, GP-7

undertakes succession planning for principals and vice-principals through implementation of the leadership program.

One of the Board's key mechanisms to ensure accountability is the Director's performance evaluation process, based on a detailed policy in the *Governance Manual*

<sup>12</sup> This process outlines a schedule for monitoring the various ends and executive limitations of the Director, and is carried out primarily on an annual basis.

The school board has developed detailed organizational charts reflective of its operating structure. These organizational charts are easily accessible on the school board's website.

## Stakeholder Engagement

The Board has demonstrated that it consistently administers its responsibilities (both directly and through its committees) in an open and transparent manner. Various communication channels, such as emails, surveys and website postings, keep key stakeholders engaged throughout the year.

The establishment and periodic review of Board policies is another area where internal and external stakeholder input is sought. Management has established appropriate means of monitoring and communicating Board policies to ensure adherence, through written communications and training for key policies.

The senior administration actively participates in various committees across the sector and locally. Examples include representation at the Leaders for Children and Youth in Nipissing, which consists of the leaders from all four district school boards in the area, District of Community and Social Services CEOs, mental health associations and the Local District Offices of Health. In addition, the Director participates in the North Bay Social Planning Council Task Force on Poverty, and is a member of the Nipissing University Teacher Education Advisory Committee and the Canadore College Advisory Committee for Parry Sound.

## Recommendations

- Management should continue to develop the Board's strategic plan to provide a framework for annual planning.
- Senior administration should develop annual improvement plans for nonacademic departments, and incorporate them into the Board Improvement Plan. The Board Improvement Plan should be aligned with the school board's multi-year strategic plan, and have goals that are specific, measurable,

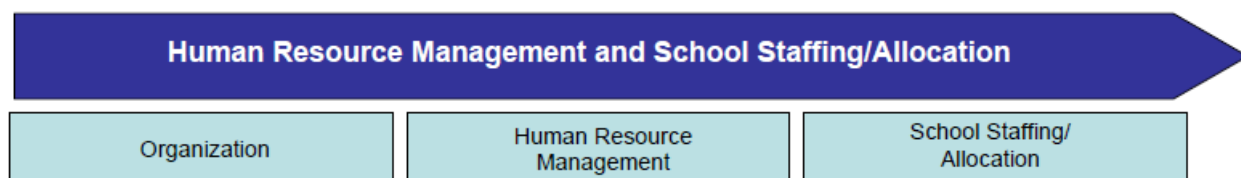
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<sup>12</sup> Governance Manual, BDL-4

achievable, relevant and timely. This will enable the senior administration and staff to focus on the planned targets for each priority throughout the year, and provide support for the reporting on the school board's accomplishments.

- The Board should improve compliance with its policy review cycle. At a minimum, management should also indicate the last review/revised date for all policies, to demonstrate compliance. Management should also establish a predefined review schedule for its administrative guidelines.
- The Director, in consultation with senior staff, should develop a formal succession plan to manage retirements and resignations at the senior administrative level.

### 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 allocation models adopted by the board ensure the most effective teaching and learning practices.

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

#### 3.1 Human Resource Organization

The review of the organization of the HR department assesses:

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

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

## Development and Reporting of Annual Goals and Priorities

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

## Organizational Structure and Accountability

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

## Monitoring and Communication of Policy

Leading Practices – Human Resource Organization	Evidence of Adoption?
HR Management has processes in place to monitor HR policy compliance.	Yes
HR Management provides regularly scheduled HR policy awareness, training, and education sessions.	Yes

## Development and Reporting of Annual Goals and Priorities

HR identifies its priorities and timelines through the regularly scheduled meetings of the executive council and departmental meetings, when staff discuss the previous year's performance and identify areas for improvement. HR also conducts a "retreat" session each fall and an "update" session in the spring, to review progress and set goals for the coming year. It should be noted, however, that HR does not have a formal annual department plan that describes its goals and priorities. Recent priorities of the HR department include the implementation of an information system (ONSIS) as well as the development of attendance and wellness support programs.

To provide specific guidance to its managers and staff on the focus areas and other priorities, HR management should develop an annual departmental plan to detail those areas, along with the staff responsible, timelines and appropriate performance measures. The departmental plan should be aligned with the school board's strategic plan, which is currently being developed. Management should also prepare an annual

report to summarize its accomplishments. As part of the process of developing the annual business plan, management could consider writing a mission statement to formally capture the department's purpose.

### **Organizational Structure and Accountability**

The HR function is the responsibility of the superintendent of business. The HR manager reports directly to the superintendent of business, and has responsibility over academic/non-academic human resource processes, health and safety, wellness and rehabilitation, attendance, recruitment and benefits administration.

The organizational structure and management that supports the HR function facilitates the accomplishments of the department. The department has clearly defined roles and responsibilities, with clear lines of internal reporting. The organization of the HR department is available on the school board's website.<sup>13</sup>

HR department staff have appropriate professional designations, and the department provides professional development opportunities for staff. Staff participate in development programs that include conferences, retreats and policy updates. All of the programs are designed to improve the employee groups' HR skills sets and facilitate learning.

### **Monitoring and Communication of Policy**

The HR department maintains a set of administrative guidelines related to HR which are published on the school board's website. The HR department does not have an established review cycle to ensure that its administrative guidelines are current. However, management indicated that all administrative procedures are continually updated to reflect modifications and additions mandated by the Ministry or the school board. All HR related administrative guidelines appear to have been modified or created over the last three years. Changes and additions to existing guidelines are discussed within the department, and significant modifications are communicated to staff through information sessions and professional development events.<sup>14</sup>

The HR department provides regular updates and training for staff, to inform them of new and revised policies and administrative guidelines. This is achieved through periodic memos, presentations at professional development days, and formal training sessions.

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<sup>13</sup> [http://www.nearnorthschools.ca/hr\\_directory.asp](http://www.nearnorthschools.ca/hr_directory.asp);  
[http://www.nearnorthschools.ca/docs/NNDSB\\_OrgChart.pdf](http://www.nearnorthschools.ca/docs/NNDSB_OrgChart.pdf)

<sup>14</sup> Refer to field documentation binder



**Recommendation:**

- The HR department should develop an annual plan aligned to the school board's strategic plan. The departmental plan should include performance measures and targets for specific goals and priorities, and complete the planned annual reporting on achievements. This will enable staff to focus on the planned targets for each priority throughout the year, and support reporting on the department's accomplishments.

**3.2 Human Resource Management**

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

- Planning and processes are in place for the recruitment 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**

Leading Practices – Human Resource Management	Evidence of Adoption?
Recruiting policies and practices are reviewed annually, and are aligned with staff planning in support of student achievement.	Yes
New hire policies and procedures for the respective staff groups are harmonized.	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.	No

## Attendance Management Processes/Programs

Leading Practices – Human Resource Management	Evidence of Adoption?
Attendance management process/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 process/programs to senior management and the Board.	No

## Management of HR and Payroll Data

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

## Management of school board's Benefit Plans

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

## Monitoring Staff Satisfaction

Leading Practices – Human Resource Management	Evidence of Adoption?
Management has established policies and procedures for staff/professional development and monitors staff take-up, budget, and outcomes.	Yes
Confidential staff satisfaction surveys are performed periodically.	Yes
Confidential exit interviews are performed for all staff.	No

## Staff Recruitment

The HR department has developed and documented detailed administrative guidelines for hiring and recruiting staff.<sup>15</sup> The department uses the Jobs in Education website, newspaper postings and the school board's website as the basis for recruiting. Hiring procedures are reviewed and updated regularly.

The hiring process for all staff groups is centralized through the HR department, and all new hires are approved by the Board. It should be noted that management has adopted a centralized approach for hiring of occasional teachers, including interviews with all occasional hires. Management maintains a supply list for all staff, excluding senior managers.

The department has implemented the New Teacher Induction Program (NTIP) to provide mentoring and development opportunities for new teachers. It also provides

<sup>15</sup> <http://www.nearnorthschools.ca/guidelines.asp>

informal support and orientation to new hires across all staff groups. The school board has administrative guidelines for new staff induction.<sup>16</sup>

### **Labour Relations**

The school board has set up common concerns committees, with participation from both management and staff to address issues related to collective bargaining. For the negotiation of collective agreements, the school board establishes teams representing various staff groups, the superintendent of business, the HR manager and a trustee representative.

The school board ensures a pro-active approach to addressing issues. There is open and positive communication with the unions, which could be attributed to the school board's formal and informal practices. At the time of the review there were about 10 outstanding grievances.

### **Employee Performance Evaluation Processes**

Management, through the HR department, has implemented performance appraisals for all school board staff and management. Management maintains a comprehensive set of administrative guidelines for performance appraisal.<sup>17</sup> The procedures require performance appraisals to be done for business staff, educational assistants and professional student services personnel at least every three years. The HR department has also developed administrative guidelines for co-coordinators, principals, and supervisory officers who require an annual performance appraisal process.

The teachers' review cycle is five years, as required by the Ministry. The school board has established a detailed administrative guideline for teachers' performance appraisals, including standard templates. The school board has a formal procedure for performance appraisal of occasional teachers, with scheduling of appraisals determined by occasional teachers and school principals/vice-principals.

Performance appraisal of teaching and non-teaching staff is used to address performance issues.

Management acknowledges that monitoring of the appraisal process needs to be improved to ensure timely and comprehensive evaluations for all staff groups. Management believes that this can be achieved through implementation of an information management system.

