

**Ministry of Education**

**Operational Review Report  
Ottawa Catholic District School Board**

**June 2008**

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## **Executive Summary**

This report details the findings and recommendations of the Operational Review of the Ottawa Catholic District School Board (“the Board”) conducted by the Operational Review Team composed of external consultants from Deloitte Consulting and Ministry of Education staff. The Operational Review was conducted over a four-day period beginning October 29, 2007.

## **Introduction**

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

The Operational Review Team reviewed the 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 Board has implemented the leading practices set out in the “Operational Review Guide for Ontario School Boards”. The review also provides, where appropriate, recommendations on opportunities for improvement. Appendix A provides an overview summary of the Operational Review scope and methodology.

The review found that the Board is well-managed, based on the fact that it has adopted a significant number of the leading practices in all of the functional areas reviewed. In many cases the recommendations in this report encourage the Board to continue or complete the implementation of leading practices that have already been initiated by management. A summary of the findings and recommendations identified in each of the functional areas reviewed follows. Details can be found in subsequent sections of the report.

## **Governance and School Board Administration**

The Board’s governance structure delineates the roles and responsibilities of the Board of Trustees from the Senior Management Team. The structure is founded on the principle that the Board of Trustees is responsible for setting and maintaining policy, while the administrative team develops and implements plans and procedures to ensure adherence to Board policies and the accomplishment of key priorities. To ensure a clear

understanding of trustee roles and responsibilities, the Board has a comprehensive trustee and superintendent orientation process.

The Senior Administrative Team is composed of the Director of Education, the Deputy Director of Education and the Superintendents responsible for schools, education programs, and business. The position of Deputy Director of Education has been established to focus primarily on the management of the Operational and Program Superintendents. As a result, the Director can spend focused time to keep trustees and other key community stakeholders fully informed. The organizational chart and roles for the Senior Administrative Team and Trustees are posted on the Board's website

Within the last two years the Board reduced its governing principles to three, to simplify the approach for validating and prioritizing goals and to streamline the planning process. The three main goals supporting the Board's Improvement Plan for 2007-2008 are:

- Student Success
- Staff Success
- Stewardship of Resources

The development of the annual strategic direction by the Director and Deputy Director included working with senior administration and trustees and extensive consultations with the Board's key stakeholders. This included input from principals, departmental and system support staff, the Catholic Parents Association, school council chairs, student council presidents, a comprehensive review of student achievement results and continued research in school and system improvement planning. The Board has published its most recent strategic directions as "The Ottawa Catholic School Board Improvement Plan 2007 - 2008".

The Board facilitates planning and reporting with standardized planning tools and templates at the school and departmental level. This approach ensures that initiatives and priorities are aligned with student achievement goals.

Both schools and departments prepare detailed improvement plans based on the goals of the school system. Management could consider preparing a synthesis of the key goals, strategies and indicators of success that are contained in the individual plans. This would compliment the Board's existing strategic direction document. It would also provide senior management, the Board and its stakeholders with a comprehensive "System Plan", and would form the basis for the annual reporting of achievements.

The Director meets frequently with members of the Board of Trustees and community stakeholders to keep all parties informed of key administrative developments. The working relationship between the Director, Deputy Director and the Board of Trustees

appears to be positive. The strength of the working relationship between the Senior Administration and the Board of Trustees contributes to the achievement of the Board's goals and priorities.

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

The Human Resources (HR) Department demonstrates a good level of operational effectiveness overall, by implementing many of the leading practices:

- Proactive and open communication with the union and its membership has reduced formal labor disputes or grievances over the last three years.
- The Board has established formal processes for allocating staff. Forecasted allocations are also adjusted to support school priorities such as increasing student achievement in certain areas or supporting changing needs in Special Education.
- HR has established an annual improvement plan linked to the Board's annual goals. The detailed plan includes the strategies to accomplish the specific goals, and identifies indicators of success, timelines, responsibilities and accomplishments.
- A formal performance appraisal system for all employees is enabled through online self-service that allows staff to assist in more efficient management of the process.
- Effective use of technology has created efficiencies within the Board and with schools/teachers, for the ongoing deployment of staff and the maintenance of data required by the Ministry.
- The Board has also adopted a web-based system to monitor and manage staff attendance. Staff members report their absence either by phone or via web applications. The system tracks patterns and sends reports to supervisors who can help support employee attendance.
- Management believes that the adoption of an ASO (Administrative Services Only) Benefits Plan and a Benefits Advisory Committee has contributed to improved effectiveness in the management of its plans.

### **Recommendations:**

- The HR Department organizational charts should be posted on the Board's web site so that they are publicly available.



- The Board has succeeded in significantly reducing absenteeism in some of its support staff categories. Management should continue efforts to address teacher absenteeism by incorporating lessons learned from its success with non-teaching groups and through the development of strategies, policies and procedures in concert with the teacher association.
- The Board should consider conducting confidential exit interviews and periodic staff satisfaction surveys across all staff groups. This can provide management with valuable input to develop effective HR policies and contribute to professional development initiatives.

## **Financial Management**

The Finance department has demonstrated positive results through the adoption of many of the leading practices:

- Staff has appropriate credentials and experience. By allowing for cross training, the department enables flexibility in resourcing and back-filling staff positions where necessary. The resulting staff mobility within the department also supports career goals and improves staff retention.
- The annual budget process is transparent, clearly communicated, and incorporates input from all key stakeholders. The 2007-2008 final budget approval by the Board was significantly expedited because management and trustees addressed certain issues (expenditure and revenue changes, 2007-08 priorities) prior to approval.
- Leveraging opportunities to participate in purchasing consortia to maximize value for expenditures. The Board uses several purchasing consortia for transportation, natural gas, electricity, computers, copiers, paper and cartridges.
- Use of technology to increase procurement efficiency and compliance through the reduction of paper use, the automation of processes (such as approvals) and establishing system controls to set spending thresholds.
- Department staff proactively manages the treasury function to ensure that idle cash is minimized. Management also negotiates with its banker to minimize service fees and obtain higher interest rates.

## **Recommendations:**

- The Finance department should proceed with its plan to adopt the new template and approach for its annual plan. This will ensure consistency with the other departments and demonstrate alignment to the school system's goals.

- Management and the Board should consider establishing an internal audit function. Management could start by identifying options for the internal audit's mandate and scope, and the estimated annual cost of each option. Management's proactive assessment of need and cost would be a useful first step.
- Management and the Board should consider expanding the membership of the Audit Committee to include external members as advisors for areas where there are gaps in technical expertise.
- Finance staff should implement the Electronic Funds Transfer method of payment to as many suppliers as appropriate, in order to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.

