

Ministry of Education

**Operational Review Report
The Northwest Catholic District
School Board**

April 22, 2009

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Executive Summary

This report details the findings and recommendations of the Operational Review of the Northwest Catholic District School Board (the school board) conducted by the Operational Review Team composed of external consultants from PricewaterhouseCoopers LLP and Ministry of Education staff. The Operational Review was conducted over three days beginning January 27, 2009.

Introduction

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

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

The Operational Review Team found that the school board has adopted a number of the leading practices in all of the functional areas reviewed. The student achievement results reported by the school board demonstrate steady improvement since 2002-2003. The school board's continued focus on student achievement will allow it to further improve the results.

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

Governance and School Board Administration

The school board's governance model clearly delineates the roles and responsibilities of the board of trustees (the Board) 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 of trustees has eight members. The senior administration is composed of the Director of Education, Superintendent of Business, Superintendent of Education, Manager of Information Systems and an HR Administrator.

The Board has an established cycle for review of its policies. The administrative procedures are developed and reviewed by school board administration. There is no schedule to review and update the school board's administrative procedures. The school board administration reviews and updates the administrative procedures, in line with changes in Board's policies and new ministry policies and directions.

The Board developed a multi-year strategic direction which outlines the school board's goals and objectives for both academic and non-academic functions. The 2008- 2011 strategic direction provides a framework for policy development and planning at the operational and departmental levels.

Each year, school board administration develops a strategic action plan to implement the Board's strategic direction. The strategic action plan sets out actions under eight areas (pillars) established by the Board, and includes timelines and responsibilities. Management also develops an annual Board Improvement Plan to address academic priorities and initiatives. The plan addresses key academic areas identified by the administration, based on EQAO results: writing and reading.

The Board reviews the multi-year strategic direction annually, in consultation with the Director and other staff. The Director provides the Board with an annual report on the achievements related to the strategic action plan and the Board Improvement Plan.

The school board's organizational chart (published on the school board website) identifies the reporting relationships between the senior management team and other school board staff. However, the delineation of roles and responsibilities, articulated by clear reporting relationships, could be enhanced. As an example, the organizational chart currently identifies the HR administrator as reporting to three individuals—the Director, the Superintendent of Education and the Superintendent of Business. While the administrator is likely to support the work of all three individuals, additional clarity could be provided by re-examining the nature of the reporting relationships and amending the organizational chart.

Management recognizes the need to plan for impending retirements at the senior management level, in the near to medium term. Management undertakes leadership development programs for teachers, and encourages school principals to pursue further professional development. The school board has not developed a formal succession plan for its senior administration team.

Recommendations:

- Management should consolidate the school board's annual planning documents into an annual Board Improvement Plan that includes the actions and objectives listed in the Strategic Action Plan and System Program Priorities documents. This consolidated planning document would include academic program plans and operational plans, and allow the senior management team to streamline their reporting of specific achievements. The annual Board Improvement Plan should be aligned with the objectives in the school board's multi-year strategic direction. It should set specific, measurable targets and timelines for key activities of the school board. This would enable management to track and report progress of its defined priorities and goals throughout the year.
- Senior administration should re-examine the nature of the reporting relationships and revise the organizational chart accordingly.
- The school board should develop a formal succession plan to manage departures of key staff.

Human Resources Management and School Staffing/Allocation

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

- The organizational structure and management that supports the HR function contributes to the department's accomplishments. The HR department has clearly defined roles and responsibilities, with clear lines of internal reporting.
- The HR department established new hire procedures for the respective staff groups.
- The HR department has an employee evaluation/performance system for all staff.
- During the school year, the HR department conducts periodic comparisons of the original approved staff allocation plan and budget, versus the actual allocation. Management monitors the staff allocation complement and budget distribution.

Although the school board's annual strategic action plan indicates HR priorities and timelines, the HR function does not develop an annual departmental plan.

While management tracks attendance data using the HR information system, it has not implemented a formal attendance management program. Management is currently

working with external consultants to analyze the school board's attendance data and develop options for an attendance management program.

The HR department hires external benefits consultants to regularly review the existing benefit plan and provide advice in the selection of benefit providers. The school board does not conduct independent compliance audits of its insurance carrier to ensure adherence to the benefit plan's terms and conditions.

Management has established progressive disciplinary procedures to deal with specific issues at the school board. A comprehensive set of formal disciplinary procedures for all teaching and non-teaching staff has not been developed.

Management has not conducted confidential staff satisfaction surveys to evaluate general attitudes or solicit feedback on the school board's priorities. Management has developed draft administrative procedures for exit interviews with employees.

The HR department has not established formal policies and procedures to determine total staff needs/requirements and their allocation. The school board has established an administrative procedure for the allocation of school secretarial staff.

Recommendations:

- The HR department should develop an annual departmental plan that aligns with the objectives in the Board Improvement Plan. The plan should set targets and timelines and assign responsibilities for key activities in the HR department. This would enable management to track and report the progress of its defined priorities and goals throughout the year.
- Management should establish formal disciplinary procedures for all teaching and non-teaching staff. Existing progressive discipline practices should be formalized and communicated to all staff.
- The HR department should develop a comprehensive attendance management program, with policies and procedures for specific categories of absenteeism. This would provide a consistent and structured approach to improving attendance, including positive reinforcement for employees and standardized practices across all employee groups.
- Management should conduct independent compliance audits of the school board's insurance carrier, to ensure adherence to the benefit plan's terms and conditions.
- Management should continue pay equity reviews for all staff.

- Management should conduct periodic and confidential staff surveys, to improve communication with staff and provide input for professional development plans and HR policy.
- Management should conduct exit interviews. These interviews would provide input for HR policy, as well as process and program improvement.
- HR management should establish formal policies and procedures for the staff allocation process, based on existing practices.

Financial Management

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

- The external auditor's planning and annual reports are presented to the Board's audit committee, and recommendations are acted upon by management.
- The school board has established administrative procedures for investments.
- Management has established formal accounting procedures for school-based funds. Finance staff provide training for school secretaries on the software for accounting of school based funds, and training for other school staff and principals on the segregation of duties.
- Management has established procedures to record and track the various EPO grants received.
- The school board participates in a purchasing consortium for fuel oil with a local municipality.
- Management maximizes the use of electronic funds transfers (EFT) for payments.

Although the school board's strategic action plan broadly outlines strategic priorities, actions, timelines and responsibilities for the finance function, an annual departmental plan has not been developed.

Revisions to the existing administrative procedures are communicated to all relevant staff through emails and memoranda. The Superintendent of Business clarifies existing procedures with memoranda to school principals. The finance function does not provide scheduled finance policy and procedures awareness, or training and skills development educational sessions.

The school board has not documented the annual budget planning process for approval by the Board.

The finance staff prepares quarterly financial reports for the Administrative Council and the board of trustees. Quarterly financial reports explain some variances, and management provides verbal explanation to the Board of whether the percentage spent to date is what would be expected for the period.

The school board does not have a formal internal audit function. Management acknowledges that an internal audit function would enhance the school board's internal controls, and ensure that all staff comply with the policies approved by the board of trustees. Due to the small size of the school board, management does not envisage a need for a full-time internal auditor. The Board's audit committee is a Committee of the Whole, with no external members.

The school board has established a formal investment policy. Management does not provide regular reports on investment activity to the board of trustees.

The school board uses 25 corporate credit cards for school board or school purchases and travel, meals and hospitality travel expenses incurred by staff. The school board has established policy and administrative procedures for corporate credit cards, which are published on the school board's website. The school board has not implemented purchasing cards (PCards).

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 Superintendent of Business or the Director of Education authorize all purchases at the school board level. Principals authorize purchases at the school level. The school board does not currently use electronic payment systems with its suppliers or community users of schools.

Recommendations:

- The finance department should develop an annual departmental plan that aligns with the objectives in the Board Improvement Plan. The plan should set targets and timelines and assign responsibilities for key activities in the finance department. This would enable management to track and report progress of its defined priorities and goals throughout the year.
- The finance department should provide scheduled awareness, training and skills development sessions on finance policy and procedures.

- The finance department should document the budget planning process to enhance transparency for trustees and staff regarding roles and responsibilities.
- The finance department should document key budget risks and their associated mitigation strategies, and present them to the Board and senior management as part of the budget development process.
- Management should provide an expanded level of interim reporting, in the format suggested in section 4.3 of this report. This would simplify communication and increase the Board's focus on key issues during year-to-date reporting.
- Management should consider enhancing accountability for the integrity of financial reporting, through formal sign-off and approval procedures.
- Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost of each option.
- The audit committee should be expanded to include external members with appropriate professional backgrounds and designations. They would act as advisors and contribute to the committee's effectiveness.
- Management should periodically report to the Board on the performance of the school board's investment activity, in accordance with the approved investment policy.
- Management should consider implementing an electronic payment and registration system for community use of facilities programs. In doing so, management should review the existing electronic solutions in place at several other school boards.
- Management should conduct a spend analysis of purchases, to determine the potential benefits of PCards for low-value transactions. Policies and procedures for corporate credit cards and PCards should provide sufficient details on use and safekeeping of the cards. These should be clearly communicated to all card users through regular training and monitoring.
- Management should establish additional purchasing levels of authority commensurate to the job title or role. For example, some purchases could be authorized by the Manager of Finance.
- Management should continually pursue joint purchasing opportunities with other school boards, municipalities and local agencies. Cost studies comparing the

school board costs with other school boards and/or local government authorities on high volume items would help develop the school board's purchasing strategy.

- Management should consider implementing the electronic supplier interface for ordering, processing and payment.
- Management should implement an automated three-way matching process using the capacity of the existing financial system.

School Operations and Facilities Management

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

- Management applies a custodial allocation model that optimizes the use of staff.
- Custodial and maintenance staff are trained 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.
- Management has developed an annual/multi-year maintenance plan for deferred maintenance priorities and maintenance standards.
- The school board has developed and submitted its 10-year capital plan to the Ministry through the Ministry's Student Facilities Inventory System (SFIS) web site. This plan includes the school board's capital requirements, as well as the facility renewal needs for the same time period.
- Facility staff currently uses ReCAPP as a tracking tool for projects eligible for Renewal Grant and Good Places to Learn funding. The ReCAPP database is updated at least twice a year.

The facilities department identifies its annual priorities informally. The facilities department does not have a formal annual business plan.

The facilities function has not established formal guidelines for cleaning standards. The Superintendent of Business monitors the cost and usage of custodial supplies monthly. The facilities department does not maintain a formal inventory of major cleaning and maintenance equipment.

Based on maintenance requests by school principals, the Superintendent of Business or the external management consultant contracts maintenance services directly. The facilities function does not use formal work orders.

The monitoring and planning of school capacity is reported through the School Facilities Inventory System (“SFIS”). Management acknowledged that SFIS data needs to be improved and updated on a regular basis.