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<sup>16</sup> <http://www.nearnorthschools.ca/guidelines.asp>

<sup>17</sup> <http://www.nearnorthschools.ca/guidelines.asp>

Management's disciplinary procedures address harassment issues. At the time of the operational review management was finalizing a set of formal disciplinary procedures covering progressive discipline, student abuse, human rights complaints and workplace harassment. Management indicated that the release of the new administrative guidelines will be followed by staff training activities.

### **Attendance Management Processes/Programs**

The development of a comprehensive attendance support program is a focus area for the HR department. Management's view of a comprehensive attendance support program includes three distinct elements: disability support, wellness, and attendance support. Management recognizes that implementation of an attendance support program will address many absenteeism issues and help reduce associated costs.

Over the past several years, management has made significant progress in the development and implementation of the disability support component of the school board's attendance support program. The disability support program, known as ASSIST (Assisting, Supporting Wellness, Suitable Accommodations, Information, Staying in Touch and trying to prevent or mitigate medical conditions) aims to promote a healthy organization and individual wellness, and support employees with an illness or disability. This is an early intervention program, designed to bring employees back to work as soon as possible. The disability support component of the program has been implemented with consultation and support from all staff.

HR is currently focused on the development of the wellness and attendance support components of the school board's attendance support program. To this end, the school board has contracted with external consultants to help establish administrative guidelines and procedures.<sup>18</sup> It should be noted that management sought input from the unions with regard to the proposed attendance support program.

Management recognizes the importance of maintaining an accurate attendance support database, and envisages that the "Smart Find" software will help achieve improvement of data quality and reporting. Management also has plans to use "Parklane" software to analyze attendance data, to better inform the board on attendance trends, establish baselines, and develop strategies to improve attendance. The compilation of accurate and timely attendance data will enable management to better monitor its attendance support policies through measurable metrics. Program implementation has been delayed due to information technology issues related to the "SmartFind" and "Parklane" software.

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<sup>18</sup> Refer to SBCI report in the field documentation binder

## Management of HR and Payroll Data

The payroll processing function reports to the finance department. Management maintains appropriate control mechanisms (such as verification of information and payroll change notice forms) to ensure the integrity and segregation of personnel and payroll data.<sup>19</sup>

The HR information system enables management to systematically monitor teacher qualifications and experience data. HR records can be updated as new teacher information is received. Teachers are required to provide a copy of their QECO (Qualification Evaluation Council of Ontario) statement of evaluation or Ontario Secondary School Teachers' Federation (OSSTF) rating upon hiring.

The HR department maintains a database to track QECO and OSSTF and Additional Qualifications (AQ) ratings to trigger pay adjustments. A dedicated HR staff member evaluates documentation provided to support pay adjustments, and submits recommendations for approval by the HR manager. Updates of classification information are performed through regular downloads from the Ontario College of Teachers database and submission of certification statements by teachers. These measures enable management to have greater certainty that the "teacher qualification and experience" that forms a part of the Ministry's grant determination is accurately reported.

Management indicated that the board maintains an updated pay equity plan for all staff categories.

## Management of the School Board's Benefit Plans

To ensure that all employees eligible for benefits are on insurance company records, HR periodically compares and confirms all data among HR benefits, payroll and external carriers. However, management does not conduct independent compliance audits of the school board's insurance carrier.

Data transfer among HR benefits, payroll and external carriers is automated and synchronized. However, there is not currently any automation between the school board and OMERS. This should be considered as an opportunity for automation.

Management has established fixed contributions to all employee benefits. The copayment approach helps management control the growth of costs. These provisions are consistent with many school board benefit plans. Any changes in plans would be reviewed with the school board's benefits committee and unions.

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<sup>19</sup> Sample change form provided

HR department used a benefits consultant to prepare a tender and evaluate proposals for the provision of employee benefits plans. Management undertakes a review of plan usage and trends on an ongoing basis

### **Monitoring Staff Satisfaction**

Management has established policies and procedures for staff/professional development.<sup>20</sup> HR conducts evaluations of employee satisfaction after Professional Development (PD) days or workshops to gauge effectiveness, support continued improvement, and get input on topics for future PD activities. The wellness committee was newly formed in May, 2008. At the time of review, a workplace audit was being conducted by the committee and senior administration. The committee intends to send out a wellness survey to employees in the near future.

The school board has recently initiated a staff satisfaction survey to inform the strategic planning process.<sup>21</sup> This is a positive development that should enable the school board to better assess the satisfaction of staff and develop strategies to monitor staff attitudes.

The HR department does not conduct formal exit interviews. Information from exit interviews would complement the information from the existing satisfaction surveys.

### **Recommendations:**

- HR management should proceed with its plans to release administrative guidelines regarding disciplinary issues and provide awareness training for all staff.
- The HR department should proceed with its plans (as approved by the executive council) to develop and implement a formal attendance support program, based on advice by external consultants.
- The HR department should proceed with its plans to implement an information management system to facilitate monitoring of its attendance data. This will also allow formal trend analysis and assessment in the future.
- HR management should conduct independent compliance audits of the school board's insurance carrier periodically, to ensure adherence to the benefit plans terms and conditions.
- The HR department should consider conducting exit interviews.

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<sup>20</sup> <http://www.nearnorthschools.ca/guidelines.asp>

<sup>21</sup> <http://www.nearnorthschools.ca/default.asp>

### 3.3 School Staffing/Allocation

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

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

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

#### Planning and Processes for Annual Staffing and Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Policies and procedures govern the annual staff allocation process.	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
Systems and processes monitor adherence to key Ministry and school board policy parameters, such as: class size, prep time, collective agreement requirements and other board directions.	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
Plans for student support services and staffing are based on a student-needs analysis.	Yes



## Benchmarking Costs with Other Boards and Funding

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Staffing costs are compared with similar school boards and the funding model to ensure efficient use of resources.	Yes

## Planning and Processes for Annual Staffing and Allocation

The HR department has established detailed administrative guidelines to govern total staff needs/requirements and their allocation. These guidelines are driven by enrolment forecasting, student need, class size requirements and alignment to collective agreements (including preparation-time allocations). The enrolment forecasting process is developed on a school-by-school basis and considers school board-level data, trend analysis and a local, school-by-school analysis. The school board uses these varied sources of information to get an objective and accurate forecast.

There are five staffing committees: elementary teachers, secondary teachers, educational assistants, custodian/maintenance and clerical/secretarial. Staffing issues for teachers and educational assistants are reviewed by a common concerns committee, comprising union, board administration and school principals' representatives. The labour/management committee meets in spring to discuss budget highlights and staffing issues for custodian/maintenance and clerical/secretarial staff.<sup>22</sup>

## Monitoring and Reporting on Staff Allocation

At the beginning of the annual staff allocation process, the finance department provides HR with projected enrollment. The senior administration reviews and plans programs for the following school year. Management uses "Paradigm Shift" software for teacher allocation.

The allocation of elementary teachers is based on primary class size and the school board's administrative guidelines. The allocation of secondary teachers is consistent with enrolment projections and collective agreements. The allocation of education assistants is based on a detailed student needs assessment by the schools. Other school-based support staff allocations are based on formulas that are reviewed annually, taking into account budget constraints in the final determination. Based on allocations, the staffing action requests are forwarded to the board of trustees for approval.

HR and finance continue to monitor the original approved staff allocation plan and budget as compared to the actual allocation. Changes in the original allocation plan are

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<sup>22</sup> Staffing committees and process in pre-visit documentation binder

presented to the executive council for approval. During the course of the school year, the HR department conducts periodic comparisons of the original approved staff allocation plan and budgeted versus the actual allocation. Management monitors the staff allocation complement and budget distribution periodically.

The most significant checkpoint occurs in September, when enrollment data is collected by the first Friday of the school year and where some class/school reorganization can occur to adjust for enrolment variations. This has become a greater issue given the mandated elementary class size. According to Ministry records for 2007/08, the school board achieved 90% of its Primary classes at 20 or under and 100% of Primary classes were at 23 or under. The Grade 4 to 8 average class size was at 24, compared to the Ministry target of 25.<sup>23</sup>

### **Benchmarking Costs with Other Boards and Funding**

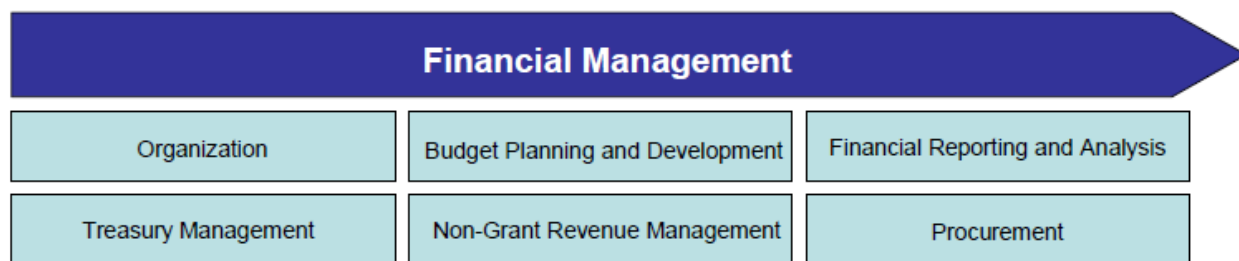
To ensure efficient use of resources, the department periodically compares teaching and support staff costs with those of similar boards. These comparisons are always made as part of the negotiation of collective agreements. Management also uses comparative data to provide detailed budget planning information to trustees.

Management believes that the results of the comparative analysis demonstrate that the school board's compensation costs are consistent with comparator boards. This information is used to inform budget decisions.