### **School Operations and Facilities Management**

The Facilities department employs many of the leading practices in its caretaking and maintenance operations. The following significant practices are noted:

- Accountability structures and mechanisms support the performance of the maintenance and operation functions.
- Management has implemented a multi-year energy management plan that incorporates new measures and tools to achieve significant savings to the Board. An exhaustive benchmarking exercise in 2003-04 set a baseline for improvement was established. The avoided cost for 2006-07 relative to the baseline year amounted to \$1,673,427, and avoided costs since the start of the program total \$3,403,133. The Board notes that this success is a result of the collected efforts of the entire complement of staff and students across the Board. This plan is a model that can be emulated by other school boards.
- The Board has recently implemented work order management technology through specialized software and hand-held devices to track workforce activities and deploy staff more efficiently.
- The department has reduced absenteeism for some support staff using trend analysis reporting, enhancing the visibility of those with poor attendance records and promoting career development and lateral advancement. In addition to reporting against exceptions, management rewards highest attendance through peer recognition and token gifts.

**Recommendation:**

- The Board should consider leveraging the data in its work order system to perform cost analysis of the maintenance activities performed by both internal resources and external suppliers. This will allow the Board, over time, to develop a clearer understanding of maintenance productivity, efficiency and effectiveness.

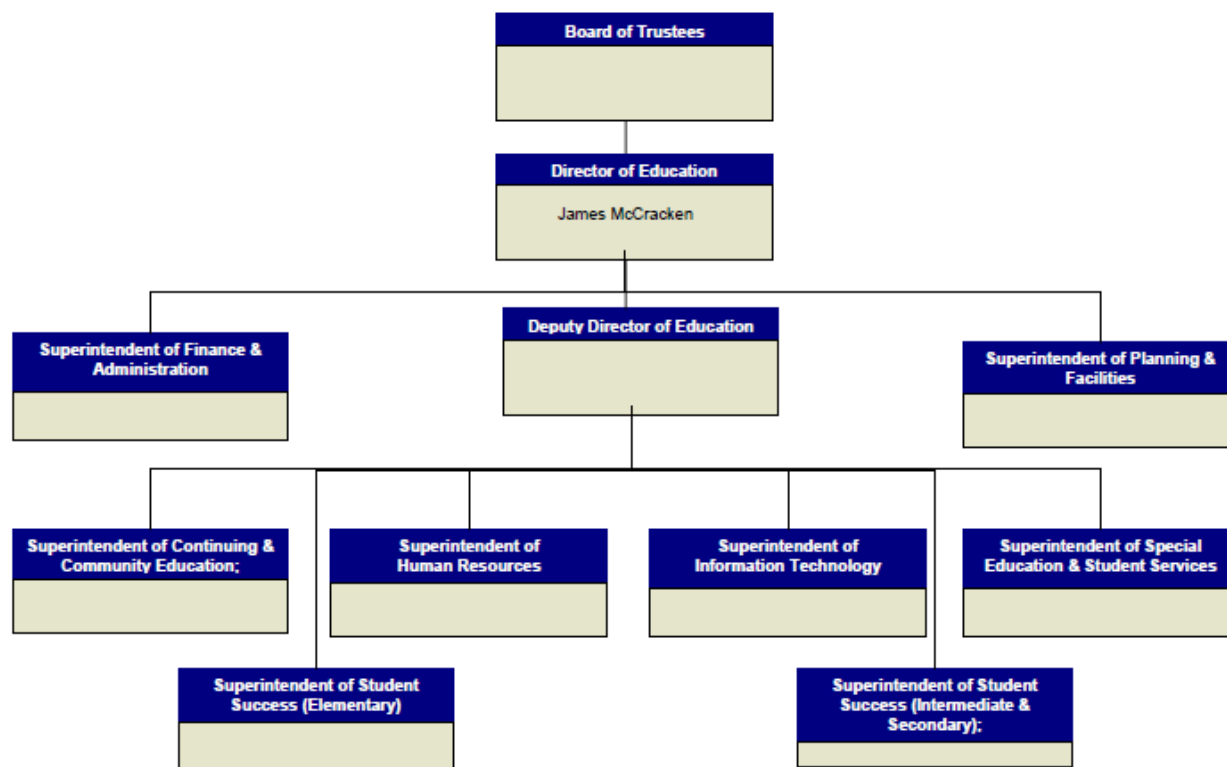
# 1. Background and Overview

## 1.1 Board Profile & Structure

The consolidation of the former Ottawa and Carleton Roman Catholic School Boards resulted in the establishment of the Ottawa-Carleton Catholic School Board on January 1, 1998. The Board officially changed its name to the Ottawa Catholic School Board (OCSB) on March 27, 2007 to emphasize the commitment to Catholicism and to reflect the amalgamation of the City of Ottawa. The Board currently operates 81 elementary and secondary schools and serves about 38,000 students.

The Board’s elementary enrolment has declined by about 2,600 since 2002-03. In contrast, secondary enrolment increased by about 1,000 over the same period. This is attributed to a variety of demographic factors which are expected to continue over the next five years. Management has prepared and presented the 10 year Capital Plan to the Board of Trustees. This addresses the status of the Board’s schools in detail, their related enrolment forecasts and the potential impact on the Board.

The following represents the Senior Administration of the Board:



## 1.2 Key Priorities of the Board

The Board's planning and priorities are driven by its mission statement: "In partnership with home, parish and community, the Board will ensure that the teachings and values of Jesus Christ are integrated in all aspects of school life. By providing the necessary resources for quality Catholic education, the Board supports the development of lifelong learners striving for academic excellence in a nurturing, safe and vibrant community. All individuals are challenged to become responsible and contributing citizens in an increasingly complex and diverse world."

To simplify the approach for validating and prioritizing goals and streamline the planning process, the Board reduced its governing principles to three in the last two years.

The Board's Improvement Plan for 2007-2008 has three main goals supported by specific objectives:

### Student Success

- develop character and welcome diversity by promoting Gospel values expressed in Catholic Graduate Expectations
- improve student literacy and mathematical literacy levels
- increase student success through pathways, transitioning and inclusionary practices

### Staff Success

- grow in faith and live Gospel values
- implement Planning for Learning model
- build Catholic collaborative learning communities through job-embedded, results-based professional learning opportunities

### Stewardship of Resources

- deploy staff to support job-embedded, results-based professional learning
- differentiate staffing to provide equity
- promote environmental initiatives
- collaborate on budget and special project funding