Management recognizes the importance of promoting energy conservation, and has implemented a number of projects in this area, based on ReCAPP data and annual maintenance plans. Management has also recently contracted third party consultants to conduct energy audits of all school board facilities. The results of the energy audits will serve as a basis for the future formal, multi-year energy management strategy.

Management tracks electricity consumption at the school level each month. The school board has not implemented centralized technology that enables energy efficient practices through automation at all facilities.

Recommendations:

- Facilities management should develop an annual departmental plan that aligns with the objectives in the Board Improvement Plan. The plan should set targets, timelines and assigned responsibilities for key activities. This would enable management to track and report progress of its defined priorities and goals throughout the year.
- The school board should develop and implement cleaning standards, with periodic site visits and a formal review log. Formal cleaning standards will enable management to monitor, manage and report on cleanliness levels on a regular basis.
- Management should develop an annual training plan for facilities staff to address ongoing skills development and emerging regulatory issues.
- Management should develop an inventory of major equipment used by maintenance and custodial staff. This would increase staff accountability for use of the school board’s assets.
- Management should develop a work-order system that records, monitors, and evaluates projects, ensuring the effective use of resources.
- Management should regularly evaluate the overall effectiveness and efficiency of its maintenance and custodial service practices.

- Using the results of the energy audit, the school board should establish a multiyear energy management plan that incorporates quantifiable measures and is aligned with its strategic direction.
- Management should consider implementing centralized technology to remotely manage and control heating and air conditioning.
- The school board should consider implementing projects to build awareness of energy conservation. Management should examine the successful conservation initiatives of other school boards.
- Management should ensure that inventories of school capacity and utilization are accurate by conducting regular updates of SFIS data.

1. Background and Overview

1.1 School Board Profile and Structure

The Northwest Catholic District School Board provides educational services to just over 1,140 students in five elementary schools. The Northwest Catholic District School Board comprises numerous small towns and communities over a large area in north western Ontario. The school board maintains corporate offices in the City of Dryden and the Town of Fort Frances.

The school board's enrolment declined by about 158 students from 2002-03 to the 2007-08 fiscal year, or about 12.1 per cent overall. This trend is expected to continue over the next several years.

The school board's Administrative Council is as follows:

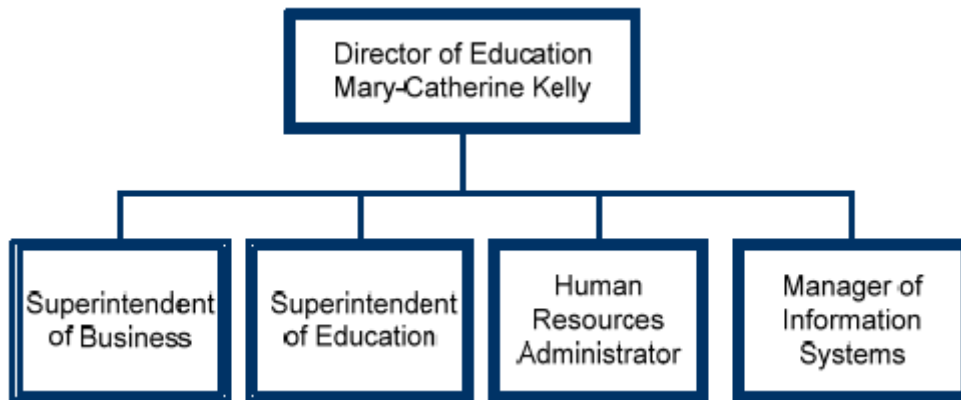


Figure 1

1.2 Key Priorities of the School Board

As part of the 2008-2011 strategic planning process the school board updated its mission statement. The school board's mission statement is:

"It is the mission of the Northwest Catholic District School Board to provide, in partnership with the home, Church and community excellence in Catholic education infused with Gospel values."

The Board Strategic Action Plan for 2008-09 identifies key system priorities under each of the eight strategic areas (pillars) established by the Board:

- **Planning:** creation of a system plan that sets timelines for reporting to the Board, Ministry of Education and the community; a planning process that will enable the

organization to review the strategic plan, evaluate progress towards outcomes and create an annual operational planning system;

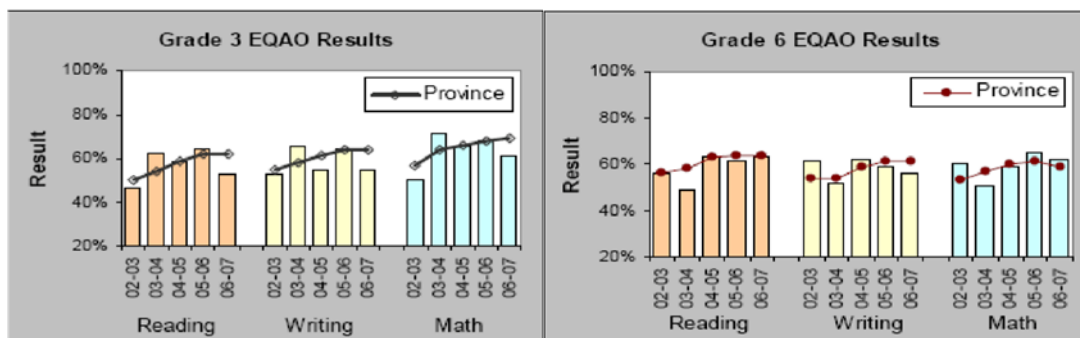
- **Visible Catholic Schools:** ensure an excellent Catholic education system based on Gospel values;
- **Student Achievement:** two measurable system goals for improved writing and reading skills based on EQAO data; development of quality programs; further development of the centralized MISA system;
- **Staffing:** staff development;
- **Facilities:** ensure all facilities resources are managed in a responsible, efficient, and effective manner by regularly reviewing system needs;
- **Finances:** ensure the financial resources of the school board are managed in a fiscally responsible manner, and the school board manages the budget within the confines of a balanced budget;
- **Communications:** ensure that the accomplishments and contributions of Catholic education are identified, communicated and celebrated within school board communities; and
- **Governance:** ensure that the Board of Trustees governs in a manner that reflects effective decision-making, policy development and strategic planning.

1.3 Student Achievement

Since 2002-2003, the school board has shown an improvement in most of the areas assessed through the EQAO process. Although 2006-07 EQAO results showed a decline in Grade 3 reading, writing and math and Grade 6 writing, there are a number of important indicators of the school board's continuous improvement.

Preparing students for transition from Grade 3 to Grade 6 has been a system focus. As a result, Grade 6 scores have shown growth over five years. Two out of five schools of the school board exceeded the provincial scores in all areas, scoring between the provincial mark of 75 percent and up to 83 percent. The St. Joseph's school in Dryden has been recognized by EQAO for having an outstanding increase in some scores over the last five years. This school has been recognized as being one of the top six improvement success stories in Ontario.

The following charts illustrate the school board's EQAO 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. In the 2007-08 fiscal year, the school board used its reserves to achieve a balanced budget.

The following table provides a fiscal overview of the school board.

Summary Financial Data (Revenues)

Revenues	2005-06 Financial Statements	2009-07 Financial Statements	2007-08 Revised Estimates
Legislative Grants	\$10,013,087	\$9,864,494	\$10,545,306
Local taxation	\$3,460,316	\$3,392,951	\$3,479,240
Board Revenues	\$900,649	\$971,867	\$797,685
Other Operating & capital Grants	\$722,966	\$1,036,983	\$347,180
Total Revenues (Schedule 9)	\$15,097,018	\$15,266,295	\$15,169,411

Summary Financial Data (Expenditure)

Expenditures	2005-06 Financial Statements	2009-07 Financial Statements	2007-08 Revised Estimates
Operating expenditures	\$14,818,022	\$14,216,250	\$14,549,198
Capital expenditures - Before transfers from reserves	\$269,028	\$440,885	\$617,626
Transfer to (from) Reserves	\$9,972	\$703,974	\$18,394
Total Expenditures	\$15,097,022	\$15,361,109	\$15,185,218
In-year Surplus (Deficit)	\$0	-\$94,814	-\$15,808

School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues	2005-06 Financial Statements	2009-07 Financial Statements	2007-08 Revised Estimates
Retirement Gratuities	\$335,174	\$363,723	\$388,111
Reserve for Working Funds	\$2,134,704	\$2,824,183	\$2,134,701
Pupil Accomodation Debt Reserve	\$0	\$0	\$87,238
GPL Reserve	\$300,967	\$309,195	\$0
Total Reserve Funds (Schedule 5)	\$2,770,845	\$3,497,101	\$2,610,050
Reserve for Classroom Expenditures	\$2,616,257	\$2,703,923	\$2,713,923
Pupil Accomodation Allocation Reserve	\$79,099	\$92,666	\$0
Other Capital Deferred Revenues	\$0	\$0	\$314,055
Total Deferred Revenues (Schedule 5.1)	\$2,695,356	\$2,796,589	\$3,027,978
Total Board Reserves and Deferred Revenues	\$5,466,201	\$6,293,690	\$5,638,028

1.5 Key Statistics: The Northwest Catholic District School Board

The following table highlights key statistics for the school board.

Day School Enrolment

Day School Enrolment	2002-03 Actual	2007-8 Revised Est.
Elementary Day School ADE	1,301	1,143
Secondary Day School ADE	0	0
Total Day School Enrolment	1,301	1,143

Primary Class Size

Primary Class Size	2003-04	2007-08
% of Classes Less Than 20	45%	91%
% of Classes Less Than 23	72%	100%
Average Class Size - Jr/Inter	20.21	22.31
% of 3/4 Classes 23 & Under	0%	100%
% of Combined Classes	8%	21%

Staffing

Staffing	2003-04	2007-08
School Based Teachers	81	85
Teacher Assistants	27	20
Other Student Support	7	11
School Administration	5	7
School Clerical	6	6
School Operations	11	10
Other Non-Classroom	18	18
Total Staffing	155	156
Teacher - Pupil Ratio	1:16	1:14
FTE Staff per 1,000 Pupils (ADE)¹	119.4	136.5
Total Salary & Benefits as % of Net Operating Expenditures	79.4%	81.5%

Special Education

Special Education	2003-04	2007-08
Special Education Incremental Expenditures	\$1,218,461	\$1,242,937
Special Education Allocation	\$1,118,149	\$1,160,427
Spending above Allocation (Reserve)	\$100,312	\$82,510

School Utilization

School Utilization	2003-04	2007-08
Number of schools	5	5
Total Enrolment (ADE)	1,301	1,143
School Capacity (Spaces)	1,474	1,379
School Utilization	88.2%	82.8%
Board Area (Km²)	11,008	11,008
Number of Trustees	8	8

¹ Note: Impacted by Class Size and Special Education

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 student achievement strategies and effective school board operations.

Governance and school board administration processes are reviewed to:

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

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

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

Establishment of an Effective Governance Model

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

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
Board has established clearly defined duties and responsibilities to support on effective working relationship.	