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<sup>23</sup> Ministry Budget Workbook

## 4. Financial Management – Findings and Recommendations



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

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

### 4.1 Finance Organization

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

- The establishment of policies and procedures to support the key finance functions, activities and required business priorities and their alignment with student achievement targets;
- Finance department support of the overall goals/priorities and accountability measures established by the school board;
- The efficiency and effectiveness of the departmental structure and support of the roles and responsibilities for the key functions, activities and practices;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

### Development and Reporting of Annual Goals and Priorities

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

### Organization Structure and Accountability

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

### Monitoring and Communication of Policy

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

### Development and Reporting of Annual Goals and Priorities

The finance function does not have a formal annual department plan that describes its goals and priorities. The primary mechanism by which the finance function identifies its priorities and timelines is through the regularly scheduled meetings of the executive council.

To provide specific guidance to its managers and staff on departmental goals and priorities, the finance function should develop an annual departmental plan which includes goals, responsibilities, timelines and appropriate performance measures. The

departmental plan should be aligned with the school board's strategic plan, which is currently being developed.

Establishing a departmental plan, in a format similar to the Board's Improvement Plan, will enable the department to better allocate accountabilities, establish measurable performance indicators, and track and report progress. As part of the process of developing the annual business plan, management could consider writing a mission statement to formally capture the department's purpose.

The finance department should also prepare an annual report to summarize its accomplishments.

### **Organizational Structure and Accountability**

The financial management function resides within the school board's business department. The finance department includes the assistant manager of finance, purchasing supervisor, tax supervisor and internal auditor, all reporting to the manager of finance. Roles and responsibilities are defined and well understood. The organizational chart is available on the school board's website.<sup>24</sup> Senior financial management staff have professional designations where appropriate.

### **Monitoring and Communication of Policy**

The finance department maintains a set of administrative guidelines covering pertinent aspects of financial management. These administrative guidelines are published on the school board's website.<sup>25</sup> The finance department does not have an established review cycle to ensure that its administrative guidelines are current. However, management indicated that all administrative procedures are continually updated to reflect modifications and additions mandated by the Ministry or the school board.

All finance-related administrative guidelines appear to have been modified or created over the last three years. Changes and additions to existing guidelines are discussed within the departments and brought forward to the executive council for review and approval. All significant modifications are communicated to principals and staff through information sessions at principals' meetings and Director's memoranda.<sup>26</sup>

Management also periodically provides training and skills development sessions to enhance finance policy and procedures awareness. For example, the finance department made presentations to staff on updates related to finance procedures, budget codes, and school fund audits. Professional Development Days have also been

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<sup>24</sup> [http://www.nearnorthschools.ca/docs/NNDSB\\_OrgChart.pdf](http://www.nearnorthschools.ca/docs/NNDSB_OrgChart.pdf)

<sup>25</sup> <http://www.nearnorthschools.ca/guidelines.asp>

<sup>26</sup> Sample memos provided

dedicated to review the features of the school board's new integrated financial system. These measures enable management to monitor and communicate updates of its key policies.<sup>27</sup>

### Recommendation:

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

## 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
The annual budget presented for approval demonstrates that it is linked to the board-approved goals and priorities including student achievement targets. It provides useful and understandable information for all stakeholders.	Yes

<sup>27</sup> Provided samples of materials used for training/ information sessions. See field binder

Leading Practices – Budget Planning and Development	Evidence of Adoption?
Budget planning processes account for all required cost and revenue changes.	Yes

## Enrolment Forecasting Linked to Budget Development

Leading Practices – Budget Planning and Development	Evidence of Adoption?
Management has adopted an integrated (school board and school levels) approach to enrolment forecasting. This supports development of the staffing plan and the annual budget.	Yes

## Identification of Risks and Mitigation Strategies

Leading Practices – Budget Planning and Development	Evidence of Adoption?
Management identifies all significant risks during budget planning, and develops strategies to mitigate the risk of spending beyond authorized/budgeted levels.	Yes

## Annual Budget Development Process

The annual budget process is transparent, clearly communicated, and incorporates input from all key stakeholders. The finance department has a detailed annual budget development schedule that guides the overall budget development process, and clearly identifies all the necessary inputs, stakeholders and activities. This budget schedule is communicated to all stakeholders to ensure widespread awareness.<sup>28</sup>

The Board has established a budget committee that meets monthly to review budget envelopes. In addition, the Board budget committee receives information regarding specific departments, job descriptions of staff in each of the departments and expenditures by department. This process was established in September 2007, and budget meetings started in November 2007.

The budget process starts in November, with the development of individual department budgets. By February or March the following year, the finance department confirms the school board's enrolment projections and prepares a preliminary budget for Board consideration. The Board reviews and deliberates the budget information presented by management during March and April.

<sup>28</sup> <http://www.nearnorth.edu.on.ca/agenda.asp>

Once the school board's revenue is confirmed with the issue of the Grants for Student Needs (GSN), staffing projections are refined and revised and a final budget is prepared and presented for the Board's approval in June. As part of the budget development process, management consults with various stakeholders such as principals, administrative staff and the Special Education Advisory Committee (SEAC). The school board's budget information packages are posted on the school board's website and are easily accessible by the public.

The annual budget presented for approval demonstrates that it is linked to the Board's Improvement Plan, including student achievement targets. Following approval of the budget by the Board, the school board communicates the results of the budget process with the broader community on its website.

In addition to the internal comparison of departmental expenditures, management has developed an analysis and comparison of departmental expenditures with comparable peer boards.<sup>29</sup> The analysis includes a comparison of actual historical expenditures by department as compared to school boards of similar size. This analysis of comparable department expenditures is provided to executive council and trustees for information purposes.

### **Enrolment Forecasting Linked to Budget Development**

The finance department is responsible for enrolment forecasting. The finance department works closely with school principals to develop enrolment projects by grade and by school. The enrolment forecasting process is started early in the budget development cycle, and enables management to develop preliminary highlevel expectations of the anticipated change in enrolment revenue, compared to the previous year. Significant changes in the enrolment forecast are incorporated in the budget development process.

The department has formally documented its enrolment projection process and conducted a five-year enrolment projection.<sup>30</sup> The process involves tracking historical headcounts and retention rates for various grades, making adjustments based on actual enrolment numbers and demographic considerations. The final enrolment projection is provided to the HR department for staffing allocation and costing purposes.

The finance department is currently considering the use of software (SPSPlus.Net) which allows management to track various data elements that impact enrolment. The program will assist staff in simulating a variety of scenarios and analyzing assumptions,

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<sup>29</sup> <http://www.nearnorth.edu.on.ca/agenda.asp>

<sup>30</sup> See pre-visit documentation binder



to produce accurate short and long-term enrolment projections. Management is encouraged to accelerate the implementation of this simulation capability.

### Identification of Risks and Mitigation Strategies

The school board identifies the key risk areas in the budget planning process. Budget risks at the department level, such as unexpected expenditures in snow removal due to adverse weather conditions, are monitored at the department level by the responsible manager. Although management has not formally documented these risks and the planned strategies to mitigate them, they are addressed regular updates to the executive council and budget account owners. Management also actively monitors expenditures during the year, through monthly interim financial reports as required by the Board's policy. These updates enable the Board to identify the risk of unfavourable variances, and take action to bring costs in line with the budget 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 Financial Reporting Accountability

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.	No
The board has an audit committee with external members as advisors.	No
The external auditor's planning and annual reports are presented to the board's audit committee, and any recommendations are acted upon by management.	Yes

## Integrated System for Variance Analysis and Financial Reporting

The school board recently implemented an integrated financial system, BAS2000, which provides useful, timely and accurate information to management, school staff and the Board. The accounts payable, budgeting, accounts receivable and purchase order modules are operational, and have served management and the Board very well.

Management has a number of ongoing initiatives to further enhance the performance of the financial information system. In particular, the finance department is working on developing and implementing a capital asset reporting module and a tendering system. These initiatives should enable management to improve the efficiency of the financial reporting process.

It should be noted that the school board's financial reporting system allows schools and responsible managers to access actual budget information and expenditures in real time. This feature assists staff in providing useful, timely and accurate information for budget monitoring and financial reporting purposes.

## Interim Financial Reporting Accountability

The finance department prepares monthly financial reports for the executive council and the board of trustees. Financial information is presented in reasonable detail, using the Ministry reporting expenditure categories. The reports include a comparison of the approved budget, the year-to-date expenditures and the remaining budget at the reporting date. The remaining budget amount is expressed as a percentage. There is also appropriate notation to provide additional descriptions of key variances in the budget. Interim reports are available on the school board's website in the meeting archives section.<sup>31</sup>

The format of reporting is consistent with good financial reporting standards. The quality of the variance analysis was not assessed in detail. The monthly financial report provides only limited explanations of whether the percentage spent to date is what would be expected of the period being reported. Management indicated that this information is often discussed during the Board meetings. Finance staff noted that the information has been prepared in the current format for some time, and that trustees have not asked for changes to the current format. The Superintendent of Business responds to questions regarding variances and other related matters when the report is presented to the executive council and the board of trustees.

The format of monthly or quarterly financial reporting varies significantly among school boards. An enhanced format would include:

- A comparative percentage for each major expenditure/revenue category, to reflect expected spending to date, relative to historical averages, prior year's experience or, in the case of salaries and benefits, the number of staff and pays processed to date.

The provision of such information would give reviewers an enhanced understanding of the year-to-date results.

The Superintendent of Business reviews and approves each monthly financial report before it is presented to the executive council and the board of trustees. However, at the time of the review, superintendents with budget responsibility were not required to sign off on their respective budget variances. If they were, this would assure that management is held accountable.

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<sup>31</sup> <http://www.nearnorthschools.ca/agenda.asp>

## Audit

The finance department has established a formal internal audit function, supported and approved by the Board. The internal auditor currently reports administratively to the manager of finance and to the audit committee on audit matters.