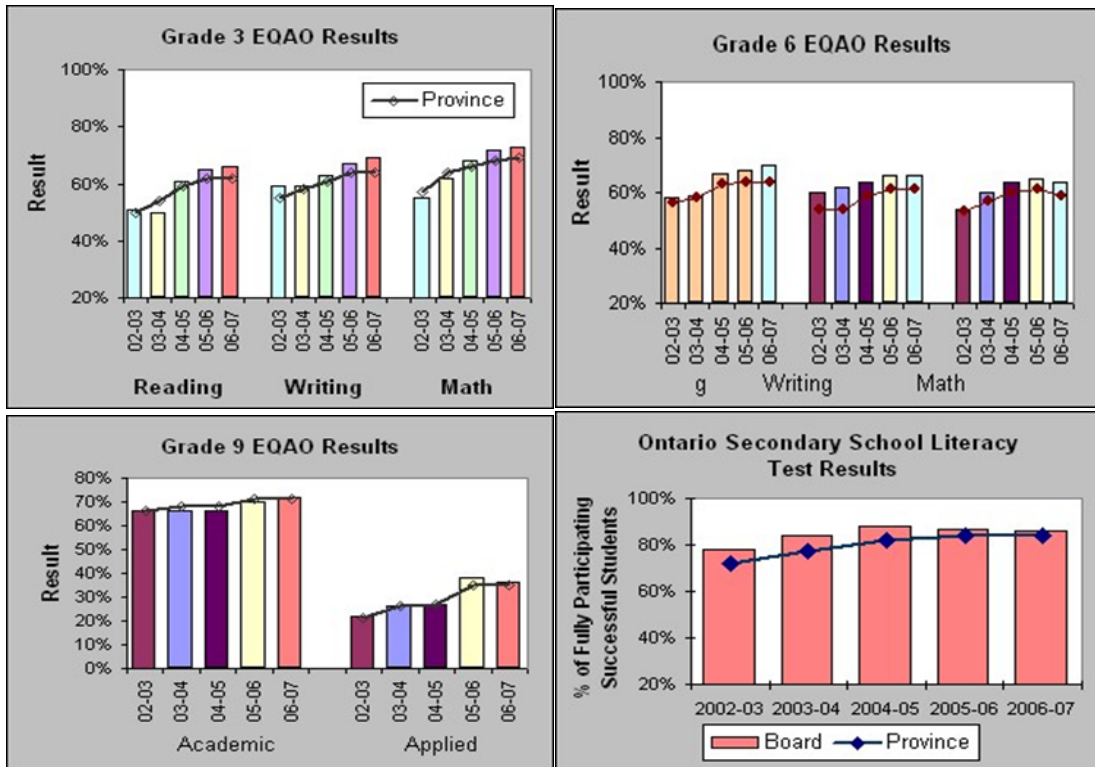
Further details on the development of the Board’s goals and objectives are in Section 2 of this report.

### 1.3 Student Achievement

The Board has made a concerted effort to improve student achievement outcomes, with refined improvement plans and increased allocation for literacy coaches to assist teachers with new instructional strategies. Senior management believes that these strategies contributed directly to the Board’s significant improvements in its EQAO results.

Student achievement data shows that the Board exceeded the provincial average in all areas for 2006-2007, and surpassed all previous results within the last three years. The annual planning process and initiatives implemented by the Board, management and schools have contributed to successful student outcomes.

The following charts illustrate the Board’s EQAO and OSSLT results over the last five years.



The Board increased its efforts at the K-level to encourage participation in its Supported School Readiness Program. The key component of the program is home and classroom visits, which are conducted by child development advisors.

Other initiatives included ReTELLS, a project focused on the development of oral language, and literacy coach support for students in 14 elementary schools.

In high schools, assistive IT equipment has supported students in the completion of the OSSLT (Ontario Secondary School Literacy Test). Other key initiatives included transitions planning, credit intervention and credit recovery. This contributed to 87% of grade 9 students obtaining the expected number of credits by the end of the school year, a 5% increase over last year's results.

#### **1.4 Fiscal Overview**

The Board has presented a balanced budget over the past three years. This was accomplished without draw down on the Reserve for Working Funds. The balance of the Reserve for Working Funds has grown from about \$3.5 million at the end of 2004-05 to a forecasted amount of about \$6.9 million at the end of 2007-08. The Board's current Special Education Expenditures exceed the allocation by about \$7 million, a variance which has been growing over the past several years. The Board has had to make adjustments in other expenditure areas to sustain its priority allocation to the programs and services provided to the students.

The Board is fiscally conservative in the development of its annual budget. All new projects or ongoing initiatives are re-examined and justified through a zero-based budgeting process each year. The Board's success in maintaining a balanced budget is also achieved through a combination of detailed expenditure review of the prior year and through the development of a detailed preliminary budget. The reports illustrate that the Board makes efforts to ensure that funds are internally restricted, and that any unforeseen operational surplus is applied to the Working Fund Reserves. This supports the emerging issues of the Board in both operations and programs.

The Board has had some significant capital projects over the past several years. The projects are considered relative to the critical needs of the system and the Board's ability to fully fund any commitments. The debt commitments arising from the capital projects have been funded from a combination of capital reserves and Ministry capital funding. It appears that the existing debt commitments of the Board will continue to be funded from Ministry capital grants. Any new commitments are to be considered on a project-by-project basis, with the Ministry's approval required.

### Summary Financial Data (Revenues)

Revenues	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Legislative Grants	\$227,086,745	\$238,183,253	\$253,925,613
Local taxation	\$106,893,680	\$107,898,846	\$109,590,000
Board Revenues	\$6,336,024	\$5,857,866	\$4,544,299
Other Operating & capital Grants	\$6,625,848	\$7,715,953	\$3,598,228
<b>Total Revenues (Schedule 9)</b>	<b>\$346,942,297</b>	<b>\$359,655,918</b>	<b>\$371,658,140</b>

### Summary Financial Data (Expenditure)

Expenditures:	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Operating expenditures	\$325,959,490	\$337,187,474	\$350,225,824
Capital expenditures-Before transfers from reserves	\$19,862,605	\$20,517,562	\$20,545,751
Transfer to Reserves	\$1,120,202	\$1,950,882	\$886,565
<b>Total Expenditures</b>	<b>\$346,942,297</b>	<b>\$359,655,918</b>	<b>\$371,658,140</b>
<b>Surplus (Deficit)</b>			

### School Board Reserves and Deferred Revenues: (Balances at the end of year)

School Board Reserve and Deferred Revenues:	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Reserve for Working Funds	\$4,453,893	\$6,143,383	\$6,943,383
NECTAR Reserve	\$454,917	\$639,600	\$710,550
CEFOC Reserve	\$78,253	\$154,962	\$170,577
Pupil Accomodation Debt Reserve	\$7,733,881	\$3,293,873	\$3,293,873
<b>Total Reserve Funds (Schedule 5)</b>	<b>\$12,720,944</b>	<b>\$10,231,818</b>	<b>\$11,118,383</b>
Proceeds of Disposition Reserve - School Buildings	\$9,996,488	\$924,818	\$924,818
Proceeds of Disposition Reserve - Other	\$248,361	\$250,040	\$250,040
Education Development Charge Reserve	\$3,504,361	\$5,086,187	\$3,156,524



<b>School Board Reserve and Deferred Revenues:</b>	<b>2005-06 Financial Statements</b>	<b>2006-07 Financial Statements</b>	<b>2007-08 Revised Estimates</b>
Distant School Reserve	\$68,414	\$0	\$0
<b>Total Deferred Revenues (Schedule 5.1)</b>	<b>\$13,817,624</b>	<b>\$6,261,045</b>	<b>\$4,331,382</b>
<b>Total Board Reserves and Deferred Revenues</b>	<b>\$26,538,568</b>	<b>\$16,492,863</b>	<b>\$15,449,765</b>

## 1.5 Key Statistics

The following table highlights key statistics for the Board. Of note are the increasing compliance with Ministry's Primary Class Size requirements and the decreasing enrolment trend across a large geographic area. These statistics illustrate a common but challenging operating environment for the Board.