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.	Yes
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 school 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.	Yes

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.	Yes

Organizational Structure and Accountability

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The organizational structure has clearly defined organizational units that delineate roles and responsibilities, minimize administrative costs and ensure effective and efficient operation.	No
The director has established a formal succession plan to manage retirements and resignations of key managers/administrators.	No

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
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 Board has adopted a governance model that clearly delineates the roles and responsibilities of trustees from those of the senior administration. The Board is composed of eight trustees. They have responsibility for setting the broad policies that reflect the school board's values, vision and strategic direction.

The Administrative Council is composed of the Director of Education, Superintendent of Education, Superintendent of Business, Manager of Information Systems and Human Resources Administrator. The Administrative Council is responsible for the implementation of the Board's strategic direction, and leads the management of the school board through a collaborative process. There is a varying degree of participation of managers and superintendents in the decision-making process.

The Director and two superintendents make the decisions for the system. Manager of Information Systems and Human Resources Administrator attend parts of the administrative council meetings that pertain to their areas of responsibility, and are involved in decisions applicable to these areas. The Administrative Council may also involve principals or other consultants in decision-making to obtain full information on a specific issue.

This governance structure has been approved by the Board and is clearly documented in the school board's *Governance Process* policies.

The Director of Education has a positive relationship with the board of trustees. The Director's role is broadly stated in the Board's policy, and includes accountability to the

Board and compliance with *Outcomes* policy and *Executive Limitation* policy.¹ The Board delegates the day-to-day implementation of these policies to the Director of Education. The *Delegation to the Director of Education* policy clearly states the authority and accountability of the Director. The Board's by-laws are currently being revised to ensure they are consistent with the school board's policy governance model.

Training for new trustees is provided using a training package and informal discussions of trustees' and board administration roles and functions. New trustees meet with the Director of Education, the Chair of the Board and the Superintendent of Business, and can attend the Ontario Catholic School Trustees Association (OCSTA) conferences and annual general meeting.

School board administration reviews governance policies with new trustees, and they are encouraged to discuss any aspects of these policies with the Director of Education. The Chair and Vice Chair of the Board ensure that trustees adhere to the governance policies. The Board has been developing the current governance model over the past several years. On the whole, the Board is able to function effectively in its role and is committed to evolving its governing approach over time to achieve the best results.

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

The board of trustees developed a multi-year strategic direction which outlines the school board's goals and objectives for academic and non-academic functions. The 2008-2011 strategic direction provides a framework for policy development and planning at the operational and departmental levels.

Each year school board administration develops a strategic action plan to implement the Board's strategic direction. The strategic action plan sets out actions under eight areas (pillars) established by the Board, and indicates timelines and responsibilities.

School board administration has established a development and consultation cycle for strategic planning. The strategic planning process begins in the spring of each year in conjunction with the budget development process, and includes feedback from parents, trustees, teachers, union groups and principals, as well as the broader Catholic community. As part of the strategic planning process, the school board reviews the multi-year strategic direction, and develops a strategic action plan for the year. Each year in November, school board administration presents the annual report and strategic action plan to all stakeholders.

¹ The Northwest Catholic District School Board Governance Policy

The monitoring of performance against the established goals is conducted by the Superintendent of Education, using school improvement plans, discussions with the school board community and school data. The Director visits schools monthly to discuss student data, student achievement and successful instructional strategies with principals. The Director provides monthly reports to trustees on progress against the established targets.

In addition to the multi-year strategic direction and the annual strategic action plan, school board administration planning activities include an annual board improvement planning focus, which highlights key activities for program and management teams. The document indicates staff responsible for specific activities and timelines.

In 2007-08 the school board implemented a school effectiveness framework to develop improvement plans using SMART goals. A Board Improvement Plan, developed through extensive consultation, addresses the academic priorities and initiatives of the school board based on EQAO results in writing and reading. As part of school improvement planning, principals (along with their school improvement team members) completed the school self assessment framework.

The multi-year strategic direction, annual strategic action plan and system program priorities are aligned. The school board's annual planning documents are not consolidated into an annual Board Improvement Plan.

It is notable that the school board has established the school effectiveness leader position, which is dedicated to working with the principals and teachers on the Board and school improvement planning processes. The position also enables the school board to focus on the application of new learning strategies for teachers.

Decision-Making Process

The school board has formal, documented and easily accessible policies and administrative procedures for governance and administration, which are available on the school board's website. Management has a positive working relationship with the Board, with a decision-making process that addresses student achievement targets and operational performance.

There is an established process and a formal protocol for setting the agenda for Board meetings. The Administrative Council develops potential agenda items for Board meetings and obtains input from the trustees on additional agenda items. The Administrative Council reviews draft agenda two weeks before the Board meeting. A standing Pre-Board Committee (Director, Chair and Vice Chair of the Board) finalizes the agenda. This agenda protocol will likely be formalized as part of a review of Board by-laws.

The Board's policies are developed by the Director of Education and board of trustees. There is an established three-year cycle for review of Board's policies. The Board follows a calendar of review for the policies or updates them as needed. Policies published on the school board's website clearly indicate when they were created and revised.

Management develops administrative procedures that support the implementation of the Board's policies. The administrative procedures are developed by the Director of Education, Senior Administration and department managers. There is no schedule to review and update the school board's administrative procedures. School board administration reviews and updates the administrative procedures in line with changes in Board's policies and new ministry policies and directions. The Board of Trustees is provided with updates on administrative procedure changes. The last review date of each procedure is noted on the school board's website.

Organizational Structure and Accountability

The school board's senior administration appears to be organized effectively. Two superintendents, who report to the Director, have oversight over the academic programs and operations of the schools. The HR Administrator reports to the Director, Superintendent of Business and Superintendent of Education. The Manager of Finance and the Manager of Information Systems report to the Superintendent of Business.

The school board's organizational chart identifies the reporting relationships between the senior management team and other school board staff. However, the delineation of roles and responsibilities could be enhanced. For example, the organizational chart currently shows the HR administrator reporting to three individuals—the Director, the Superintendent of Education and the Superintendent of Business. While the administrator is likely to support the work of all three individuals, additional clarity could be provided by re-examining the nature of the reporting relationships and amending the organizational chart. The organizational chart is published on the school board's website.

The Director of Education, HR Administrator and Manager of Information Systems are based in the school board's corporate office in the Town of Fort Frances. The Superintendent of Business and Superintendent of Education are based in the corporate office in the City of Dryden. Given the significant distance between the two offices, the senior administration team ensures effective operation and minimizes travel with videoconferencing technology.

The Board's Committee of the Whole forms several committees which includes OECTA and CUPE bargaining committees, Salary Committee for Senior Administration,

Principals and Vice-principals, Staff Funded Leave Plan Committee, OECTA grievance Committee, Board/School Council Liaison Committee, Secondary School Awards Committee, Catholic School Advisory Committee and Environmental Committee. The Board's Statutory Committees include Special Education Advisory Committee and Supervised Alternative Learning for Excused Pupils, Student Discipline Committee. The Board also has several standing committees including: Pre-Board Committee, First Nation, Métis and Inuit Advisory Committee, Thunder Bay Diocesan Trustees' Association Executive and Diocesan Office of Catholic Education.

On average, the board of trustees meets once per month. Meetings are not scheduled in July and August but may be called at the discretion of the Chair. With the school board's area, at least half of the scheduled board meetings are conducted via videoconferencing.

The school board 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 management positions. Management undertakes leadership development programs for teachers and encourages school principals to pursue further professional development. Management noted that two out of five school principals have obtained a postgraduate degree. One principal has completed the Supervisory Officer's Qualification Program provided by the Ontario Principals' Council. Vice-principals are provided with leadership experience opportunities to facilitate succession at the school level.

The Board's *Governance Process* policies broadly define the Director's role and accountability. Each November, the Board conducts performance evaluation of the Director of Education based on the presentation of the Director's annual report and the new strategic action plan.

Stakeholder Engagement

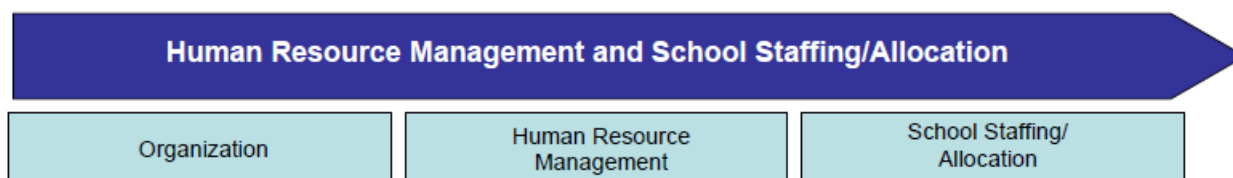
The school board has demonstrated that it consistently administers its responsibilities (both directly and through its committees) in an open and transparent manner. Various communication channels (emails, surveys, newsletters and website postings) keep key stakeholders engaged throughout the year. The Director of Education gathers input from all of the school board staff, principals, school councils and teachers to set the annual strategic direction for the system.

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

Recommendations

- Management should consolidate the school board's annual planning documents into an annual Board Improvement Plan that includes the actions and objectives listed in the Strategic Action Plan and System Program Priorities documents. This consolidated planning document would include academic program plans and operational plans, and allow the senior management team to streamline their reporting of specific achievements. The annual Board Improvement Plan should be aligned with the objectives in the school board's multi-year strategic direction. It should set specific, measurable targets and timelines for key activities of the school board. This would enable management to track and report progress of its defined priorities and goals throughout the year.
- Senior administration should re-examine the nature of the reporting relationships and revise the organizational chart accordingly.
- The school board should develop a formal succession plan to manage departures of key staff.

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 school board's collective agreements and allocation models. The allocation models adopted by the school 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 school board's directions;
- Whether an annual departmental plan setting out the goals and priorities and their alignment to the school board's strategic directions has been established;
- Whether the roles and responsibilities of staff support the key functions, activities and practices of HR;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

The following table summarizes the leading practices defined for HR 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

Although the school board’s annual strategic action plan indicates HR priorities and timelines, the HR function does not have a formal annual departmental plan. The plan would describe its goals and priorities, and provide a framework for tracking and reporting on the department’s progress throughout the year.

The current priorities of HR include: implementation of software for absence tracking and payroll, development of interfaces between the school board’s financial management system and OnSIS, and the development of an accessibility and disability plan. The HR function has developed a health and safety plan for the school board. The HR function leads the school board’s information and privacy management project.

Organizational Structure and Accountability

The HR department includes one full-time HR Administrator and one full-time administrative support person. The HR Administrator, who reports directly to the Director of Education, the Superintendent of Education and the Superintendent of Business, has responsibility for all school board's human resource processes, recruitment activities, absence tracking, administration of collective agreements, collective bargaining and health and safety management. The department's structure and lines of reporting are provided in the school board's organizational chart and posted on the school board's website.

The HR Administrator holds a Diploma in HR management and is working towards a professional designation.