The finance department is commended for being proactive in establishing a formal internal audit mandate that includes the following key functions:

- Complete internal audits with regard to internal controls and financial procedures as requested by the Boards' audit committee;
- Complete internal audits pertaining to non-board funds and commercial purchasing cards;
- Development of internal audit plans and audit reports;
- Ensuring compliance with commercial purchasing card program;
- Enrolment projections for school board estimates and maintain variance schedules; and
- Ensure compliance with Ministry of Education requirements for enrolment recording.<sup>32</sup>

Management develops plans for individual internal audits and acts upon recommendations provided in audit reports. However, the school board has not yet developed a multi-year internal audit plan. Management acknowledges the need for a multi-year internal audit plan, and has established a timeline for its development. The multi-year internal audit strategy, once implemented, should enhance the school board's internal controls and ensure that the policies approved by the board of trustees are being fully complied with by all staff.

The Board has established an audit committee which consists of at least five trustees and meets a minimum of three times a year.

There is a broad statement of the committee's duties, including:

- Oversee the financial reporting process of the school board;
- Review the means of safeguarding assets and, as appropriate, verify the existence of such assets;

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<sup>32</sup> Refer to pre-visit documentation binder for the Internal Audit Charter

- Appraise the economy and efficiency with which resources are employed; ③ Report to the Board on any significant matters.

The external auditor's reports/management letters are presented to the Board's audit committee, and any recommendations are acted upon by the senior administration. Management acknowledges that the mandate of the audit committee could be clarified and communicated to the Board to ensure effective functioning.

Along with significant changes in accounting in recent years, the complexity of preparing the audited financial statements is increasing. Members of the audit committee, with the assistance of the school board's senior financial official and other advisors, should be able to independently assess the integrity and accuracy of the school board's financial statements. They should also appreciate the related complex accounting issues and the new accounting rules to be implemented. Audit committee members must understand what constitutes sound internal accounting and operational control processes.

The school board should consider adding external members to the audit committee who can act as advisors. The advisors would not be voting members, since current legislation only recognizes trustees as voting members on Board standing committees. The professional backgrounds of the external members could include professional accountants, lawyers or other professionals, depending on the needs of the committee and its mandate.

### **Recommendations:**

- The interim financial reporting to management and the Board is comprehensive in the detail and analysis provided. It would be enhanced by providing an expected level of expenditures for each category based on historical data, or, in the case of salaries and benefits, the number of staff and pays processed to date.
- Management should implement its intention to prepare a multi-year internal audit plan. The plan should be consistent with the mandate of the internal auditor, as described in the internal audit charter.
- Membership of the audit committee should be expanded to include at least two external members with appropriate professional backgrounds and designations to act as advisors and 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 school boards;
- Whether sufficient internal controls exist to support cash management, investments and borrowings;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

### Cash and Investment Management

Leading Practices – Treasury Management	Evidence of Adoption?
There is an efficient cash management process to maximize interest income, using short-term investments where appropriate.	Yes
Cash management activities consolidated with a single financial institution.	Yes
Management periodically reports to the board on the performance of the investment activity, in accordance with the approved investment policy in accordance with the <i>Education Act</i> .	N/A
Staff and management periodically compare the school board’s banking terms and conditions to those of similar school boards.	Yes
Management monitors financial risk related to cash/investment management, and has a plan to mitigate associated risks.	Yes
Management performs regular cash/funding forecasting to ensure that the school board’s debt service costs can be met to maturity.	Yes

### Management of School-Based Funds

Leading Practices – Treasury Management	Evidence of Adoption?
Management ensures adequate controls are in place to safeguard non-school board funds and coordinate the annual reporting of revenues and expenditures from schools and school councils.	Yes

## Cash and Investment Management

Finance staff have demonstrated that there are adequate treasury management procedures in place to minimize idle cash. The finance department uses a consolidated account structure to maximize interest earned by the school board. Finance staff periodically compares the school board's banking terms and conditions with those of similar school boards. Cash management activities are consolidated with a single financial institution and the school board tenders its banking relationship once every five years.

Finance ensures adherence to the procedures through active monitoring of cash activities, such as monthly bank reconciliations performed by dedicated staff. At the time of the review, the school board does not have an approved investment policy. Management noted that the school board has no material investments.

Management has been prudent in developing its capital funding plan and has not issued any long term debt to finance its planned capital projects. Management noted that the school board has not committed to any new construction until funding is secured and approved by the Ministry. The school board's capital liquidity template indicates that all committed capital projects are fully funded. Management intends to continue maintaining the detailed capital funding template developed by the Ministry. The template will enable them to monitor any potential funding shortfall many years in advance. Management is working with the Ministry to develop plans to mitigate the risk of any potential capital funding shortfall.

For the school board's existing planned and approved capital projects, management noted that it was able to secure short term borrowing at a lower rate than funding provided by the Ministry.

## Management of School-Based Funds

Management has developed administrative guidelines for accounting for non-board school-based funds. The guidelines specify accountability for school-based funds, define various types of funds, and provide rules and basic procedures to be followed at school level.<sup>33</sup>

To ensure adequate controls are in place to safeguard non-school board funds, management established audits pertaining to non-board funds as part of the internal audit mandate.

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<sup>33</sup> <http://www.nearnorth.edu.on.ca/guidelines.asp>

## 4.5 Non-Grant Revenue Management

The purpose of reviewing non-grant revenue management processes is to:

- Assess whether procedures are in place to ensure the timely, complete and accurate recording of the different types of non-grant revenue;
- Assess whether internal controls exist to support appropriate cash handling and cash management;
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

Non-grant revenue management is a smaller functional area for the school board.

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

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

### Policies and Procedures and Planning to Support Non Grant Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
The school board has established policies and procedures for the application of its fee structures.	Yes

### Procedures for all Non-Grant Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
Electronic registration and payment system are used where appropriate (e.g., ConEd, permitting of facilities, leasing, etc.).	No
Staff monitors all sources of revenue to ensure completeness and compliance with policies. Action plans and processes maximize collections including obtaining credit/risk assessments.	Yes



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

## Policies and Procedures and Planning to Support Non Grant Revenues

Management has developed administrative guidelines for accounting for schoolbased funds. The guidelines specify accountability for school-based funds, define various types of funds and provide rules and basic procedures to be followed at the school level.<sup>34</sup>

The finance department has established guidelines for the community use of facilities, including a standard permit application form. The guidelines provide a detailed fee structure. Overall, management reports that revenue from community rentals is not significant.

Management has also developed administrative guidelines for adult education (continuing education) programs. The school board applies a cost-recovery based pricing model to continuing education.<sup>35</sup> The finance department is working with the superintendent of student success to develop an annual budget for the continuing education program, to improve financial and accounting arrangements.

## Procedures for all Non-Grant Revenues

Management noted that finance staff monitors all sources of revenue to ensure completeness and compliance with policies. The continuing education department does not make use of an electronic registration and payments system. This is also true for permit issuing and payment for community use. Management acknowledges the need to establish electronic payment systems to enable finance to better manage its non-grant revenue collection processes.

The finance department has established adequate procedures for to record and track the various EPO grants received. Once a signed contract is received, the finance department sets up a budget and updates the general ledger. The department also provides access to the relevant accounts to coordinators and school principals as appropriate. Finance staff closely monitors the use of EPO grants, and the financial system generates alerts when spending limits are achieved. Management reported that

<sup>34</sup> <http://www.nearnorth.edu.on.ca/guidelines.asp>

<sup>35</sup> <http://www.nearnorth.edu.on.ca/guidelines.asp> (*The provision of programs to adult learners must occur at no cost to the Near North District School Board*).

individual coordinators are accountable for ensuring that the funds are spent for the purposes intended.

### **Recommendation:**

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

## **4.6 Procurement**

The purpose of reviewing procurement processes is to assess:

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

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

### **Procurement Policies and Procedures**

<b>Leading Practices – Procurement</b>	<b>Evidence of Adoption?</b>
Approved procurement policies and practices are clearly communicated to staff with purchasing authority, and are periodically reviewed and updated.	Yes
Vendor selection criteria include elements other than lowest cost, such as total cost of ownership, value, and quality and competitive procurement (including the use of public advertising for RFPs and tenders over a defined level).	Yes
Purchasing managers monitor and ensure compliance with the board's procurement policies and procedures.	Yes

## Participation in Buying Consortia

Leading Practices – Procurement	Evidence of Adoption?
The procurement strategy includes the participation in consortia/cooperatives for cost savings.	Yes
Management evaluate and develop strategies to increase purchasing power and minimize the cost of goods and services procured.	Yes

## Purchasing Levels of Authority

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

## Policies and Procedures for PCard/Corporate Card Use

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

## Accounting for Completeness of Purchase/Payment Cycle

Leading Practices – Procurement	Evidence of Adoption?
Automated three-way matching (purchase order, receipt/invoice and inspection) is used.	No
Commitment accounting is in place to monitor budget utilization.	Yes
Management has implemented electronic supplier interface for ordering, processing and payment, including the use of supplier portals.	No

## Use of Electronic Funds Transfer for Greater Efficiency

Leading Practices – Procurement	Evidence of Adoption?
Management maximizes use of electronic funds transfers (EFT) for payments.	No

## **Procurement Policies and Procedures**

The school board has established purchasing administrative guidelines which have been clearly communicated to all staff. The procurement guidelines are available on the school board's website. The guidelines address a number of key elements such as:

- methods of procurement (petty-cash, purchasing cards);
- price quotations and tender limits;
- special purchasing processes (request for proposals, negotiated contracts and the exemption from alternative pricing or quotation process);
- freedom of information;
- ethics;
- conflict of interests.