### Day School Enrolment

<b>Day School Enrolment:</b>	<b>2002-03 Actual</b>	<b>2007-08 Revised Estimates</b>
Elementary Day School ADE	26,463	23,826
Secondary Day School ADE	12,657	14,204
<b>Total Day School Enrolment</b>	<b>39,120</b>	<b>38,030</b>

### Primary Class Size

<b>Primary Class Size:</b>	<b>2003-04</b>	<b>2007-08</b>
% of Classes Less Than 20	28%	89%
% of Classes Less Than 23	60%	100%
Average Class Size - Jr/Inter	26.1	24.8
% of 3/4 Classes 23 & Under	37%	100%
% of Combined Classes	10%	19%

### Staffing

<b>Staffing</b>	<b>2003-04</b>	<b>2007-08</b>
School Based Teachers	2,282	2,385
Teacher Assistants	315	433
Other Student Support	177	229
School Administration	132	134

<b>Staffing</b>	<b>2003-04</b>	<b>2007-08</b>
School Clerical	164	177
School Operations	299	340
Other Non-Classroom	109	115
<b>Total Staffing</b>	<b>3,478</b>	<b>3,813</b>
<b>Teacher - Pupil Ratio</b>	<b>1:17</b>	<b>1:16</b>
<b>FTE Staff per 1,000 Pupils (ADE)<sup>1</sup></b>	<b>88.9</b>	<b>100.3</b>
<b>Total Salary &amp; Benefits as % of Net Operating Expenditures</b>	<b>83.0%</b>	<b>84.6%</b>

### Special Education

<b>Special Education:</b>	<b>2003-04</b>	<b>2007-08</b>
Special Education Incremental Expenditures	\$30,930,308	\$45,816,391
Special Education Allocation	\$29,479,815	\$38,776,931
<b>Spending above Allocation (Reserve)</b>	<b>1,450,493</b>	<b>\$7,039,460</b>

### School Utilization

<b>School Utilization</b>	<b>2003-04</b>	<b>2007-08</b>
Total Capacity (Spaces)	38,698	40,828
% of excess capacity (under capacity)	101%	93%
Number of schools	89	94
<b>Board Area (Km<sup>2</sup>)</b>	<b>2,760</b>	<b>2,760</b>
<b>Number of Trustees</b>	<b>10</b>	<b>10</b>

<sup>1</sup> Note: Impacted by Class Size and Special Education

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

The Board’s governance model and administrative organizational framework make a significant contribution in helping the Board of Trustees, Director, Senior Administration and community stakeholders support both “**Student Achievement**” strategies and effective Board operations.

The purpose of reviewing governance and board administration processes is to:

- Understand how the governance model delineates the division of duties between the Board of Trustees and the administration and supports operational effectiveness;
- 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 the processes for the generation and maintenance of policies and related procedures;
- Assess whether staffing levels and organization structures provide for clarity of roles and accountability sufficient to carry out the Board’s objectives;
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

The governance model should delineate the division of duties between the Board of Trustees and the Director of Education. The governance model should also contribute to and support the achievement of the Board’s goals and priorities including student success strategies and the operational effectiveness of the management and staff.

The following table summarizes the leading practices defined for governance and school board administration, 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 – Governance and School Board Administration	Evidence of Adoption?
The Board of Trustees articulates annual goals/priorities and receives periodic/annual reports on the achievements against them.	Yes
The Director of Education and management develop annual plans which reflect the Board of Trustees' goals/priorities and report on their outcomes to the Board of Trustees and stakeholders.	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

## Organizational Structure and Accountability

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
Organizational charts that clearly and accurately reflect the organizational structure of senior management and illustrate roles, responsibilities and accountabilities are available to the public.	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, memoranda, town hall meetings, etc.).	Yes
Key senior staffs from all functional areas are members and participants in sector committees of provincial associations and/or Ministry work groups.	Yes

## Development and Reporting of Annual Goals and Priorities

The Director works with Senior Administration and Trustees through extensive consultations with the Board's key stakeholders to set goals and strategic objectives. The Board then develops its annual plan, based on guidance from the mission statement, governing principles, feedback from principals, departmental and system

support staff, and research in school and system improvement planning. The “Board Improvement Plan for 2007 – 2008” is posted on the Board’s web site. The three goals for the school system are: Success for Students, Success for Staff and Stewardship of Resources.

The annual process of setting goals for the Board begins at the school level. School improvement planning templates are provided to principals to ensure that initiatives and priorities are aligned with student achievement goals and the three governing goals, with a focus on “students first”. The planning process includes feedback from all departments within the school as well as community stakeholders such as the Catholic Parents Association. An annual retreat for all school principals and vice principals during the year also provide schools with an opportunity to share best practices and develop goals and targets.

The School Improvement Plan that all schools are to complete for 2007-2008 includes four separate goals, all aimed at “Success for Students” and supported by a specific Catholic Theme/Gospel Value. The document includes performance targets, strategies, indicators of success, timelines and assigned responsibility.

Senior Administration is also responsible for developing and prioritizing goals for departmental improvement. The same template used at the school level is used or is planned to be used within the central departments to ensure alignment with the Board goals and a clear line of accountability. Performance indicators are noted to ensure that outcomes are measurable.

Superintendents and Senior Administration inform the Board on the progress against annual goals through periodic discussions and presentations. Superintendents and Senior Administration are responsible for providing information on the performance against targets to the Executive Committee, which in turn facilitates the development of the Director’s Annual Report.

Although this process of planning and reporting appears to be effective, there may be some additional benefit for the Board in adopting a version of the standard improvement plan template used at the department and school level. This would provide a systemwide synopsis of key initiatives, and support a more consolidated reporting framework.

## **Decision Making Processes**

Trustee meetings are held twice a month and matters requiring Board-level decisions are formally presented to the Board of Trustees and management. The Chair, ViceChair, Director and Deputy Director meet prior to Board meetings to review and approve the agenda before it is circulated and items formally tabled for discussion. All

Trustee meetings have an agenda that includes an aspect of program delivery and student success.

In some cases, such as those pertaining to complex transportation and school property issues, an unofficial debriefing session is held to ensure that the Board and management is fully informed before an item is formally tabled or publicly debated. This helps to streamline the formal decision making process.

School principals, members of the community and union membership are occasionally invited to participate in aspects of the informal review process. This advance review ensures that all parties are fully informed and there are no surprises. This approach also helps to ensure that Board meetings run efficiently and that the agenda is distributed to cover the key priorities of the Board.