Monitoring and Communication of Policy

The department maintains a set of HR administrative procedures, which are published on the school board's website. The HR department does not have a review cycle to ensure that the procedures are current. However, management indicated that administrative procedures are continually updated and all procedures have been revised over the past three years.

The HR department provides regular updates and training to inform staff of new and revised administrative procedures. Updates on changes in administrative procedures are sent directly to principals, staff at both board offices and school secretaries. This information includes detailed instructions on application of new or revised procedures. HR staff discuss new or revised procedures with school principals during their annual summer retreat and during monthly principals' meetings.

Monitoring of compliance with HR procedures is facilitated through centralization of most of HR activities.

Recommendation:

- The HR department should develop an annual departmental plan that aligns with the objectives in the Board Improvement Plan. The plan should set targets and timelines and assign responsibilities for key activities in the HR department. This would enable management to track and report the progress of its defined priorities and goals throughout the year.

3.2 Human Resource Management

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

- Planning and processes are in place for the recruitment 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.	No

Management of School Board's Benefit Plans

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

Leading Practices – Human Resource Management	Evidence of Adoption?
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.	No
Confidential exit interviews are performed for all staff.	No

Staff Recruitment

The HR department has developed a formal procedure for recruitment and hiring, and uses Jobs in Education, Apply to Education, Service Canada website and the school board's website for recruitment. The school board also advertises new positions in the local newspapers.

The HR department uses a spreadsheet to track all hiring. This provides management with a real-time overview of recruitment activities. Management indicated this tracking spreadsheet has proven useful for the school board's external auditors in assessing yearly recruitment costs.

Due to declining enrolment, there has not been significant hiring activity at the school board. Management noted that recruitment of academic staff is currently focused on specialized areas including French as a Second Language (FSL) and First Nation languages.

Key elements of the hiring process are centralized through the HR department. Schools send a 'Request for Hire' form to the HR department and HR staff approve the request and prepare the job posting. The acceptance of applications and interviewing for teaching and school support staff jobs is done by school principals and at least one other person. The process is usually conducted by a panel of three school board staff.

The acceptance of applications, screening and interviewing of school board office and management staff is usually conducted by at least three staff, including a senior board manager, and other staff as deemed necessary.

The HR department has developed administrative procedures for conducting criminal background checks. The Director of Education reviews all provided references.

The HR department has developed a hiring manual and standard forms to ensure consistency in the hiring and recruitment process. The manual provides guidance on the selection and hiring process, as well as guidelines for interview teams, screening and reference checking, and filing and retention of hiring documentation and personnel files.

Labour Relations

To address collective bargaining issues, the school board has set up several committees including OECTA and CUPE bargaining committees and an OECTA grievance committee. The school board has also established a Labour Relations Committee with the unions. The trustees are not involved in negotiation of collective bargaining agreements. Senior administration provides tentative settlements to the trustees for approval.

There is open and positive communication with the unions, which could be attributed to the formal and informal practices followed in relations with them. The school board maintains a timely and effective approach in response to issues. At the time of the review, there was one outstanding grievance.

Employee Performance Evaluation Processes

Management, through the HR department, has established formal administrative procedures for performance appraisals of all school board staff.

In line with the Ministry of Education's *Supporting Teaching Excellence* document, the school board evaluates its experienced teachers on a five-year cycle. New teachers are reviewed during the first and second year as part of the New Teacher Induction Program (NTIP). The NTIP program is also used to provide mentoring and development opportunities for new teachers.

The school board has established administrative procedures for performance appraisals of non-teaching staff, which are conducted every three years. The procedure provides general guidelines, evaluation procedures, criteria and standard forms for performance appraisal of support staff, educational assistants, management staff, technical support staff, speech assistants and custodial staff.

There is a formal procedure for evaluation of principals and vice-principals.

The Board has also established a formal policy for the Director's performance appraisal, which takes place yearly and is based on the Director's annual report.

Management has established a database to track performance appraisals for teachers and non-teaching staff. Each year in September, principals and supervisors receive a notification from the HR department which indicates performance appraisals to be completed during the year. A copy of each performance appraisal is sent to the HR department, and tracked in the database and the HR information system. The Director signs all completed performance appraisals.

Management uses progressive discipline procedures, which have not been formalized. General provisions regarding disciplinary procedures are laid out in collective agreements or staff contracts. Formal disciplinary procedures should be established for all staff, and HR should provide guidance on the application of progressive discipline.

Attendance Management Processes/Programs

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

The school board does not have a formal attendance management program. Management has been tracking attendance data using the HR information system. Management held preliminary discussions with third party consultants regarding a potential attendance management program. The school board is currently preparing attendance data to be analyzed by consultants. Their findings will lead to further decisions on whether or not to implement an attendance management program. Management recognizes that an attendance support program will address many absenteeism issues and help reduce associated costs.

The school board currently uses a dispatch system for daily absence notifications. The system ensures school principals receive timely notifications of reported absences and replacements. School principals are required to submit a daily absence report to the HR department, using an established spreadsheet. Employees who achieve perfect attendance for the year are formally recognized with a letter signed by the Director and the HR Administrator.

The HR department has established a formal administrative procedure for approval of leaves, which indicates the level of staff authorized to approve the requests.

There are no formal early-return-to-work policy and administrative procedures at the school board. However, management promotes early-return-to-work among staff by making every effort to accommodate their needs.

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 memos issued by the HR department) to ensure the segregation and integrity of personnel and payroll data. HR is responsible for entering and maintaining personnel data in the system, while finance is responsible for review and approval of the payroll data.

The HR information system enables management to systematically monitor teacher qualifications and experience data, so that HR records can be updated as new information is received. Teachers are required to provide a copy of their Ontario College of Teachers registration. A designated staff member makes annual updates to ensure that school board records are consistent with the Ontario College of Teachers data.

All teachers are formally requested to submit new QECO requirements when there are changes in the OECTA collective agreement. These new requirements have been included in the formal hiring letter as a condition of employment.

The school board has recently completed pay equity reviews for CUPE staff. Similar reviews have not been conducted for other staff groups.

Management of the School Board's Benefit Plans

The finance department has responsibility for the selection of the employee's benefit plan. Finance staff also complete monthly remittances and reconcile the plan. The HR department is responsible for the maintenance of all aspects of the plan. External benefits consultants regularly review the existing benefit plan and provide advice in the selection of benefit providers.

The school board participates in the analysis of school boards' benefit plans undertaken by the Council of Senior Business Officials (COSBO).

Data transfer among HR benefits, payroll and external carriers (i.e. OTPP) is automated and synchronized. However, there is not currently full automation in data synchronization between the school board and OMERS. The HR department uses "e-access" whenever possible. HR staff use paper forms to enrol, terminate, and make any required changes for staff members on an ongoing basis. The school board should consider further automation with OMERS.

Monitoring Staff Satisfaction

As part of the annual strategic planning process the Director provides school principals with a questionnaire to obtain staff feedback regarding the eight areas (pillars) of the

school board's multi-year strategic direction. The consolidated feedback is used to develop the annual strategic direction of the school board.

Management recognizes monitoring of staff satisfaction can be improved by conducting regular confidential staff satisfaction surveys. Confidential staff satisfaction surveys would improve communication with staff and provide input for professional development plans and HR policy.

The HR department has developed draft administrative procedures for conducting formal, confidential exit interviews for staff who transfer or leave unexpectedly.

Recommendations:

- Management should establish formal disciplinary procedures for all teaching and non-teaching staff. Existing progressive discipline practices should be formalized and communicated to all staff.
- The HR department should develop a comprehensive attendance management program, with policies and procedures for specific categories of absenteeism. This would provide a consistent and structured approach to improving attendance, including positive reinforcement for employees and standardized practices across all employee groups.
- Management should conduct independent compliance audits of the school board's insurance carrier, to ensure adherence to the benefit plan's terms and conditions.
- Management should continue pay equity reviews for all staff.
- Management should conduct periodic and confidential staff surveys, to improve communication with staff and provide input for professional development plans and HR policy.
- Management should conduct exit interviews. These interviews would provide input for HR policy, as well as process and program improvement.

3.3 School Staffing/Allocation

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

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

- Ensure that staff optimization allocation processes are in place, supported by an effective attendance management system;
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

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.	No

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

The HR department has not established formal policies and procedures to determine total staff needs/requirements and their allocation. The school board has established one administrative procedure for allocation of school secretarial staff. The procedure provides key criteria for allocation of school secretarial staff including enrolment and teaching duties of school principals.

The annual staff allocation process begins in November when the Superintendent of Business presents a preliminary budget, based on prior year staffing levels to the Administrative Council. Senior administration review staffing levels associated with various initiatives. At the same time, the Superintendent of Business completes enrolment projections adjusted for actual enrolment at October 31. In January, the Superintendent of Education provides projected staffing levels to school principals to enable them to begin planning for the following year. The Superintendent of Education holds meetings with each school to discuss how resources should be organized to avoid redundancies or gaps. The staff planning and allocation process is usually completed by April.

The allocation of education assistants is based on the assessment of student needs completed annually by a designated Special Education Coordinator. The Special Education Coordinator works with the Superintendent of Education to determine the allocation of educational assistants to each school.

Management has adopted a very prudent approach to staff allocation which results in accurate staff allocations. This is also facilitated by the small number of schools and the consultative nature of the staff allocation process. In one case, the Board approved four reading resource teachers and five classroom teachers, which exceeded the available funding. The Board approved the use of reserves to fund the additional teachers.

Monitoring and Reporting on Staff Allocation

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

Trustees approve the original annual staff allocation as part of the annual budget approval process.

During the school year, the Superintendent of Education monitors staff allocation. Any changes to the original allocation are presented to the Administrative Council for approval. Management recognizes the importance of close monitoring of staff allocations, due to potential budget implications.

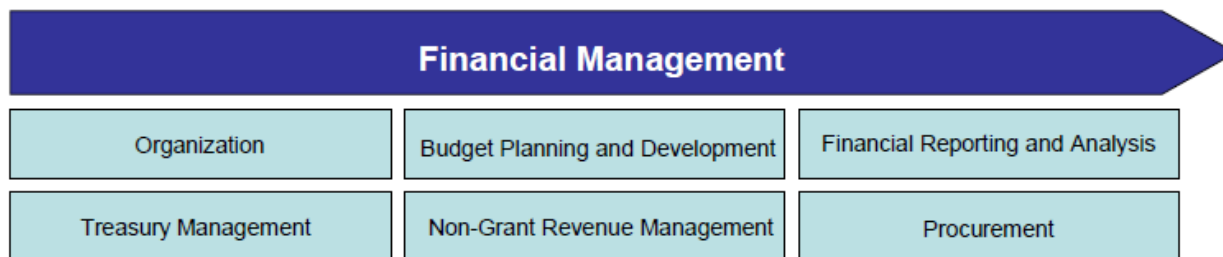
Benchmarking Costs with Other Boards and Funding

The school board has had informal discussions with other school boards regarding allocation of educational assistants and associated staffing costs.