The procurement guidelines indicate that vendor selection criteria include elements other than lowest cost, such as value, and quality and competitive procurement. Finance staff monitors and ensures compliance with the school board's procurement policies and procedures.

## **Participation in Buying Consortia to Reduce Acquisition Costs**

The school board participates in a purchasing consortium of several school boards to procure natural gas and electricity. Management noted that participation in purchasing consortia has resulted in cost savings.

Management continually examines and evaluates opportunities to increase purchasing power and minimize the cost of goods and services procured.

## **Purchasing Levels of Authority**

The procurement guidelines provide for appropriate authorization levels commensurate with job titles and roles. These are monitored for compliance by the respective department officials. All departments adhere to the following limits for securing supplier quotations:

- Up to \$3,000 within the authority and budget limits of administrators or "designates", ensuring that the acquisition of such goods and services has encouraged open, fair and competitive pricing and meets the best interest of the Board;

- \$3,001 - \$30,000 – requires three written quotations;
- Over \$30,000 – requires that a sealed tender and/or request for proposal is issued by the purchasing department.<sup>36</sup>

The administrative guideline stipulates that a formal requisition process or request for proposal be advertised in media that will provide the best coverage across the geographical region of the Board. It is becoming more common for organizations to advertise for all tenders and/or RFPs over a certain dollar threshold.

### **Policies and Procedures for Purchase Card/Corporate Card Use**

Purchase cards (PCards) have been provided to approximately 100 employees. Clearly communicated administrative guidelines govern PCard use, and the finance department has provided additional information to card users.

Most of the PCards have individual transaction limits of \$500 and a limit on the number of individual transactions (swipes). The total spending limit for each cardholder is determined by the commercial card coordinators in conjunction with department and/or school administrators, and approved by the superintendant of business.

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

The school board has a commitment accounting process, where the purchase is encumbered to the general ledger after the purchase order is issued. Purchase orders that exceed the available budget are not processed by the system..

Finance staff have implemented three-way matching between purchase orders, receipt/invoice and inspection. Management acknowledges the need for an automated matching process using the capacity of the existing financial system.

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

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

The school board does not currently make broad use of EFTs but recognizes the importance of doing so, both from efficiency and risk perspectives. EFTs are currently used for payments to benefit carriers and the energy purchasing consortium.

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<sup>36</sup> Refer to Signing and Purchasing Authority Administrative Guideline on board's website <http://www.nearnorth.edu.on.ca/guidelines.asp>

Management is in the process of enhancing the use of EFTs and planning a pilot project with a sample of vendors.

**Recommendations:**

- Management should determine the feasibility and requirements to implement electronic supplier interface for ordering, processing and payment.
- Management should consider implementing an automated three-way matching process using the capacity of the existing financial system.
- Finance staff should maximize use of EFT payments to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.

## 5. School Operations and Facilities Management – Findings and Recommendations



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

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

### 5.1 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 operations and facilities department's goals and priorities are documented in an annual department plan that is aligned to the annual board improvement plan and is accessible by key stakeholders. The plan incorporates measurable targets, specific timelines, and identified accountability.	No

### Organizational Structure and Accountability

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

### Monitoring and Communication of Policy

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
Management has processes in place to monitor departmental policy compliance.	Yes
Processes exist to monitor new legislation and regulations and implement necessary changes.	Yes
Management provides scheduled policy and procedure awareness, and training to address ongoing skill development and emerging regulatory issues.	Yes



## Development and Reporting of Annual Goals and Priorities

The plant department primarily identifies its priorities and timelines through the regularly scheduled meetings of the executive council. The plant department does not currently have a formal annual business plan setting out its specific goals and priorities.

Management noted that the plant department plans to develop a formal business plan in the current school year, as part of the Director's initiative to develop a board-wide strategic plan. In particular, management has identified the development of a multi-year maintenance plan and maintenance standards as two specific priorities for the near term. Other annual goals and priorities are determined by compliance with new regulations and requirements related to facility and maintenance operations.

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

## Organizational Structure and Accountability

The plant department reports to the Superintendent of Business. The school board has defined the organizational structure for the plant department and has posted it on its website.<sup>37</sup> The roles and responsibilities for these positions are clearly outlined in their respective job descriptions, and are well understood by the organization. Key department staff have appropriate related experience.

The plant department is led by the manager of plant with support from a facilities clerk. The manager of plant is based in the board's office, and is responsible for the planning and supervisory aspects of the maintenance and custodial functions. Four facility services supervisors and two maintenance supervisors provide local supervision and support for custodial and maintenance staff respectively. The facility supervisors oversee operations across four families of schools, and the maintenance supervisors administer maintenance services across two regions. This requires significant travel by supervisors. Management indicated that it is continually evaluating the effectiveness of the plant department's organizational structure.

For school boards that cover large geographical areas, it is often necessary to provide some form of central supervision of maintenance and custodial functions. This central supervisory function provides crucial coordination of resources, and ensures efficient deployment of staff across a wide geographical region. At the same time, the supervisors should also stay connected with local staff through frequent, rotating field visits throughout the school year.

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<sup>37</sup> [http://www.nearnorthschools.ca/docs/NNDSB\\_OrgChart.pdf](http://www.nearnorthschools.ca/docs/NNDSB_OrgChart.pdf)

In addition to cleaning and maintenance of schools, the plant department is responsible for construction projects and major renovations. This is accomplished with the assistance of contracted engineers and architects and other services.

The school board's capital planning function, commonly part of the plant or operations department in other school boards, is performed by an outside contractor. The role of capital planning includes the identification of the board's capital requirements, a capital funding plan, and a consultative process to ensure appropriate involvement from impacted community stakeholders. Management indicated that the main reason for not performing the capital planning function internally is due to resource constraints. Management also indicated that the function is currently carried out by an experienced and knowledgeable contractor who has the expertise to carry out the function; this arrangement appears to be functioning effectively.

### **Monitoring and Communication of Policy**

The plant department maintains a set of administrative guidelines covering pertinent aspects of facilities and operations management. These administrative guidelines are published on the school board's website.<sup>38</sup> The plant department does not have an established review cycle to ensure that its administrative guidelines are current.

However, all facilities and operations related administrative guidelines appear to have been modified or created over the last three years.

Through the support of the HR department, appropriate training is provided to custodial and maintenance staff to address policy issues and the need for compliance with the various regulatory requirements. Examples of this include asbestos training and floor maintenance training.<sup>39</sup>

### **Recommendation:**

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

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<sup>38</sup> <http://www.nearnorth.edu.on.ca/guidelines.asp>

<sup>39</sup> List of training provided in pre-visit binder

## 5.2 Custodial and Maintenance Operations

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

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

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

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

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The school board has adopted cleaning standards and has developed a standard set of processes and tools to monitor, manage, and report on results.	No
Management’s custodial/maintenance allocation model optimizes use of staff.	No

### Development of Annual/Multi-Year Maintenance Plan

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Using stakeholder input, management develops an annual/multiyear maintenance plan for deferred maintenance priorities and maintenance standards. Outcomes improve the learning environment. The plan optimizes the use of available funding (Annual Renewal Grant and Good Places to Learn funding) and is approved by the board.	No

## Training to Support Skills Development and Safety

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

## Standardization of Cleaning and Maintenance Supplies

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
An inventory system tracks and controls major cleaning and maintenance equipment.	No
Common standards ensure efficient procurement of supplies to minimize costs and promote energy and operating efficiency.	No

## Project Management, Monitoring and Support Systems

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
A work-order system and process that records, monitors, and evaluates projects ensuring the effective use of resources.	No
Management regularly evaluates the overall effectiveness and efficiency of its maintenance and custodial service practices.	Yes

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

The school board has not developed formal cleaning standards. Management noted that the development of cleaning standards is one of the immediate priorities of the plant department. Once completed, the cleaning standards should enable management to monitor, manage and report on cleanliness levels on a regular basis.

The school board's custodial staff allocation model is based on square footage only. The model provides for a basic method of deployment of custodial resources across the board's facilities. The custodial staffing formula includes the use of split shifts as a means of controlling costs.

It should be noted that it is common for school boards to include a range of other factors in determining the custodial staff allocation model. These factors typically include the number of teachers and students per school, number of rooms in use, number of plumbing fixtures, number of water tables, number of stories, number of lunch classrooms, number of portables and the inclusion of gymnasiums. Typically, the

custodial staffing formulas in other school boards are adjusted annually, to ensure that the custodial allocation reflects changes during the year.

Facility services supervisors ensure that communication is facilitated between management and custodial staff regarding their concerns, suggestions and observations.

### **Development of Annual and Multi-Year Maintenance plan**

Management develops an annual maintenance plan that addresses its critical maintenance and renewal projects.<sup>40</sup> The plan prioritizes renewal projects according to the following criteria:

- Health and safety considerations – projects insuring the safety of facilities;
- Maintenance and infrastructure – projects insuring ongoing operations and extending life of facilities;
- Program upgrades – projects maintaining/ upgrading the use of facilities;
- Aesthetic repairs – projects improving the overall appearance of facilities.

At present the school board does not expand its planning to a multi-year framework. The school board's maintenance and renewal activities are re-assessed annually through individual school assessment, with consultation from custodial, maintenance and school staff. Priorities are then incorporated into the annual plan. This ensures that schools are maintained in the best condition possible to support improved student learning and facilitate employee productivity. Management noted that expanding the planning to a multi-year framework could enable it further optimize the use of available funding through the Ministry's annual renewal grant and Good Places to Learn funding.