Policy is formally developed and introduced to the Board through a Policy Committee. The Board does not have a formal policy refresh cycle. The introduction of new policy or revision may be initiated by the Board, Committees of the Board, or Senior Administration. Policies do not take effect until a duly approved motion of the Board is passed during a public meeting. Notification of all new or revised policies is communicated to media, schools and school council representatives immediately following the Board meeting. Policy memoranda updates are then issued by the Director of Education/delegate to all Policy and Procedures Manual holders. Board policies and related administrative procedures are available on the Board's web site.

### **Organizational Structure and Accountability**

The Board has created an effective organizational structure. It supports the needs of the school system to implement the annual plans aimed at improving success for students, success for staff and stewardship of resources. It enables the reporting of accomplishments to key stakeholders.

The Board has established the role of a Deputy Director of Education whose primary focus is on managing the Board's operations and in particular the day-to-day management of most of the superintendents. The Superintendent of Finance and Administration and the Superintendent of Planning and Facilities are the only superintendents who report directly to the Director of Education. The Director is consequently able to spend focused time on keeping Trustees and other key stakeholders within the community fully informed on Board matters. The Board feels that this organizational structure has strengthened the relationship between senior administration and the Trustees.

All Trustees and new management are involved in a mandatory and well structured orientation process to ensure there is a clear understanding with regard to their roles and responsibilities.

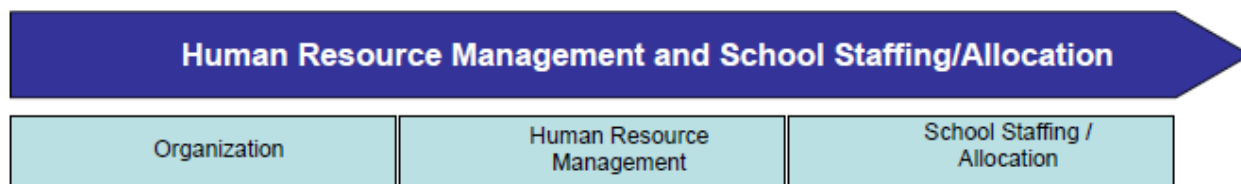
To address the increasing need for a focus on Information Technology (IT), the position of Superintendent of IT was established. This has contributed to improving the awareness and collaboration with regard to automating processes and gaining efficiency across all functions of the Board. Management believes that the organizational structure has served to strengthen the relationship between senior administration and the Board of Trustees.

### **Stakeholder Engagement**

The Board has demonstrated that it consistently discharges its responsibilities both directly and through its committees in an open and transparent manner. Various communication channels (emails, web-site postings and various Board Committee meetings) are crucial in keeping all key stakeholders engaged. Management fosters frequent and transparent communication between all key stakeholders, including unions, trustees and special parent groups such as the Catholic Parent's Association.

Members of senior administration are actively engaged in a variety of education sector committees, both within the Catholic community and through various provincial associations and Ministry of Education work groups.

### 3. Human Resource Management and School Staffing/ Allocations - Findings & Recommendations



Effective management of human resources ensures that the staff allocations to schools and classrooms meet the Ministry’s class size requirements and are in line with the Board’s collective agreements and approved allocation models. The allocation models adopted by the Board are designed to ensure the most effective teaching and learning practices.

The following is a summary of our assessment of the Board’s adoption of the leading practices identified under the processes identified above. The findings are a result of our review of the data provided by the 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 Resources Organization

The review of the organization of the HR department assesses:

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

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



## Development and Reporting of Annual Goals and Priorities

Leading Practices – Human Resource Organization	Evidence of Adoption?
Departmental goals and priorities are aligned to the Board's strategic directives and are documented in an annual department plan accessible by key stakeholders.	Yes

## Organizational Structure and Accountability

Leading Practices – Human Resource Organization	Evidence of Adoption?
Publicly-available HR organizational charts clearly illustrate roles, responsibilities and accountabilities.	No
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?
Management monitors HR policy compliance.	Yes
Management provides scheduled HR policy awareness, training, and education sessions.	Yes

## Development and Reporting of Annual Goals and Priorities

The HR Department has developed a detailed 2007-2008 Improvement Plan, using a similar format to the School Improvement Plan. It has several performance targets that are very clearly aligned to the school system's goals. The Plan details specific strategies, indicators of success, timelines and assigned responsibility. Management of the department developed the plan following consultation with their staff and other senior staff within the Board. The plan provides HR staff with a clear road map of the department's key priorities for the year and supports the Senior Administration in their understanding of the priorities for the department. The completion and summary of the HR department's accomplishments should contribute to the Senior Administration's ability to report in a comprehensive manner on the system's achievements for 2007/2008.

## **Organizational Structure and Accountability**

The HR department has added staff to meet the growing HR needs of the Board, particularly in the areas of labour relations and salary banding, for which projects were initiated shortly after amalgamation.

The long tenure of HR staff has allowed the Board to more easily cross-train staff to perform other functions outside of their major area of responsibility. The intimate size of the department allows for face-to-face communication to the staff in terms of how their activities drive positive outcomes. As a result, the staff is informed of the “big picture.” The team-oriented nature of the staff allows everyone to understand the impacts of their work. It also ensures they are adapting to changes that help promote efficiency, student success and better stewardship of resources.

Departmental staff members have professional HR designations and/or appropriate experience. HR staff regularly attends HR conferences and provincial committees that focus on human resource management matters.

## **Monitoring and Communication of Policy**

The Board conducts mandatory education and awareness sessions with relevant HR departmental personnel. These sessions ensure that HR policy issues are relevant and current to the needs of the Board. The HR Department’s practice is to allow superintendents to select training topics based on the priority of issues by department. Agendas are kept open to allow for employees to suggest policy topics for discussion. Like other departments, HR moves all policy recommendations to the Board’s standing committee on policy, where they may be formally tabled for discussion and adoption by the Board. This year the department is planning to review and amend several HR-related policies to ensure they are current.

### **Recommendation:**

- The HR Department organizational charts should be posted on the Board’s web site so that they are publicly available.

## **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;

- There are adequate systems and procedures in place to manage employee compensation plans, labor 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.

### Attendance Management Processes/Programs

Leading Practices – Human Resource Management	Evidence of Adoption?
Attendance management policies and processes support employees and minimize absenteeism costs.	No

### Labour Relations

Leading Practices – Human Resource Management	Evidence of Adoption?
Management and Board of Trustees have established labour/ management committees.	Yes
Established policies and procedures to minimize the incidence of grievances.	Yes

### Staff Recruitment

Leading Practices – Human Resource Management	Evidence of Adoption?
Recruiting policies and/or practices are reviewed annually, and are aligned with staff planning in support of student achievement.	Yes
New hire policies and procedures are standardized in packages for respective staff groups.	Yes

## Management of HR and Payroll Data

Leading Practices – Human Resource Management	Evidence of Adoption?
Payroll processing is segregated from payroll and employee data changes.	Yes
Teacher qualifications and experience are formally tracked and HR records re current.	Yes
An approved pay equity plan is reviewed periodically and amended as necessary.	Yes

## Employee Performance Evaluation Processes

Leading Practices – Human Resource Management	Evidence of Adoption?
Management maintains and communicates formal disciplinary policies and procedures for all staff.	Yes
Management has implemented an employee evaluation system for all staff.	Yes

## Management of Board's Benefit Plans

Leading Practices – Human Resource Management	Evidence of Adoption?
Management periodically conducts independent compliance audits of the Board's insurance carrier to ensure adherence to benefit plan's terms and conditions.	Yes
Data is automatically synchronized between HR benefits and payroll and external carriers such as TPP and OMERS.	Yes
Policies and procedures ensure the Board's benefit plans are managed appropriately.	Yes

## Monitoring Staff Satisfaction

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

## **Attendance Management Processes/Programs**

The Board has been able to decrease non-teaching absenteeism with the work of HR and other departments and through leveraging technology and leading practices. The Board has implemented various measures to improve attendance for its non-teaching staff. As an example, the Board annually and formally recognizes individuals with the highest attendance and rewards those individuals with token gifts.