Recommendation:

- HR management should establish formal policies and procedures for the staff allocation process, based on existing practices.

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.	No

Development and Reporting of Annual Goals and Priorities

The school board’s strategic action plan broadly outlines the priorities, actions, timelines and responsibilities for the finance department. However, the document is not supported by a formal departmental plan. Management noted that key ongoing priorities of the finance department include:

- Electronic forms system to improve information flow and efficiencies

- Integration of the Manager of Finance position for improved financial reporting, revenue investigation and internal controls throughout the finance function
- Fixed asset accounting system
- Community Use of Schools program.

To provide specific guidance to managers and staff on departmental goals and priorities, management 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.

Establishing a departmental plan, in a format similar to the Board Improvement Plan, will enable the department to better allocate accountabilities, establish measurable performance indicators, and track and report progress.

Organizational Structure and Accountability

The business department is responsible for the financial management function of the school board. The department's staff include a superintendent of business, manager of finance, business administrator, accounting clerks and an administrative assistant. The business department also includes a manager of information systems and a technical support specialist. The Manager of Finance and the Business Administrator report directly to the Superintendent of Business. The accounting clerks report to the Business Administrator. The roles and responsibilities of finance staff are well documented in their job descriptions.

The school board's organizational chart indicates the structure of the business department and lines of reporting. Senior financial management staff have appropriate professional designations and experience.

Monitoring and Communication of Policy

The finance function has established formal administrative procedures pertaining to purchasing, staff and trustee expenses, school funds, investment and banking. These policies are published on the school board's website. The business department does not have an established review cycle to ensure that its procedures are current. However, management indicated that all policies are updated to reflect changes required by the Ministry or the Board.

Revisions to the existing administrative procedures are communicated to all relevant staff through emails and memoranda. The Superintendent of Business provides memoranda to school principals with clarification of existing procedures.

Recommendations:

- The finance department should develop an annual departmental plan that aligns with the objectives in the Board Improvement Plan. The plan should set targets and timelines and assign responsibilities for key activities in the finance department. This would enable management to track and report progress of its defined priorities and goals throughout the year.
- The finance department should provide scheduled awareness, training and skills development sessions on finance policy and procedures.

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.	No
The annual budget presented for approval demonstrates that it is linked to the board-approved goals and priorities including student achievement targets. It provides useful and understandable information for all stakeholders.	Yes
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.	No

Annual Budget Development Process

While the school board has established a budget development process, it has not been formalized and clearly communicated to the Board and other stakeholders. The budget process starts in November, when the Superintendent of Business presents a preliminary budget to the Administrative Council based on funding assumptions. The Superintendent of Business conducts a series of meetings with senior management regarding staffing levels associated with various initiatives. The Superintendent of Business completes enrolment projections, adjusted for actual enrolment at October 31, and estimates projected funding.

In December-January, the school board senior administration requests input from school principals and councils regarding their needs. Management indicated that school level budget requests do not account for the structure of education funding, and are not useful for the development of the school board's annual budget. The Director's annual survey of needs, which forms the basis for strategic planning, provides useful information on individual school needs and priorities. The Administrative Council has a series of further discussions on budget scenarios. As part of these discussions, the Superintendent of Education presents a prioritized budget of system initiatives primarily related to school professional development and school program initiatives. The Administrative Council discusses individual budget items and makes appropriate budget adjustments.

In February, the Superintendent of Education presents projected staffing levels to the principal group. At the same time, the Superintendent of Business presents the projected budget to the Board for input. The trustees are informed that individual budget items may change, based on the Grants for Students Needs (GSN) regulation, which is usually released in late March.

Once the GSN is released, the Superintendent of Business presents the revised budget to the Board. The Administrative Council adjusts the draft budget based on available funding and the priorities identified earlier in the budget process. The trustees provide their input and a detailed budget is presented to the Board in May. The Superintendent of Business presents the final budget to the Board in the form of a brief report summarizing changes that have been made. Following Board approval of the budget, it is submitted to the Ministry and published on the school board's website. The school board also publishes notices in the local newspapers to advise the public that the annual budget has been posted on the website.

The annual budget presented for approval demonstrates that it is linked to the Board's strategic action plan and Board Improvement Plan, including student achievement targets. For example, the Board has approved the use of reserves to fund additional teachers in support of the school board's goals in reading and writing.

Enrolment Forecasting Linked to Budget Development

The business department is responsible for enrolment forecasting. The enrolment forecasting process begins early in the budget development cycle, and enables management to develop preliminary high-level expectations of the anticipated change in enrolment revenue, compared to the previous year. The enrolment projection is undertaken by the Superintendent of Business, with input from the Superintendent of Education and school principals.

In January the Superintendent of Business prepares a preliminary, school-by-school, enrolment projection for budget projections. At the same time the Superintendent of Business also revises the school board's ten year enrolment forecast. The preliminary enrolment forecast and 10-year forecast are used for the capital planning process.

In the past management contracted third party consultants to undertake a 10-year enrolment forecast for the school board. However, enrolment forecasting undertaken by school board staff has proven to be accurate and reliable.

Identification of Risks and Mitigation Strategies

The finance department recognizes key budget risks, including tuition fees, which constitute around five per cent of total revenues, and underestimated enrolment. However, management does not document the identified risks as part of the annual budget development process. The Superintendent of Business discusses key budget risks with the Board informally and trustees approve all decisions regarding the use of reserves.

Presently, the budget is monitored by the Superintendent of Business during the year, and also through quarterly financial reports to the Board. These updates enable the school board to identify the risk of unfavourable variances, and take action to bring costs in line with the budget plan.

Recommendations:

- The finance department should document the budget planning process to enhance transparency for trustees and staff regarding roles and responsibilities.
- The finance department should document key budget risks and their associated mitigation strategies, and present them to the Board and senior management as part of the budget development process.

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.	No
Senior management is held accountable for the integrity of financial reporting through formal sign-off and approval procedures.	No
Management completes and files all financial reports in accordance with established timelines.	Yes

Audit

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

Integrated System for Variance Analysis and Financial Reporting

The school board has an integrated financial system that includes information for financial reporting, general ledger, payroll, accounts payable, HR and attendance management. The finance department is considering using the accounts receivable module of the system.

Interim Financial Reporting Accountability

The finance staff prepares quarterly financial reports for the Administrative Council and the board of trustees. All data for the interim report is obtained from the financial system and customized for reporting purposes. Financial information is presented using the Ministry reporting expenditure categories. The reports include a comparison of the approved budget and revised estimates, the year-to-date revenues and expenditures, and the remaining budget at the reporting date. The remaining budget amount is expressed as a percentage.

Quarterly financial reports provide explanation of some variances, and management provides verbal explanation to the Board of whether the percentage spent to date is

what would be expected for the period. Finance staff noted that the frequency of interim financial reports meets trustees' requirements for information on financial performance of the school board.

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.

This information would give reviewers an enhanced understanding of the year-to-date results.

Management has identified the need to present monthly interim reports to the Administrative Council. The Manager of Finance, who was recently hired by the school board, will facilitate monthly interim financial reporting and any enhancements in the existing interim financial reporting format.

There is no formal sign-off of quarterly interim financial reports by senior management.

Audit

The school board does not have a formal internal audit function. Management acknowledges that an internal audit function would enhance the school board's internal controls, and ensure that all staff are complying with policies. However, due to the small size of the school board, management does not see the need for a fulltime internal auditor position. The Superintendent of Business has discussed the potential cost sharing arrangement for an internal auditor with COSBO.

The Board's Audit Committee is a Committee of the Whole, and does not include any external members. The Audit Committee conducts *in-camera* meetings with external auditors and reviews auditor's reports/management letters. Any recommendations from external auditors are acted upon by senior administration. While it was noted that management provides a verbal response to management letters during Board meetings, a written response from management would enhance the transparency and accountability of the school board's response.

Along with significant changes in accounting in recent years, the complexity of the annual financial statements is increasing. Audit committee members must understand what constitutes sound internal accounting and operational control processes. Consideration should be given to including external members on the audit committee to

act as advisors. The external advisors would not be voting members, since current legislation only recognizes trustees as voting members on school 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. This will ensure that an objective third-party view is applied to the review of financial statements, auditor's report and in-year reports produced by management.

Recommendations:

- Management should provide an expanded level of interim reporting, in the format suggested in section 4.3 of this report. This would simplify communication and increase the Board's focus on key issues during year-to-date reporting.
- Management should consider enhancing accountability for the integrity of financial reporting, through formal sign-off and approval procedures.
- Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost of each option.
- The audit committee should be expanded to include external members with appropriate professional backgrounds and designations. They would 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> .	No
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 school board has established a formal administrative procedure for deposits and disbursements of funds. The school board has one current account and several investment accounts with various financial institutions. Management recently compared the request for proposal process for banking services with those of other school boards. The Superintendent of Business undertakes informal exchange of information regarding school board's banking terms and conditions with similar school boards through COSBO meetings and surveys.

Individual schools use the services of financial institutions based on availability of services in their area.

Finance ensures adherence to the procedures through active monitoring of cash activities, such as monthly bank reconciliations performed by dedicated staff. The school board has established an administrative procedure for investments. The procedure provides a broad statement on the school board's investment goals and procedures as required by the Ontario Regulation 471/97 under the Education Act. In particular, the procedure states that the Superintendent of Business, in consultation with the Director of Education and the board of trustees, is responsible for making determinations in accordance with the following:

- The amount of surplus funds to be invested, through cash flow estimates for operating, capital, reserve and trust funds;
- The period of time for which surplus funds are available for investment; and
- The financial instrument in which the funds will be invested.

Management does not provide regular reports on investment activity to the board of trustees.

The school board has not developed a capital liquidity template, as all the school board's maintenance and capital projects are fully funded by the Good Places to Learn (GPL) grants. The finance department does not conduct cash/funding forecasting, as the school board does not have any debt service costs.

Management of School-Based Funds

Management has established formal procedures regarding accounting for schoolbased funds. School principals are responsible for ensuring that procedures are followed for all groups. School bank accounts are reconciled monthly and verified by principals. A copy

of the approved monthly reconciliation report, bank statement and a monthly transaction report are submitted to the Superintendent of Business.

Finance staff provide training for school secretaries on how to use the software for accounting of school based funds and training for other school staff and principals on segregation of duties.

Recommendations:

- Management should periodically report to the Board on the performance of the investment activity, in accordance with the approved investment policy.

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 monitor all sources of revenue to ensure completeness and compliance with policies. Action plans and processes maximize collections including obtaining credit/risk assessments.	Yes
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 established policies for accounting of school-based funds. The school board has developed formal procedures for the community use of facilities, including a fees schedule. The school board's forms manual contains standard application forms for community rentals. The school board has established procedures for facility rental by non-profit and for-profit organizations. Non-profit organizations are not charged for the use of facilities, and fees are only charged for equipment and for incremental custodial costs. Management reports that, overall, revenue from community rentals is not significant.