The development of a multi-year maintenance and renewal plan (e.g. three to five years) would give the school board and its stakeholders a better understanding of the system's needs over an extended period. The annual assessment could be expanded to provide the multi-year perspective of the needs of both planned (regular) and urgent maintenance and renewal requirements. This plan could also be supported by the funding sources available for related costs, which include annual operations, renewal grants and the Good Places to Learn allocation. This would provide management and the Board with a better planning perspective.

Management uses the ReCAPP database to guide the development of the annual major maintenance and renewal priorities. This work has been supported by the Ministry's

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<sup>40</sup> Refer to the School Facility Renewal Projects 2007-08 spreadsheet in the pre-visit binder

Good Places to Learn funding, enabling the school board to carry out critical renewal work on its schools. Management believes the current quality of data in the school board's ReCAPP database is adequate, but acknowledges that there are substantial opportunities for improvement in data integrity. The data in the school board's ReCAPP database is updated approximately once or twice a year.

### **Training to Support Skills Development and Safety**

The plant department has an annual training program for custodial staff. Examples of this training include asbestos management, floor care, and scaffold training.

In addition, the school board issues a periodic newsletter that addresses issues of safe work practices and provides guidance to custodians on accident and injury prevention.<sup>41</sup>

### **Standardization of Cleaning and Maintenance Supplies**

The plant department does not maintain a formal inventory of major cleaning and maintenance equipment. The school board has established administrative guidelines for borrowing board-owned equipment by staff.<sup>42</sup> The school board supports the loan of portable school board-owned equipment for work-related educational purposes. Borrowing school board-owned property for personal use by staff is not permitted.

The manager of plant monitors purchasing of cleaning and maintenance supplies based on the allocated budget. Facility supervisors are responsible for the collection of orders for custodial and maintenance supplies.

The plant department has hired external consultants to assess the cost and usage of custodial supplies.<sup>43</sup> Management noted that this will enable it to ensure efficient procurement of supplies to minimize costs and promote energy and operating efficiency.

### **Project Management, Monitoring and Supporting Systems**

The plant department tracks maintenance and custodial work orders manually. The school board has not developed an automated work order system. Maintenance needs are identified at the school level. Maintenance supervisors determine if the work can be completed by custodial staff or must be contracted out to licensed trades. Maintenance supervisors issue paper work orders for contracted services. Management acknowledges that the existing paper-based work ordering process is not optimal. The

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<sup>41</sup> *Taking Care of Business* newsletter, see field binder

<sup>42</sup> <http://www.nearnorth.edu.on.ca/guidelines.asp>

<sup>43</sup> Reliable; see summary in the field binder

plant department is in the process of developing an electronic system to track and monitor all work orders.

The plant department updates ReCAPP once or twice a year to help inform maintenance planning. Management also uses SFIS, which is updated annually. The monitoring and planning of school capacity is reported January 31 each year, as required in SFIS. A second report in October, if required, addresses capacity and enrolment issues.

Management continually evaluates the use of internal versus externally provided custodial and maintenance services. Management reported that contracted services are an integral part of the school board's plant operations. Currently, the school board contracts a range of facility and maintenance services, including, for example, snow and waste removal, water testing, fire suppression and alarm services, and asbestos management. The school board has also engaged external consultants for its construction projects. Management believes that contracted services provide the school board with access to skilled support staff and resources that enable administration to respond to issues in the most cost-effective way.

#### **Recommendation:**

- The school board should proceed with its initiative to develop cleaning standards. Management should ensure that these standards are implemented effectively, through periodic site visits and maintenance of a proper review log.
- Management should consider reviewing its custodial allocation formula, and include additional factors that could affect the allocation outcome. These factors should be reviewed and adjusted annually to reflect changes during the year. The formula should also account for any regulatory or Ministry requirements.
- Management should establish a multi-year maintenance and renewal plan which includes the funding available to support it. This would provide the senior administration, the Board and its stakeholders with a clear forecast of the school board's critical needs over the next several years.
- Management should develop an inventory of major equipment used by maintenance and custodial staff. Trades employees could work with their supervisors to complete an inventory of their own tools. These measures would increase management confidence that staff are accountable for their use of the school board's assets.
- Based on the assessment of cost and usage of custodial supplies, management should further develop common standards to ensure efficient procurement.

- The school board should consider developing a business case to implement an automated (electronic) work order system to streamline the management, dispatch, tracking, costing and reporting of facility renewal and general maintenance work orders.

### 5.3 Energy Management

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

- Whether adequate planning and communication exist to support the reduction of energy consumption;
- Whether school board structure and processes are in place to ensure that energy is procured for the lowest cost;
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

#### Energy Management Plan

Leading Practices – Energy Management	Evidence of Adoption?
Management has established a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.	No
Purchasing practices support energy conservation objectives (e.g. Energy Star products, leveraging consortia membership).	Yes
Successful conservation initiatives are shared across all schools and with other school boards.	Yes

#### Tracking and Reporting Energy Conservation

Leading Practices – Energy Management	Evidence of Adoption?
Management provides formal annual reporting on the conservation savings achieved against the plan.	No



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

## Energy Management Plan

Many of the school board's facilities were constructed more than 30 years ago<sup>44</sup> and typically lack built-in insulation and energy conservation features more common in new buildings. Management recognizes the importance of promoting energy conservation, and has initiated a number of projects in this area.

The most significant initiative to date was the "Energy Management Contract" conducted by an outside energy consultant<sup>45</sup> in which approximately \$2 million of boiler, lighting and fuel conversion replacements were completed. Management noted that these energy conservation projects saved energy and had a tangible return on investment. Other energy conservation initiatives implemented by management include roof replacements and school energy audits.<sup>46</sup>

The school board has established a Board Environmental Committee (school principals, senior administration and other board staff) to build awareness of energy conservation and promote green living among students and staff. The results of the school energy audits have been shared with the community for information purposes.

The school board currently has an arrangement for the purchase of electricity and natural gas through a consortium with a number of other school boards. This has resulted in cost savings and better pricing for the school board.

Management has not developed a formal, multi-year energy management strategy that includes a framework to establish quantifiable energy consumption baselines and savings. Such a plan would enable management to serve as the foundation for a coordinated energy management strategy, set out quantifiable targets for energy consumption and expenditures, and enable regular status updates from management to the Board.

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<sup>44</sup> Note from SBO to Director dated May 12, 2005.

<sup>45</sup> Honeywell Controls Ltd.

<sup>46</sup> May 12, 2005 report to Director.

Management shares successful conservation practices across all schools, and examines energy management and conservation initiatives implemented by other school boards. Management reported that the school board discussed options for potential energy management and conservation projects with external consultants recently, but did not proceed with implementation due to the significant capital costs associated with the projects.

### **Tracking and Reporting Energy Conservation**

In the past, designated plant department staff tracked electricity consumption at the school level each month. However, due to limited resources, the department no longer generates consumption reports.

The school board has not established measurable conservation targets. The school board has engaged external consultants to conduct energy audits at a number of schools.

Management reported that energy efficiency considerations are taken into account in all maintenance, repair and renewal projects implemented at the school board.

The school board implemented centralized technology that enables energy efficient practices through automation at some facilities. Management reported that all new school buildings use centralized technology that enables the Board to remotely manage and control energy consuming equipment (i.e. heating, air conditioning).

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

### **Recommendations:**

- The school board should consider establishing a formal multi-year energy management plan that incorporates quantifiable measures and is aligned with the strategic direction of the school board.
- Management should carefully consider returning to the practice of recording and tracking energy consumption/expenditure data at the facility level.
- The school board should examine ways to fully consolidate its utility billings across its facilities. This will enable management to better track and monitor energy consumption patterns, and provide formal annual reporting on the conservation savings.

## 5.4 Health, Safety and Security

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

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

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

### Development, Monitoring, and Tracking of Policies and Plans for Health, Safety and Security

Leading Practices – Health, Safety and Security	Evidence of Adoption?
The maintenance of health, safety and security policies and the development of appropriate plans ensure compliance with statutory health, safety and security requirements.	Yes
The security code policy includes alert codes that reflect the situation and threat level, and identify departmental responsibilities.	Yes
Security incidents are tracked by type of incident (e.g. property damage, intrusion, etc.).	Yes
Operations management follow Ministry guidelines, policy and legislation on healthy schools.	Yes
Safe school teams responsible for school safety (e.g. PPM 144) are implemented in every school.	Yes
Water and air quality standards are monitored and issues are reported for corrective action.	Yes

## **Development, Monitoring and Tracking of Policies and Plans for Health, Safety and Security**

The school board's health and safety program is the responsibility of the HR department. The school board has health and safety policies and administrative guidelines which are available on the school board's website. The health and safety guidelines address a number of issues:

- Facility security
- Board emergency response plan
- Reporting and investigating accidents
- WHMIS
- Workplace inspections
- Playgrounds

The school board has established a joint health and safety committee and established formal terms of reference for the committee.<sup>47</sup>

In 2007, management engaged School Boards Cooperative Inc. to undertake a health and safety audit. The audit was an example of management taking a proactive approach to assist the school board in developing an improvement plan for health and safety issues. Management has established a Health and Safety Emergency Response Plan. Management also reported that a recent Ontario Safety Board audit on the board's health and safety practices indicated that the school board substantially met all compliance requirements.<sup>48</sup>

Management has also developed a draft Annual Action Prevention Plan which sets out the objectives, performance measures, specific activities related to health and safety and implementation status.<sup>49</sup> Management plans to finalize and implement the annual plan, and continue undertaking annual planning of health and safety program.