The Board has also adopted a web-based system to monitor and manage staff attendance. Staff members report their absence either by phone or web applications, which track patterns and send reports to supervisors, who can investigate patterns indicating a problem with absenteeism.

While these best practices have significantly reduced non-teaching staff absenteeism, teacher absenteeism and the resulting support teacher costs have not declined in the same way. Management recognizes that action is required to address the issue and its associated cost, and recognizes the lack of a formal attendance management strategy to support this employee group.

As an initial step, the Board recently considered implementing the same attendance tracking software used for managing non-teaching employee attendance. The Board is also implementing a new web application that will make the administration and tracking associated with supply teaching (timesheets, pay, staffing etc.) more efficient.

## **Staff Recruitment**

The Board's recruiting and staffing policies and procedures are formally documented in various collective agreements. Recruiting practices are reviewed annually, and are aligned with staff planning in support of student achievement. The need for recruiting new teaching staff is determined based on a number of factors, including net changes in enrolment, retirements and resignations, class size requirements and surplus teachers.

Teaching and support staff needs are determined through a needs assessment from the school level that is aligned with student achievement targets. The recruiting and staffing process is a contributing factor in the Board's student achievement scores, which have increased considerably over the last three years.

Staff recruiting takes place through a variety of on-line job postings, newspaper advertising and job fairs.

All new teaching and non-teaching employees receive a standardized package that includes policies and procedures. There is appropriate mentoring and professional development provided to all new staff, including the New Teacher Induction Program (NTIP) for teachers.

## **Management of Labour Relations**

The Board has maintained good relationships with its unions and employees by managing labour disputes in a proactive and transparent manner. When there is an issue, management discusses it with the relevant individuals and issues a “letter of concern” notifying the union. This builds awareness of the issue prior to any formal action and allows all parties to come together to discuss and resolve it.

## **Employee Performance Evaluation Processes**

HR is responsible for the implementation of the Board’s policy for staff performance appraisals. HR enables the scheduling and recording of staff evaluations (both teaching and non-teaching) through a customized on-line computer application. This helps make the process more accessible, convenient and cost-efficient. Scheduled teacher evaluations are automatically generated each year for principals.

The HR Department has formal and extensive succession planning in all career areas including superintendents, principals and vice principals and support staff. The Board has implemented a “Journey Towards Leadership Program” that outlines training and career development, with the goal of supporting an overall succession plan for the Board. All non-teaching staff develop three year career plans and reviews them with supervisors.

For example, the Board has established a mentorship program for vice principals interested in being promoted to principal. The program assigns a principal as a mentor and provides a reduced workload, which allows the vice principal to gain a full understanding of a principal’s roles and responsibilities by attending various meetings.

## **Management of HR and Payroll Data**

There is a clear segregation of duties between the maintenance of HR data and the payroll data. This is enabled by discrete roles and responsibilities assigned to separate staff and enforced by the security of the computer system.

HR modifies teacher qualifications and experience information in their HR system as changes occur, in order to maintain accurate compensation information required by the payroll system. Teacher experience data is updated annually, and credentials are modified as soon as the appropriate documentation is available through the Ontario College of Teachers web site. The HR department is also responsible for ensuring that information in the Board’s HR system relating the “qualifications and experience” is made available to Finance to support the funding allocation for teacher salaries.

The HR Department has recently completed a salary banding process for all unionized and non-unionized staff to ensure pay equity across the organization. This achievement aligns with the Board’s mandate to treat all employees equitably and fairly.

## **Management of the Board's Benefit Plans**

The Board has introduced an ASO (Administrative Services Only) Benefits Plan and a Benefits Advisory Committee. The Board believes that this model and the contributions of the committee have contained the annual increase in costs, while providing the appropriate level of employee support. Currently the plan is managed through a broker specializing in insurance for public sector clients in the region.

The Benefits Advisory Committee has representation from each employee group, the president of the benefits administration company, the HR leave administrator, and the superintendent of HR. This committee discusses proposed enhancements, experience ratings and any other topic which relates to the benefit plan. As a result and through the representatives of this committee, staff has been sensitized to the fact that Board is self funded, and must control costs to keep benefit rates under control, since all employees are stakeholders in the plan.

As a result of these initiatives, the Board has experienced a moderate average 3% annual increase in benefit rates over the last five years.

## **Monitoring Staff Satisfaction**

The Board conducts confidential staff satisfaction surveys during training and group events, to enhance future professional development programs for teaching and nonteaching staff. The Board does not conduct Board-wide staff satisfaction surveys on general matters impacting employment, and exit interviews are not performed. These practices could provide management with valuable input for HR professional development and/or policies impacting employee relations.

## **Recommendations:**

- The Board has succeeded in significantly reducing absenteeism in some of its support staff categories. Management should continue efforts to address teacher absenteeism by incorporating lessons learned from its success with non-teaching groups and through the development of strategies, policies and procedures in concert with the teacher association.
- The Board should consider conducting confidential exit interviews and periodic staff satisfaction surveys across all staff groups. This can provide management with valuable input to develop effective HR policies and contribute to professional development initiatives.

### 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 the 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?
Established policies and procedures govern the annual staff allocation models or procedures.	Yes

#### Monitoring and Reporting on Staff Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Systems monitor adherence to key Ministry and/or Board policy parameters such as: class size, prep time and collective agreement requirements.	Yes
Systems report 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
A mechanism allows for adjustment of staff allocations for school based staff, if estimates for enrolment and/or 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.	No

## Planning and Processes for Annual Staffing and Allocation

The Board has established formal processes for allocating staff. Initially staff allocations are estimated based on enrolment / class size. Forecasted allocations are also adjusted to support the needs of the school in terms of priorities such as increasing student achievement in certain areas, or the changing needs in Special Education.

The Board uses a variety of data sources and dedicated internal planning staff to establish enrolment figures. Various sources support its enrolment forecasting, including data provided through its demographic analysis carried out by the planning staff, Statistics Canada and CN Watson. The Board has experienced significant success in terms of the accuracy of its enrolment forecasting. Primary and secondary enrolment estimates for 2007 had an accuracy rate of 99.5%, consistent with results over the last three years.