The two key sources of non-grant revenue for the school board are tuition fees for the First Nations schools program, which includes Native as a Second Language, and interest on investments.

Procedures for all Non-Grant Revenues

The Board estimates revenue for the First Nations schools program as part of the annual budgeting process, and charges the First Nations bands directly. Designated finance staff manually track revenue received from the community rental of facilities. There is no electronic system for permit issuing and payment for community use of schools. There are formal controls to ensure that accurate permit fees are charged to the different community organizations.

Management has established procedures to record and track the various EPO grants received. Once a signed contract is received, finance staff assign a project code to each grant for tracking purposes. Finance staff send a memorandum with details of the grants to schools. Grant coordinators are responsible for expenditure of EPO funding and interim and final reporting. Finance staff closely monitors the use of EPO grants and the Director of Education signs off on the final reports. The Manager of Finance has

recently introduced improvements in monitoring of EPO grants. Monthly emails are sent to coordinators, superintendents and assistant to the Director regarding EPO grants received which request staff responsible for the grant to confirm payment and application. The purpose of this communication is to verify recording of grant revenue, prepare interim report and ensure compliance with the financial reporting schedule.

Recommendation:

- Management should consider implementing an electronic payment and registration system for community use of facilities programs. In doing so, management should review the existing 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

Leading Practices – Procurement	Evidence of Adoption?
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	Yes

Leading Practices – Procurement	Evidence of Adoption?
(including the use of public advertising for RFPs and tenders over a defined level).	
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.	No
Management evaluate and develop strategies to increase purchasing power and minimize the cost of goods and services procured.	No

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.	No

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.	No

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.	Yes

Procurement Policies and Procedures

The school board has established purchasing procedures which have been clearly communicated to all staff. Management has established a general purchasing procedure, and a separate procedure specifically for procurement of computer equipment and software. The school board also has a formal procedure for replacement and disposal of surplus or outdated furniture, equipment and printed materials. These procedures are available on the school board's website. The general purchasing procedure addresses a number of key elements, including:

- Purchasing authorization levels and the role of the Superintendent of Business
- Guidelines for tendering and quotations, including guidelines for selection of goods and services to be purchased.

The procedure also contains a list of the following items and services not covered by general purchasing procedures:

- Construction and building projects requiring Ministry of Education approval
- Professional service contracts
- Utility contracts
- Service contracts
- Purchase of property
- Purchases from petty cash funds
- Transportation contracts.

The school board does not have separate purchasing procedures for these items and services.

The general procurement procedure notes that the lowest price shall be the basis for selection of goods or services to be purchased, provided the specifications are met. If delivery, service, quality and price of goods or services are equal, preference is given to

the vendor whose place of business is located within the boundaries of the Northwest Catholic District School Board. The Superintendent of Business can give preference to a local vendor if this vendor is able to offer better service and the bid does not exceed the lowest acceptable bid by more than 10 percent. The school board may also award a contract to one supplier when the total award to a single supplier from a bid call would be less than \$1,000, and other suppliers are receiving awards of larger amounts from the same bid call. This allows the school board to reduce administrative and other associated costs. Any additional qualifications, other than the lowest bid, are required to be recorded and included in the purchase file.

Due to the size and geographic location of the school board, there is a limited supply of qualified vendors. The school board usually undertakes procurement based on requests for proposals. The Superintendent of Business maintains lists of approved vendors for quotation purposes.

Participation in Buying Consortia to Reduce Acquisition Costs

The school board participates in a fuel oil purchasing consortium with the municipality of Sioux Lookout. The school board is currently developing a consortium agreement for purchase of natural gas and electricity. Management is considering a consortium agreement with the Keewatin-Patricia District School Board for procurement of paper and general supplies. In addition, the school board is exploring opportunities for participation in joint purchasing initiatives, such as the Catholic School Board Services Association (CSBSA).

Purchasing Levels of Authority

The purchasing procedures state that purchase of all supplies, equipment and services are conducted through the Superintendent of Business, unless alternative procedures are approved by the Director of Education. Management noted that the Superintendent of Business or the Director of Education authorizes all purchases at the school board level, and principals authorize purchases at the school level.

Most purchases require a purchase order. Low value purchases can be made without a purchase order using a cheque requisition. All purchase orders must be processed through the business department. Purchase orders require a signature of one of the following: principal, superintendent, director or business administrator on behalf of the Superintendent of Business based on prior approval. The school board's forms manual contains purchase order forms.

All departments adhere to the following limits for securing supplier quotations:

- Up to \$100: general supplies and services, tenders, quotations or proposals are not required. Verbal or written quotations are required for furniture
- \$101 to \$1,100: catalogue prices or verbal quotations are required.
- \$1,101 to \$7,500: written quotations from at least two suppliers are required
- \$7, 501 to \$15,000: at least three written quotations, public tender or request for proposals is required
- Over \$15,000 Public Tender or request for proposal is required. Public tenders to be in accordance with Board policy, Purchases by Tender.

The purchasing procedure provides that public tenders may be called for purchases by tender valued at less than \$15,001 if the Superintendent of Business deems it in the best interest of the school board. The procedure established several exceptions to the requirements subject to the approval by the Director of Education. The Superintendent of Business may be permitted discretion in the application of these guidelines if:

- The required number of competitive bids cannot be obtained
- It is appropriate to purchase a particular make or model to ensure compatibility with existing equipment and competitive sources of supply are not available
- It is appropriate to deal with a particular supplier for reasons of service or quality.

Policies and Procedures for Purchase Card/Corporate Card Use

Corporate credit cards have been issued to 25 employees, including the Director of Education, senior managers and school principals and vice-principals, program coordinators and head custodians. The school board does not use purchase cards (PCards). In 2007, management established administrative procedures on corporate credit card use, which are posted on the school board's website. The procedures provide a broad description of credit card use and the expense claim process. The procedure requires that credit cards are used for payment of school board or school purchases, travel, meals and hospitality, in compliance with established administrative procedures for staff travel and professional development expense and purchasing. The school board's forms manual contains standard forms for expense claims. Management noted that the majority of costs charged to credit cards are related to travel and professional development on behalf of the school board. Staff may also use credit cards for purchases outside of Canada.

Most of the corporate credit cards have individual transaction limits, commensurate with staff levels.

Management acknowledges that the use of PCards would increase efficiency, by simplifying the acquisition, receipt and payment of low value purchases. PCards could be implemented when the school board revises its banking services contract. Management should consider conducting a spend analysis of purchases to determine potential benefits of the use of PCards for low value transactions.

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.

Finance staff have implemented a manual three-way matching between purchase orders, invoice and receipt. Management acknowledges the need for an automated matching process.

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

Use of Electronic Funds Transfer for Greater Efficiency

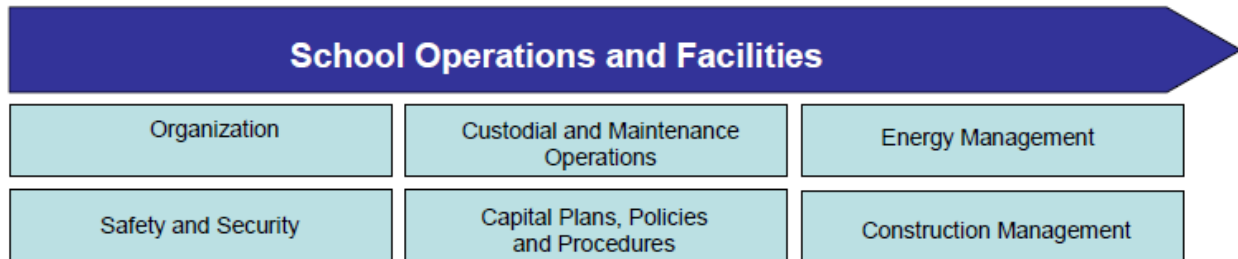
The school board currently makes significant use of EFT for vendor payment. Management acknowledges the benefits of maximizing the use of EFTs.

Recommendations:

- Management should conduct a spend analysis of purchases, to determine the potential benefits of PCards for low-value transactions. Policies and procedures for corporate credit cards and PCards should provide sufficient details on use and safekeeping of the cards. These should be clearly communicated to all card users through regular training and monitoring.
- Management should establish additional purchasing levels of authority commensurate with the job title or role. For example, some purchases could be authorized by the Manager of Finance.
- Management should continually pursue joint purchasing opportunities with other school boards, municipalities and local agencies. Cost studies comparing the school board costs with other school boards and/or local government authorities on high volume items would help develop the school board's purchasing strategy.
- Management should consider implementing the electronic supplier interface for ordering, processing and payment.

- Management should implement an automated three-way matching process using the capacity of the existing financial system.

5. School Operations and Facilities Management – Findings and Recommendations



Efficient and effective management of the school board's facilities (particularly schools) is an important factor in student achievement. Along with providing a positive learning environment for students, this function sets and meets standards of cleanliness and maintenance, examines opportunities to increase energy efficiency, and addresses the health, safety, and security requirements of the 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.	No

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 business department is responsible for operations and facilities management at the school board. The strategic goal of the facilities management function is to ensure all facilities resources are managed in a responsible, efficient and effective manner by regularly reviewing system needs. The facilities function has not developed an annual business plan setting out its specific goals and priorities. Management noted that ongoing priorities for facilities management include:

- Implementation of a facility maintenance system, including selection and development of a software solution
- Re-evaluation of the school board's five year capital plan, including potential consolidations
- Completion of facility energy audit plan and development of implementation plan for projects identified by the audit
- Review of custodial practices, including development of a professional development plan for custodial staff and implementation of improved budget control over custodial purchases
- Implementation of projects that promote energy efficiency and use of renewable energy sources.

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

Organizational Structure and Accountability

The facilities function is led by the Superintendent of Business. The school board contracts an external management consultant to support the facilities management function. In particular, the consultant provides services related to capital planning, project management and construction inspection.

The school board contracts maintenance staff as needed. At the school level, principals supervise custodial operations.

The roles and responsibilities of facilities staff are clearly outlined in their respective job descriptions. The role and responsibilities of the external management consultant are broadly stated in the proposal for the provision of services, which forms the contract with the consultant.

Due to its size, the facilities function does not have a separate organizational chart. The organizational chart of the school board clearly shows the responsibility of the Superintendent of Business for the facilities management function.

The external management consultant has appropriate experience and qualifications, and holds three trade licenses and a building code official certificate.

Monitoring and Communication of Policy

The business department maintains a set of policies covering pertinent aspects of facilities and operations management. These policies are published on the school board's website. The business department does not have an established review cycle to ensure that its policies are current.

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 workplace health and safety, electrical safety and drinking water certification training.

Recommendation:

- Facilities management should develop an annual departmental plan that aligns with the objectives of the Board Improvement Plan. The plan should set targets, timelines and assigned responsibilities for key activities. This would enable management to track and report progress of its defined priorities and goals throughout the year.