Management is currently working on a business continuity plan, in conjunction with the board's IT department. The business continuity plan includes steps to achieve resumption of services in case of an unplanned outage of critical services. In light of the potential impact on business service, it would be useful for management to formally

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<sup>47</sup> Refer to the pre-visit for the terms of reference of the H&S Committee

<sup>48</sup> OSB audit indicated 96% compliance.

<sup>49</sup> Refer to the field documentation binder for draft plan

outline the timeline and specific steps required to implement the business continuity plan.

The school board has developed a health and safety policy statement and administrative guidelines. Management actively promotes efforts that lead to a safe and healthy environment and ensures compliance with Ministry guidelines, policy and legislation on healthy schools. Management tracks and reports all negative incidences related to health and safety.<sup>50</sup>

Management has developed a safe schools code of conduct for all persons in schools, pending appropriate consultation. It is envisaged that each school principal, in consultation with the staff, school council, and students as appropriate, will establish a School Code of Conduct that reflects the provincial and school board codes. Each school has established a critical event response team (CERT) comprised of educators and support staff who are trained to respond to crisis events.

Management monitors water and air quality standards and issues, and takes appropriate corrective action.

## 5.5 Capital Plans, Policies and Procedures

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

- Assess whether school capital assets are being utilized effectively and efficiently;
- Assess how well management is planning for future capital requirements, based on enrolment forecasts and the capacity/maintenance issues of the existing asset base, relative to the funding available from the Ministry (i.e. NPP funding);
- Assess whether management is appropriately prioritizing the maintenance and renewal expenditures in light of the available Ministry funding and multiyear capital programs;
- Identify appropriate controls and transparency within the current planning process;
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

The following table summarizes the leading practices defined for capital plans, policies and procedures, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not

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<sup>50</sup> Refer to the pre-visit documentation binder for a sample incident report

completely adopted at the time of the review, a “No” indicates that an improvement opportunity exists.

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

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

### On-going Monitoring and Maintenance of Data to Support Capital 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 utilization.	Yes
Capital forecasts and related funding plans are assessed annually and adjusted to meet current needs and changes to original assumptions such as enrolment projections and capital grants.	Yes
An accurate and up-to-date assessment of facility conditions is maintained, based on industry standards (using RECAPP methodology).	Yes

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

Management has hired an external contractor to serve in the role of the school board's strategic renewal officer. The strategic renewal officer is responsible for assisting the school board in capital planning, including the identification of the board's capital requirements, a capital funding plan, and accommodation reviews.

The Board approved its pupil accommodation review policy on May 22, 2007.<sup>51</sup> The policy is included in the Board's Governance Manual. The Board has also established formal guidelines for accommodation review committees. The school board is currently making progress with a second year of accommodation reviews.

The school board has developed and submitted its 10-year capital plan to the Ministry through the Ministry's SFIS web site. This plan includes the school board's capital requirements, as well as the facility renewal needs for the same time period. The Ministry requires that the plan include projects with identified funding and those where

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<sup>51</sup> Refer to the Governance Manual

the funding is unknown. This data is required by the Ministry to provide an understanding of the potential needs of all school boards over the 10-year period.<sup>52</sup> The board of trustees has reviewed the 10-year capital plan and received regular updates on its status through the board building committee.

Management maintains a detailed funding forecast of both committed and proposed capital projects based on the Ministry capital liquidity template. The school board's recently submitted capital liquidity template indicates that the school board has available capital funding through committed projects that are eligible for debt commitment support of approximately \$16.7 million, New Pupil Place grants of approximately \$9.3 million and capital reserve funds of approximately \$7.3 million.

The school board currently has one uncommitted capital project to replace a secondary school<sup>53</sup> through the Ministry's Prohibitive to Repair (PTR) grant program. The school board has been proactive in working with the Ministry to establish a mutually agreeable funding formula, based on benchmark construction costs. To this end, the school board is participating in a pilot project initiated by the Ministry, with support from an urban school board in southern Ontario, to establish benchmark costs for the planned construction project. The determination of the benchmark construction costs will have implications on the long term capital liquidity of the school board. Management is working closely with the Ministry to determine the benchmark costs. The school board will not proceed with construction until it has received approval from the Ministry and management has sufficient confidence that there will be no potential shortfall in the school board's capital reserves in the future.

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

The monitoring and planning of school capacity is reported each year in the Student Facilities Inventory System ("SFIS"). A second report addresses capacity and enrolment issues. The school board maintains accurate and up-to-date inventories of school capacity and utilization, and reports to the board of trustees annually on their status.

Facility staff currently use ReCAPP as a tracking tool for projects eligible for Renewal Grant and the Good Places to Learn funding. Staff stated that they update the ReCAPP database at least two times a year.

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<sup>52</sup> <http://www.nearnorth.edu.on.ca/docs/capital%20plan%202006.pdf>

<sup>53</sup> Almaguin Highland Secondary School

## 5.6 Construction Management

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

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

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

### Cost Effective Practices in the Design and Construction of Facilities

Leading Practices – Construction Management	Evidence of Adoption?
Management uses cost-effective designs, standard footprints, energy conservation and economical construction practices to minimize construction, maintenance and operation costs.	Yes
Management maintains standard policy and procedures to rationalize construction projects, including benchmarking against other school board construction costs and design standards (including coterminous boards).	Yes

### Monitoring and Reporting on Progress of Construction Projects

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

### Maintaining Current Approved Professional Service Providers

Leading Practices – Construction Management	Evidence of Adoption?
Management evaluates and updates the approved list of contractors, architects and related professionals periodically, ideally in five-year cycles.	Yes



## **Cost-Effective Practices in the Design and Construction of Facilities**

Historically, the school board has not been engaged in significant construction activity, and has only completed three new school building projects over the past few years. The most recent construction project was completed in 2005.<sup>54</sup> The Board has recently approved the construction of new facilities as part of the school board's capital plan. These construction projects are planned to start as early as 2009.

Due to the infrequency of construction projects, management has not established standard footprints for constructing new schools. However, as noted in the previous section, the school board is participating in a pilot project with a southern Ontario school board to establish common benchmark standards for construction design and costs.

Management intends to minimize expenditures on construction, renovation and operation costs through the use of cost-effective designs and economical construction practices. The school board secures this expertise by hiring external architects, engineers and designers. Management also hires external project management consultants to monitor construction projects and ensure project quality and appropriate payment to other contractors.

Management maintains standard procedures for procurement to control school renewal and construction costs. These include the use of pre-qualified general and subcontractors for bigger projects, and selecting local contractors to avoid additional costs associated with distance.

## **Monitoring and Reporting of Progress on Construction Projects**

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

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

## **Maintaining Current Approved Professional Service Providers**

Management tenders for architectural, engineering and construction management services once every five years, in accordance to the Board's procurement policies. Due

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<sup>54</sup> Whitewoods Public School

to the limited number of local contractors in northern Ontario, the school board uses pre-qualification of vendors for large construction projects.

## Appendices

### Appendix A: Overview of the Operational Review

#### Operational Review Objectives

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

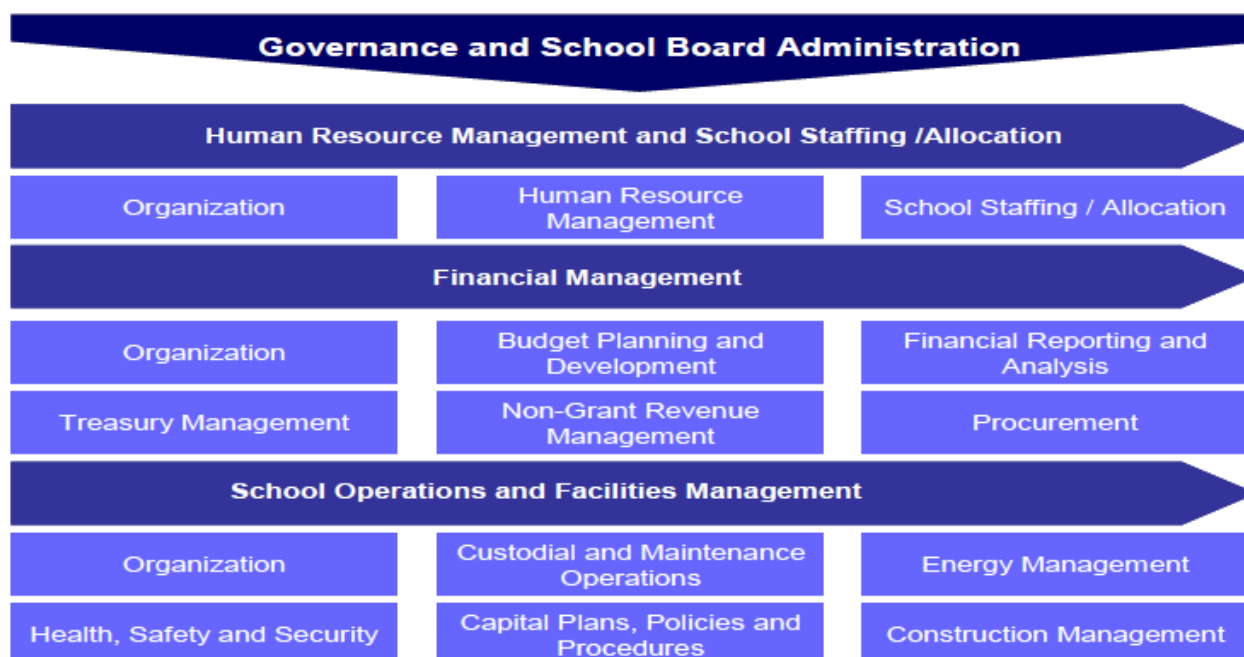
Recognizing the unique characteristics of each DSB, the specific purpose of the Operational Reviews is to:

- Strengthen management capacity in 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.