The Board has demonstrated that systems and processes are in place to monitor and report on the actual allocation of staff, compared to the original approved allocation plan and budget (FTE's by function, department and program, actual versus budget).

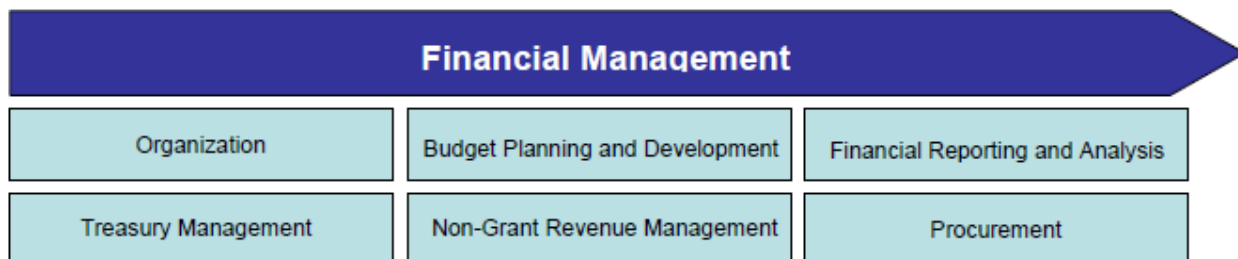
## Monitoring and Reporting on Staff Allocation

HR and Finance monitor the approved total staff allocation plan and budget, as compared to the actual allocation. This review occurs on a regular basis through contact with individual schools to confirm staffing, and through system-generated budget reports that are compared to actual expenses. Staff allocation is developed and tracked in a spreadsheet which is refreshed and finalized according to changes in enrolment and class size which normally occur in September.

## Benchmarking Costs with Other Boards and Funding

The HR department is completing a salary banding exercise as part of a pay equity program. Although the salary review compares wages across the Board and with the Ministry of Education Funding Model, it did not compare teaching and non-teaching compensation to those of its coterminous Board or other similar-sized boards. Such comparisons can contribute to management's understanding of both positive and negative variances between the Board and others.

## 4. Financial Management – Findings & Recommendations



The financial management of the Board contributes to the efficient and effective use of fiscal resources. Financial management ensures that the annual budget is developed within the Ministry's allocation and is aligned with student achievement targets, and that appropriate financial policies and procedures are in place to manage resources.

The financial and related business processes contribute to an appropriate level of transparency in the allocation and use of the budget by the various departments. They also ensure that the reporting of results to the Board of Trustees and other Board stakeholders reflects the approved goals/priorities relating to student achievement.

The following is a summary of our assessment of the 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 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 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?
Departmental goals and priorities are aligned to the Board’s strategic directives and are documented in an annual department plan accessible by key stakeholders.	No

### Organization Structure and Accountability

Leading Practices – Finance Organization	Evidence of Adoption?
Publicly available finance department organization charts clearly illustrate roles, responsibilities and accountabilities.	Yes
Senior finance, treasury and procurement staff has appropriate designations or related experience.	Yes

### Monitoring and Communication of Policy

Leading Practices – Finance Organization	Evidence of Adoption?
Management monitors finance department policy compliance.	Yes
Management provides scheduled finance policy awareness, training and education sessions.	Yes

### Development and Reporting of Annual Goals and Priorities

Fiscal management is one of the key strengths of the Board that supports its ability to deliver and support student success. The departmental annual plan is included in the Board’s annual budget document titled “Summary of Initiatives or Activities”. Each area of the department sets out the purpose of each function, (e.g. finance, payroll) and details the major activities planned for the particular function for the 2007-2008 year.

Finance management intends to reformat its annual plan for 2008-2009, using the new standard template/format titled School Improvement Plan (see details in Governance and School Board Administration section of this report). This will provide a consistent

approach and presentation to the senior administration of the departments' annual plans, and facilitate the reporting of achievements.

### **Organizational Structure and Accountability**

The finance department has an organization structure with clear roles, responsibilities, and accountabilities. The team culture and cross training of staff allows the Board to maintain sufficient resources and provide short term back-fill when necessary.

Key finance staff have appropriate professional designations. Within the Finance department, there are six staff with professional accounting designations. The Payroll function has employees with professional payroll designations. The Board also has specific training for staff in the finance area.

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

- All finance and procurement policies are documented, and the department utilizes information technology efficiently for reporting. The Board provided evidence of continuous or frequent monitoring of compliance, through bank reconciliation, procurement, accounts payable, accounts receivable and payroll transaction reporting. The finance department communicates process and policy changes through the other superintendents of each function, or directly to principals for all school-related matters. This also applies to the need for policy compliance.

### **Recommendation:**

- The Finance department should proceed with its plan to adopt the new template and approach for its annual plan. This will ensure consistency with the other departments and demonstrate alignment to the school system's goals.

## **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; and
- Assess whether sufficient transparency and controls exist in the budget planning and development, management and reporting processes;
- 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), the Board of Trustees and the community.	Yes
The annual budget presented for approval demonstrates that it is linked to the Board-approved goals and priorities including student achievement targets. It provides useful and understandable information for all stakeholders.	Yes
Budget planning processes account for all required cost and revenue changes.	Yes

### Enrolment Forecasting Linked to Budget Development

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

### Identification of Risks and Mitigation Strategies

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

### Annual Budget Development Process

The annual budget process is transparent, clearly communicated, and incorporates input from a variety of sources including senior administration, principals, trustees and the community.

The annual budgeting process begins in January/February each year, and is usually initiated with a presentation to the Trustees and the Senior Administration. This sets the stage for the development of the detailed Board budget, and details how all budget holders are to proceed developing their budgets. It also provides direction for the way in which new initiatives are to be identified including the details required for them to be considered. This is followed with the distribution of the budget package for the schools and the departments, which includes guidelines and required timelines for completion.

Budget projections are developed at the school-level in conjunction with school councils. Schools and departments use a zero-based budgeting process to ensure that previous initiatives and expenditure patterns are validated, and prioritized within the context of any new initiatives. The Board's over-arching strategic principles are also used to validate the alignment of proposed initiatives and funding. Budget projections are then submitted to the Director of Education.

Once the details of the budget submissions have been approved by the Director, a draft budget document is prepared. The review of the draft budget is carried out by the Budget Council and the Executive Committee. The Budget Council includes about 20 school community members and includes principals, school council representatives, student trustees, union representatives and community representatives. The review process obtains feedback and recommendations regarding new initiatives and other budget matters. This is followed by public consultation where necessary and trustee input. Trustees are fully engaged in the processes.

The final budget is tabled for formal approval by the Board of Trustees. In the previous year, this consultative budget process gave the Board of Trustees the familiarity and comfort to approve the budget in short order.

### **Identification of Risks and Strategies to Mitigate are Identified**

The budgeting process incorporates a rigorous validation of needs through the zerobased budgeting exercise. This helps in the annual re-evaluation of variances that can be incorporated into current year budgeting and contingencies.