5.2 Custodial and Maintenance Operations

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

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

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.	Yes

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.	No

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.	Yes

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.	No

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

The custodial staffing model used by the school board is based on square footage, and includes additional factors such as portables and pods. Management also considers employees on modified work schedules on a case-by-case basis to establish additional staffing allocation for specific schools.

Although the school board informed the bargaining unit about the custodial staffing model, it has not included the model in its collective agreement with CUPE staff. The school board has compared its staff allocation model with other school boards.

Management recognizes that in order to help maintain specific levels of cleanliness, the school board should develop a set of cleaning standards and procedures that can be used to consistently monitor cleaning activities at schools.

Development of Annual and Multi-Year Maintenance plan

Management develops an annual and multi-year maintenance plan based on ReCAPP data, consultations with principals and external consultants. The multi-year maintenance plan is also the school board's 10-year capital plan. The initial multiyear maintenance plan was based on prioritized recommendations provided by Physical Planning Technologies' study. Based on the multi-year plan, management develops a five-year capital project forecast which is presented to the Board for approval.

The school board's maintenance and renewal activities are re-assessed annually through the annual budget process. This ensures that schools are maintained in the best condition possible.

Management uses the ReCAPP database to guide the development of the annual and multi-year maintenance and renewal priorities. This work has been supported by the Ministry's Good Places to Learn funding, enabling the school board to carry out critical renewal work on its schools. The ReCAPP database is updated by the external

management consultant annually. Management acknowledges that ReCAPP should be updated twice a year.

The school board has made progress in establishing a system for preventative maintenance of facilities and equipment. The school board has developed a database which provides a list of facilities and equipment subject to inspections, indicated inspection frequency and last inspection date. Management contracted an external consultant to conduct inspections and update the database.

Training to Support Skills Development and Safety

The facilities department does not have an annual training plan for custodial staff. Over the past two years, training was provided to custodial staff on issues related to health and safety, electrical safety awareness and water quality. Hazardous materials training is provided through the Workplace Hazardous Materials Information System (WHMIS).

Management implemented an informal mentoring system to improve the performance of custodians. Additional training has also been provided to custodians on the use of new equipment, either by vendors or the external management consultant.

Standardization of Cleaning and Maintenance Supplies

The plant department does not maintain a formal inventory of major cleaning and maintenance equipment.

Monitoring of cost and usage of cleaning supplies is implemented centrally in the school board's office. Centralized purchasing provides approximately 90 per cent of custodial supplies. There are small inventories of priority supplies at the schools.

In the past, facilities management introduced automatic dispensers to improve monitoring of usage of custodial supplies. However, the dispensers were eliminated due to custodian dissatisfaction. Management should re-examine the use of automatic dispensers and consider providing additional training to support their use.

Project Management, Monitoring and Supporting Systems

The facilities function does not use formal work orders. School principals issue a memorandum to the Superintendent of Business with specific maintenance requests. The Superintendent of Business or the external management consultant contracts maintenance services directly. There is usually done through an oral agreement on the maintenance services to be provided. Upon completion of the work maintenance contractors submit an invoice to the business department. Management acknowledges that the school board would benefit from introducing a work-order system, which would

allow it to process records, monitor and evaluate projects ensuring the effective use of resources.

Recommendations:

- The school board should develop and implement cleaning standards, with periodic site visits and a formal review log. Formal cleaning standards will enable management to monitor, manage and report on cleanliness levels on a regular basis.
- Management should develop an annual training plan for facilities staff to address ongoing skills development and emerging regulatory issues.
- Management should develop an inventory of major equipment used by maintenance and custodial staff. This would increase staff accountability for use of the school board's assets.
- Management should develop a work-order system that records, monitors, and evaluates projects ensuring the effective use of resources.
- Management should regularly evaluate the overall effectiveness and efficiency of its maintenance and custodial service practices.

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.	No

Tracking and Reporting Energy Conservation

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

Energy Management Plan

Management recognizes the importance of promoting energy conservation, and has recently contracted third party consultants to conduct energy audits of all school board facilities. The results will serve as the basis for developing a multi-year energy management strategy that includes quantifiable energy consumption baselines and savings. Such a plan will enable management to establish quantifiable targets for energy consumption and expenditures, and provide regular status updates to the Board.

To date, management has used the results of the energy audits to inform its annual maintenance plan. Based on the recommendations of the energy audits, the school board has implemented several energy efficiency projects. These projects included installation of a high efficiency hot water boiler and a damper controlled by the building's automation system.

Tracking and Reporting Energy Conservation

Management tracks electricity consumption at the school level monthly. This data is currently being used to develop a baseline for the school board's participation in an energy buying consortium. The facilities function plans to start reporting on conservation savings, based on information and recommendations provided by the energy audits.

The school board has not implemented centralized technology that allows staff to monitor and regulate energy consumption at the schools.

Schools use five electricity suppliers and three different sources of heating energy. As a result, the school board does not receive consolidated billing from the utilities.

Recommendations:

- Using the results of the energy audit, the school board should establish a multiyear energy management plan that incorporates quantifiable measures and is aligned with its strategic direction.
- Management should consider implementing centralized technology to remotely manage and control heating and air conditioning.
- The school board should consider implementing projects to build awareness of energy conservation. Management should examine the successful conservation initiatives of other school boards.

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 human resources department is responsible for the school board's health and safety program. HR develops an annual health and safety plan that includes monitoring of First Aid training certificates; development of a safety and communication protocol for emergency operations; annual budget for the school board's health and safety needs and training plan; update of the health and safety video training program; planning for monthly health and safety education and information activities and implementation of a health and safety orientation for new staff. Management has also developed a pandemic plan and presented the draft for community input. HR is also responsible for developing and providing health and safety training to school board staff.

The school board's safe and healthy schools procedures are developed and monitored by the Superintendent of Education. The school board follows Ministry guidelines, policy and legislation on healthy schools, including healthy foods and health support services in the school setting. Management has also established administrative procedures detailing how staff are to deal with cases of anaphylaxis. All of the school board's health and safety policies and procedures are available on the website.

The facilities function and the academic department are responsible for school security and safety policies and procedures. Management is currently updating an emergency preparedness plan. The school board also conducts regular fire drills and lock down

training. Given the proximity of the paper mill in Fort Frances, management intends to establish and conduct drills for chlorine release. The school board has established different colour code procedures for the lockdown of schools.

Management tracks vandalism incidents and associated costs. The school board receives monthly reports from the security monitoring company regarding security incidents.

The facilities function 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 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

Leading Practices – Capital Plans, Policies and Procedures	Evidence of Adoption?
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.	No
Capital forecasts and related funding plans are assessed annually and adjusted to meet current needs and changes to original assumptions such as enrolment projections and capital grants.	Yes
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

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 facility renewal needs for the same time period. The Ministry requires that the plan include projects with identified funding and those where the funding is unknown. This data is required by the Ministry to provide an understanding of the potential needs of all school boards over the 10-year period. The school board's capital plan is fully funded through the school renewal funding and Good Places to Learn and Primary Class Size capital funding. The school board is not required to submit a capital liquidity template to the Ministry.

The capital plan was based on the *Physical Planning Technologies Inc.* (PPTI) study completed in 2003 and consultations with external consultants and school principals. The capital plan was approved by the Board. Each year management presents an updated plan to the board and provides a report on accomplishments. Management established administrative procedures for a pupil accommodation review policy in 2007. The procedure is available on the school board's website.

Management noted that due to declining enrolment, the school board may have to consider potential school consolidations in the future.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

The monitoring and planning of school capacity is reported through the School Facilities Inventory System (“SFIS”). Management acknowledged that SFIS data needs to be improved and updated on a regular basis.

Facilities 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 once a year.

Recommendation:

- Management should ensure that inventories of school capacity and utilization are accurate by conducting regular updates of SFIS data.

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.	No
Management maintains standard policy and procedures to rationalize construction projects, including benchmarking against other school board construction costs and design standards (including coterminous boards).	No

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.	No

Cost-Effective Practices in the Design and Construction of Facilities

Management recognizes the construction challenges related to the school board's remote location. As well, management is well aware of its lack of experience in building new schools, since the school board has not built a new school in the last 10 years. There are no construction projects scheduled in the school board's 10-year capital plan. The most recent major capital project was the installation of a portable pack in 2007.

For the portable project, management developed specifications based on identified needs, with input from external consultants on heating and ventilation. As the school board continues to assess its longer term capital needs, it is recommended that management consider leveraging the expertise of some of their larger peer boards in obtaining cost-effective and energy efficient designs on an as-needed basis.

Monitoring and Reporting of Progress on Construction Projects

The Superintendent of Business closely monitored the costs of the portable installation project. The school board's external management consultant managed the project and provided regular reports to the Superintendent of Business. The project was completed as scheduled, with an insignificant budget overrun. The project budget was approved by the board of trustees.

Maintaining Current Approved Professional Service Providers

Management does not maintain a formal list of contractors. The school board has long-standing relationships with several contractors in the school board's area. Due to the limited number of local contractors in northern Ontario, the school board may hire the same contractors for various projects. Management noted that contractors are hired on a project-by-project basis.

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.

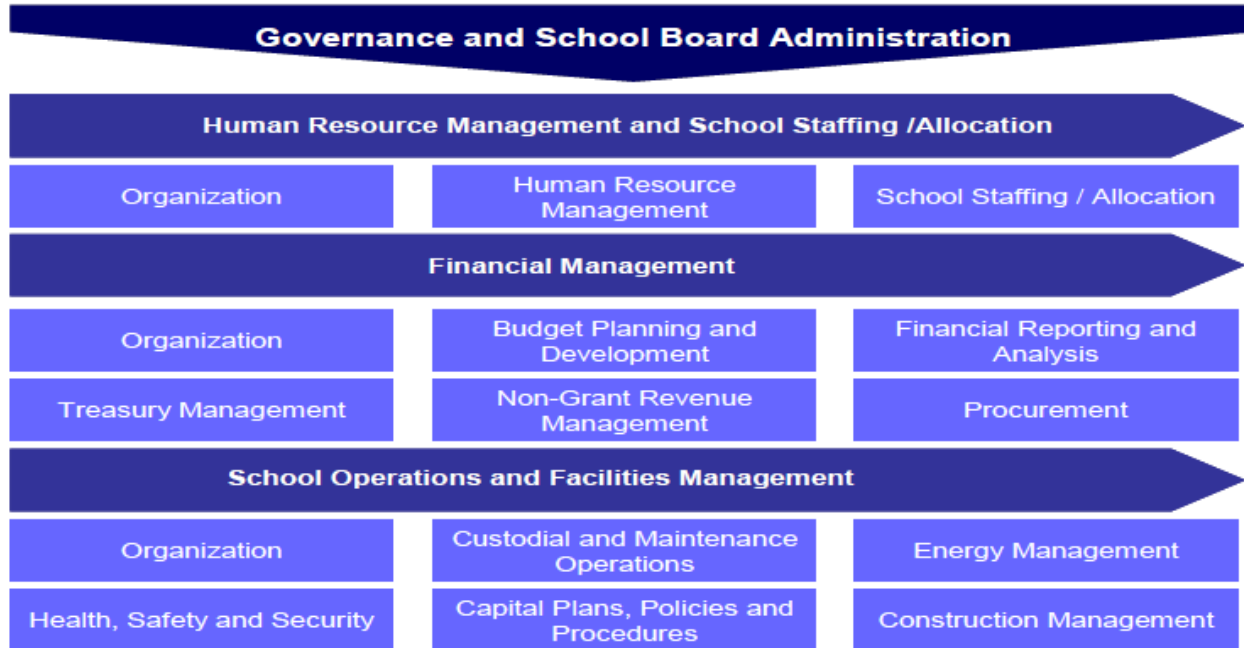
Recognizing the unique characteristics of each DSB, the specific purpose of the Operational Reviews is to:

- 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.