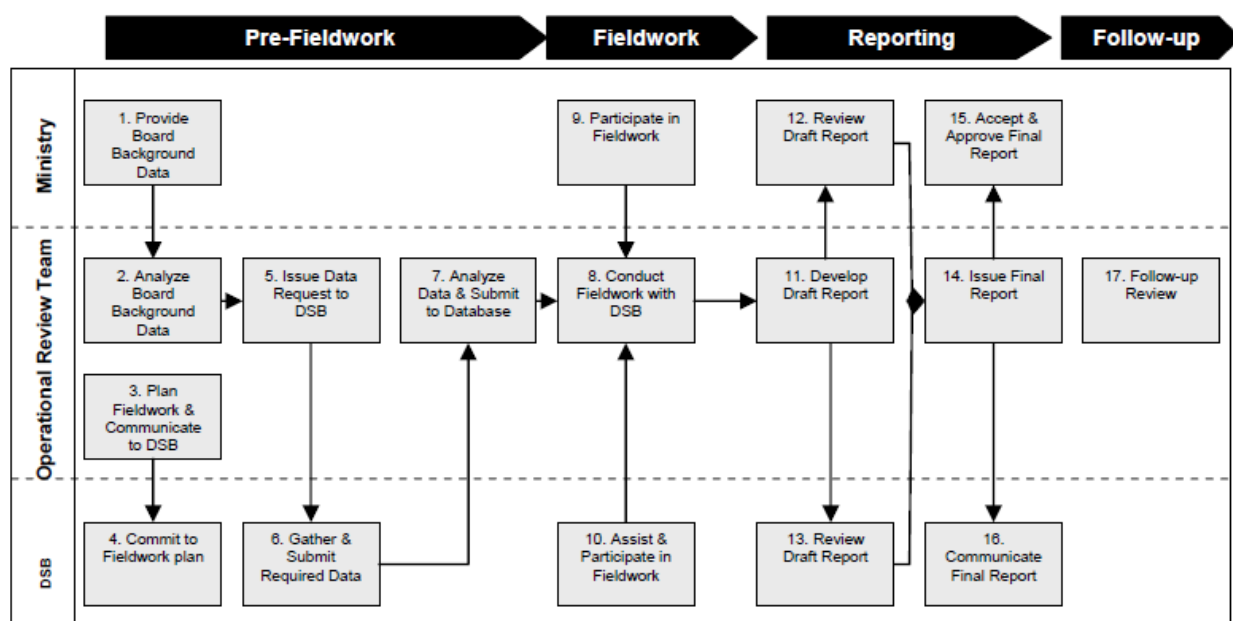
Each of the processes was examined based on its activities and its adoption of sector agreed leading practices, including alignment and support of student achievement strategies.



### 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 of leading practices.



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

### Phase: Pre-Field Work

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

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

## Phase: Field Work

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

## Phase: Reporting

Key Activity	Description
Develop Draft Report	Based on the results of the fieldwork and data analysis, the operational review team writes a draft report. The draft report contains a synopsis of findings and, where appropriate, recommendations for improvement.
Review Draft Report (Ministry)	The Ministry reviews the draft report and provides feedback to the review team.
Review Draft Report (school board)	The review team meets with school 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.

Key Activity	Description
Communicate Final Report	The Ministry issues a final report to the school board.

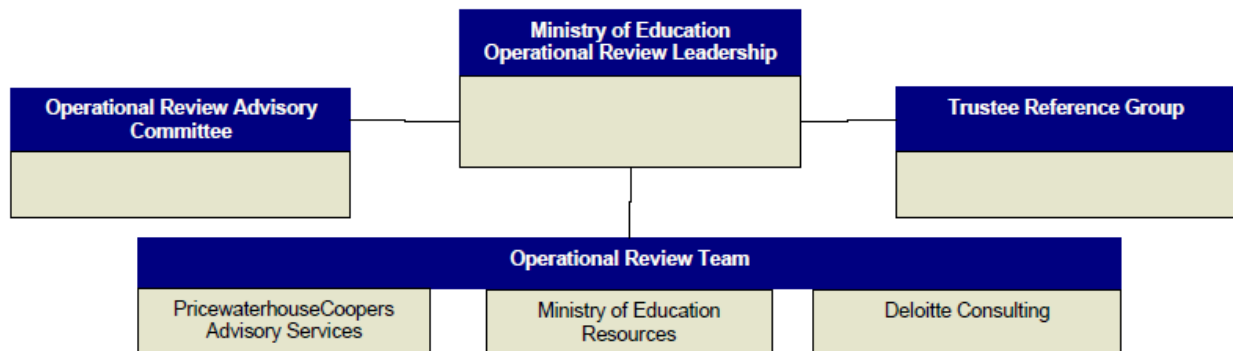
### Phase: Follow up

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

### The Operational Review Team

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

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



### Limitations of this Review

The purpose of this report is to document the results of the Operational Review of the Near North 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.	Management should continue to develop the Board's strategic plan to provide a framework for annual planning.
2.	Senior administration should develop annual improvement plans for nonacademic departments, and incorporate them into the Board Improvement Plan. The Board Improvement Plan should be aligned with the board's multiyear strategic plan, and have goals that are specific, measurable, achievable, relevant and timely. This will enable the senior administration and staff to focus on the planned targets for each priority throughout the year, and provide support for the reporting on the school board's accomplishments.
3.	The Board should improve compliance with its policy review cycle. At a minimum, management should also indicate the last review/revised date for all policies, to demonstrate compliance. Management should also establish a predefined review schedule for its administrative guidelines.
4.	The Director, in consultation with senior staff, should develop a formal succession plan to manage retirements and resignations at the senior administrative level.

### Human Resources Management and School Staffing/Allocation

No.	Recommendation
5.	The HR department should develop an annual plan aligned to the school board's strategic plan. The departmental plan should include performance measures and targets for specific goals and priorities, and complete the planned annual reporting on achievements. This will enable staff to focus on the planned targets for each priority throughout the year, and support reporting on the department's accomplishments.
6.	HR management should proceed with its plans to release administrative guidelines regarding disciplinary issues and provide awareness training for all staff.
7.	The HR department should proceed with its plans (as approved by the executive council) to develop and implement a formal attendance support program, based on advice by external consultants.
8.	The HR department should proceed with its plans to implement an information management system to facilitate monitoring of its attendance data. This will also allow formal trend analysis and assessment in the future.
9.	HR management should conduct independent compliance audits of the school board's insurance carrier periodically, to ensure adherence to the benefit plans terms and conditions.
10.	The HR department should consider conducting exit interviews.



## Financial Management

No.	Recommendation
11.	The finance department should develop an annual plan that includes performance measures and targets for its specific annual goals and priorities, and complete the planned annual reporting on achievements. This will enable staff to focus on the planned targets for each priority throughout the year, and provide support for reporting on the department's accomplishments.
12.	The interim financial reporting to management and the Board is comprehensive in the detail and analysis provided. It should be enhanced by providing an expected level of expenditures for each category based on historical data, or, in the case of salaries and benefits, the number of staff and pays processed to date.
13.	Membership of the audit committee should be expanded to include at least two external members with appropriate professional backgrounds and designations to act as advisors and contribute to the committee's effectiveness.
14.	Management should implement its intention to prepare a multi-year internal audit plan. The plan should be consistent with the mandate of the internal auditor, as described in the internal audit charter.
15.	Management should consider implementing an electronic payment and registration system for its continuing education and community use of facilities programs. In doing so, management should review the existing electronic solutions in place at several other school boards.
16.	Management should determine the feasibility and requirements to implement an electronic supplier interface for ordering, processing and payment.
17.	Management should consider implementing an automated three-way matching process using the capacity of the existing financial system.
18.	Finance staff should maximize use of EFT payments to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.

## School Operations and Facilities Management

No.	Recommendation
19.	The plant department should proceed to develop an annual plan that includes performance measures and targets for its specific annual goals and priorities, and complete the planned annual reporting on achievements. This will enable staff to focus on the planned targets for each priority throughout the year, and provide support for reporting on the department's accomplishments.
20.	The school board should proceed with its initiative to develop cleaning standards. Management should ensure that these standards are implemented effectively, through periodic site visits and maintenance of a proper review log.
21.	Management should consider reviewing its custodial allocation formula, and include additional factors that could affect the allocation outcome. These factors should be reviewed and adjusted annually to reflect changes during the year. The formula should also account for any regulatory or Ministry requirements.
22.	Management should establish a multi-year maintenance and renewal plan which includes the funding available to support it. This would provide the senior administration, the Board and its

No.	Recommendation
	stakeholders with a clear forecast of the school board's critical needs over the next several years.
23.	Management should develop an inventory of major equipment used by maintenance and custodial staff. Trades employees could work with their supervisors to complete an inventory of their own tools. These measures would increase management confidence that staff are accountable for their use of the school board's assets.
24.	Based on the assessment of cost and usage of custodial supplies, management should further develop common standards to ensure efficient procurement.
25.	Management should consider developing a business case to implement an automated (electronic) work order system to streamline the management, dispatch, tracking, costing and reporting of facility renewal and general maintenance work orders.
26.	The school board should consider establishing a formal multi-year energy management plan that incorporates quantifiable measures and is aligned with the strategic direction of the school board.
27.	Management should carefully consider returning to the practice of recording and tracking energy consumption/expenditure data at the facility level.
28.	The school board should examine ways to fully consolidate its utility billings across its facilities. This will enable management to better track and monitor energy consumption patterns, and provide formal annual reporting on the conservation savings.