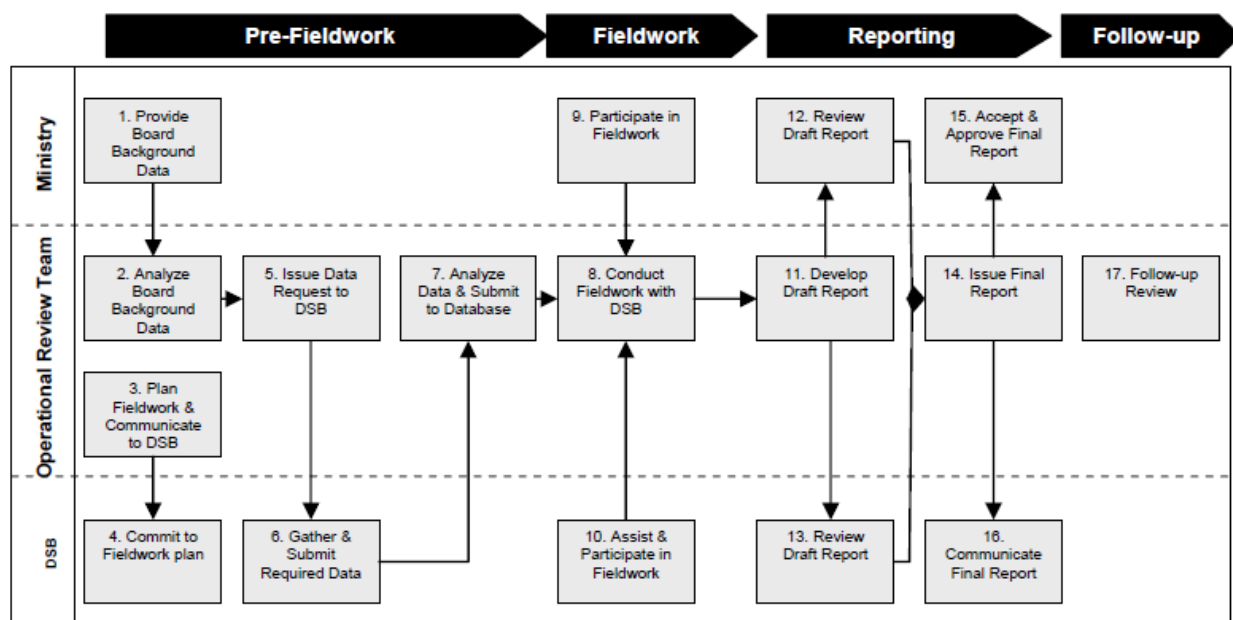
Each of the processes was examined based on its activities and its adoption of sector agreed leading practices, including alignment and support of student achievement strategies.



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-Fieldwork

Key Activity	Description
Provide School Board Background Data	The Ministry collects and maintains significant quantities of school 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	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.

Phase: Fieldwork

Key Activity	Description
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.
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 school board and prepares a final report.
Accept and Approve Final Report	The final report is issued to the Ministry for approval and release.
Communicate Final Report	The Ministry issues a final report to the school board.

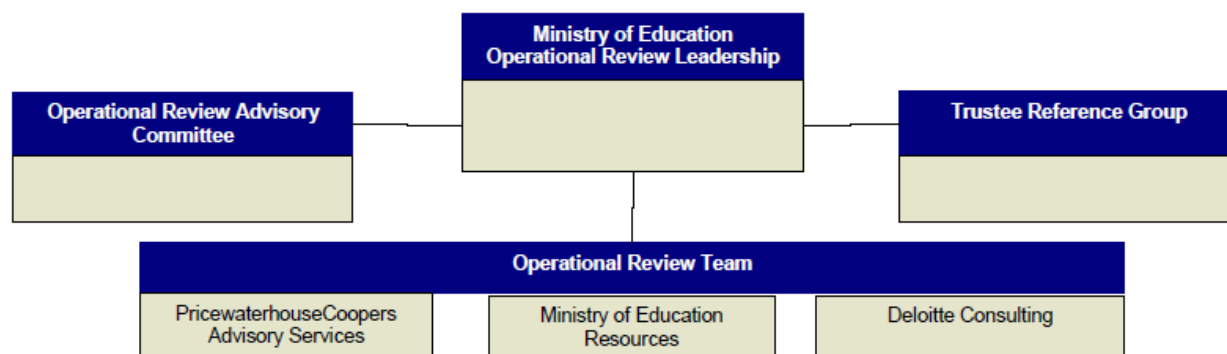
Phase: Follow-Up

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 Northwest Catholic District School Board. The review has been conducted using the methodology as previously described. The review is not of the nature or scope that constitutes an audit made in accordance with generally accepted auditing standards.

Appendix B: Summary of Recommendations

Governance and School Board Administration

No.	Recommendation
1.	Management should consolidate the school board's annual planning documents into an annual Board Improvement Plan that includes the actions and objectives listed in the Strategic Action Plan and System Program Priorities documents. This consolidated planning document would include academic program plans and operational plans, and allow the senior management team to streamline their reporting of specific achievements. The annual Board Improvement Plan should be aligned with the objectives in the school board's multi-year strategic direction. It should set specific, measurable targets and timelines for key activities of the school board. This would enable management to track and report progress of its defined priorities and goals throughout the year.
2.	Senior administration should re-examine the nature of the reporting relationships and revise the organizational chart accordingly.
3.	The school board should develop a formal succession plan to manage departures of key staff.

Human Resources Management and School Staffing/Allocation

No.	Recommendation
4.	The HR department should develop an annual departmental plan that aligns with the objectives in the Board Improvement Plan. The plan should set targets and timelines and assign responsibilities for key activities in the HR department. This would enable management to track and report the progress of its defined priorities and goals throughout the year.
5.	Management should establish formal disciplinary procedures for all teaching and non-teaching staff. Existing progressive discipline practices should be formalized and communicated to all staff.
6.	The HR department should develop a comprehensive attendance management program, with policies and procedures for specific categories of absenteeism. This would provide a consistent and structured approach to improving attendance, including positive reinforcement for employees and standardized practices across all employee groups.
7.	Management should conduct independent compliance audits of the school board's insurance carrier, to ensure adherence to the benefit plan's terms and conditions.
8.	Management should continue pay equity reviews for all staff.
9.	Management should conduct periodic and confidential staff surveys, to improve communication with staff and provide input for professional development plans and HR policy.
10.	Management should conduct exit interviews. These interviews would provide input for HR policy, as well as process and program improvement.
11.	HR management should establish formal policies and procedures for the staff allocation process, based on existing practices.

Financial Management

No.	Recommendation
12.	The finance department should develop an annual departmental plan that aligns with the objectives in the Board Improvement Plan. The plan should set targets and timelines and assign responsibilities for key activities in the finance department. This would enable management to track and report progress of its defined priorities and goals throughout the year.
13.	The finance department should provide scheduled awareness, training and skills development sessions on finance policy and procedures.
14.	The finance department should document the budget planning process to enhance transparency for trustees and staff regarding roles and responsibilities.
15.	The finance department should document key budget risks and their associated mitigation strategies, and present them to the Board and senior management as part of the budget development process.
16.	Management should provide an expanded level of interim reporting, in the format suggested in section 4.3 of this report. This would simplify communication and increase the Board's focus on key issues during year-to-date reporting.
17.	Management should consider enhancing accountability for the integrity of financial reporting, through formal sign-off and approval procedures.
18.	Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost of each option.
19.	The audit committee should be expanded to include at least two external members with appropriate professional backgrounds and designations. They would act as advisors and contribute to the committee's effectiveness.
20.	Management should periodically report to the Board on the performance of the school board's investment activity, in accordance with the approved investment policy.
21.	Management should consider implementing an electronic payment and registration system for community use of facilities programs. In doing so, management should review the existing electronic solutions in place at several other school boards.
22.	Management should conduct a spend analysis of purchases, to determine the potential benefits of PCards for low-value transactions. Policies and procedures for corporate credit cards and PCards should provide sufficient details on use and safekeeping of the cards. These should be clearly communicated to all card users through regular training and monitoring.
23.	Management should establish additional purchasing levels of authority commensurate with the job title or role. For example, some purchases could be authorized by the Manager of Finance.
24.	Management should continually pursue joint purchasing opportunities with other school boards, municipalities and local agencies. Cost studies comparing the school board costs with other school boards and/or local government authorities on high volume items would help develop the school board's purchasing strategy.
25.	Management should consider implementing the electronic supplier interface for ordering, processing and payment.
26.	Management should implement an automated three-way matching process using the capacity of the existing financial system.

School Operations and Facilities Management

No.	Recommendation
27.	Facilities management should develop an annual departmental plan that aligns with the objectives in the Board Improvement Plan. The plan should set targets, timelines and assigned responsibilities for key activities. This would enable management to track and report progress of its defined priorities and goals throughout the year.
28.	The school board should develop and implement cleaning standards, with periodic site visits and a formal review log. Formal cleaning standards will enable management to monitor, manage and report on cleanliness levels on a regular basis.
29.	Management should develop an annual training plan for facilities staff to address ongoing skills development and emerging regulatory issues.
30.	Management should develop an inventory of major equipment used by maintenance and custodial staff. This would increase staff accountability for use of the school board's assets.
31.	Management should develop a work-order system that records, monitors, and evaluates projects, ensuring the effective use of resources.
32.	Management should regularly evaluate the overall effectiveness and efficiency of its maintenance and custodial service practices.
33.	Using the results of the energy audit, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and is aligned with its strategic direction.
34.	Management should consider implementing centralized technology to remotely manage and control heating and air conditioning.
35.	The school board should consider implementing projects to build awareness of energy conservation. Management should examine the successful conservation initiatives of other school boards.
36.	Management should ensure that inventories of school capacity and utilization are accurate by conducting regular updates of SFIS data.