The risks of spending beyond authorized or budgeted levels are mitigated through the procurement and budgeting controls of the current financials system (BAS2000), which has encumbrance accounting and workflow thresholds. Requisitions that do not pass the budget check functionality are stopped at the pre-encumbrance (REQ) level. This means that purchase orders are not created and vendors are not sourced where there is insufficient budget to support the expenditure.

## Annual Budget Provides Appropriate Information

The annual budget produced and presented for approval has sufficient detail to demonstrate that it is linked to all of the approved goals and priorities. The budget document provides useful and understandable information for all stakeholders.

### 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 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 and appropriate explanations for a clear understanding of the current year’s budget and the outlook for the year.	Yes
Senior management is accountable for the integrity of financial reporting, through formal sign-off and approval procedures.	Yes

## Internal Audit

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Management maintains an independent internal audit function where appropriate.	No
Internal and external audit plans are clearly documented. Audit report recommendations are acted upon by management.	Yes

### Integrated Systems for Variance Analysis and Financial Reporting

The Board has an integrated financial information system that provides useful, timely and accurate information for management. This system integrates general ledger, accounts payable and purchasing functions and facilitates web-based reporting (through custom Delphi into BAS2000 and Crystal Reports). The financial system facilitates variance analysis, and enables management and budget holders to track their budget status on line.

### Interim Financial Reporting Accountability

Financial reports are provided to the executive committee, senior administration and the Board of Trustees on a regular basis. This helps ensure senior management is held accountable for maintaining expenditures in line with the approved budget. Finance staff prepares interim financial reports at least three times a year, using a standard format of statements with explanations of variances that provide the reader with a clear understanding of the year’s operating results.

The statements presented are a high level summary by major category, and include a percentage of “spent to date” for the current year and the “spend” level for the preceding year. This prior year statistic serves as a benchmark for normal spending levels at the time of reporting. The comprehensive nature of interim reporting was noted by the review team as significant adoption of a leading practice which could be shared across the sector.

### Internal Audit Function

The Board does not have an internal audit function. Although management recognizes the importance of the function, they believe that the resources are not available to support the additional cost at this time. Finance department staff perform audits of schools, focusing on the audit of school funds. Formal reports are issued and recommendations made are followed up to ensure corrective action is taken. The plan is to visit up to 16 schools per year. In addition, the external auditors audit several schools each year as part of their annual audit of the Board’s financial statements.



A formal internal audit function would assist senior administration and the Board of Trustees in exercising their overall governance and accountability roles. The internal audit would provide added assurance that internal controls established by management are operating effectively and are in compliance with the policies approved by the Board of Trustees and the procedures developed by management. The internal audit function can also help develop performance measures and indicators to evaluate whether programs and services are meeting their overall objectives. The function should report to the Audit Committee of the Board. The annual internal audit plan would be presented and approved by the committee, and all reports would be presented to the committee.

### **Audit Committee**

The Board has established an Audit Committee. The members are three Trustees. The Committee's mandate includes:

- Review of the annual audited financial statements;
- Review of the annual external auditor's appointment, the annual audit plan, the management letter and other matters related to the annual audit of the financial statements; and
- Other corporate matters.

It is recognized that the complexity of the annual financial statements and the significant changes in accounting in recent years is increasing. Audit Committee members need to understand what now constitutes sound internal accounting and operational control processes over the implementation of Board policies and control and protection of Board assets.

Consideration should be given to adding external members to the Audit Committee who can act as advisors where the Board perceives gaps in technical expertise may exist. The advisors would not be voting members, since current legislation only recognizes Trustees as voting members on Board standing committees. The professional backgrounds of the external members could include professional accountants, lawyers or other professionals depending on the background of current trustee members and the needs of the Committee and its mandate.

### **Recommendations:**

- Management and the Board should consider establishing an internal audit function. Management could start by identifying options for the internal audit's mandate and scope, and the estimated annual cost of each option. Management's proactive assessment of need and cost would be a useful first step.

- Management and the Board should consider expanding the membership of the Audit Committee to include external members as advisors for areas where there are gaps in technical expertise.

#### 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 of Adoption” was found. Where the evidence was not present or the practice was not completely adopted at the time of the review, a “no” is referenced indicating 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
Staff and management periodically review the Board’s investment policy and investment performance reports.	Yes
Staff and management periodically compare the Board’s banking terms and conditions to those of similar school boards.	Yes
Management monitors financial risk related to cash/investment management and has a plan to mitigate associated risks.	Yes

#### Cash and Investment Management

The Board has an efficient cash management process that minimizes idle cash by monitoring of monthly cash forecasts and investing cash in short term investments. Management maximizes yields through a competitive deposit rate of interest and the use of short-term investments.

Management documents and periodically reviews the investment policy and prepares investment performance reports. Also, management actively monitors financial risk related to cash/investment management, and has a plan to mitigate associated risks in accordance with the limits set out in the Education Act. While there is evidence of an investment policy and effective cash and treasury management, the Board should consider documenting the procedures, roles and responsibilities.

Management has consolidated cash management activities with a single bank. The Board regularly compares banking terms and conditions to those of similar school boards and it reviews its banking services/agreement annually.

#### 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 Board as revenue generated outside of grants makes up approximately 1% of the Boards overall budget, or about \$2 million excluding interest income and “other grants”. The Board receives Education Programs –Other (EPO) funding from the Ministry for specific initiatives, which requires the Board 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 to Support Non Grant Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
The board has established policies on the application of its fee structure, and obtains credit/risk assessments.	Yes

## Technology to Support Registration and Collection of 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.).	Yes

## Monitoring Procedures for all Non-Grant Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
Staff monitors all sources of revenue to ensure completeness and compliance with policies. Action plans and processes maximize collections.	Yes

## Managing Education Programs – Other (EPO) Grants

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

## Policies to Support the Management of Non-Grant Revenue

The Board has an established policy on the levying of permits, fees and the application of the fee structure.

The Board uses external credit assessments where appropriate, and conducts thorough background checks before accepting post-dated cheques for leasing.

## Technology to Support Registration and Collection of Revenue

The Board uses electronic registration and payment where appropriate and applicable (e.g. Continuing Education, leasing).

Staff monitor receivables, and have action plans and processes in place to maximize collection. These reports are made available through custom systems for Continuing Education and BAS2000 for the balance of aged receivables.

## Managing the EPO Grants

The Board budget identifies revenue and expenditure for each EPO program. Management receives periodic reports and monitors activity during the year. The

programs are tracked to ensure compliance with the requirements of the individual EPO grants.

## 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; and
- whether school Board processes ensure that they receive 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 areas where improvement opportunities should be considered, 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

### Participation in Buying Consortia to Reduce Acquisition Costs

Leading Practices – Procurement	Evidence of Adoption?
The acquisition strategy includes the participation in consortia/ cooperatives for cost savings.	Yes
Vendor selection criteria include elements other than lowest cost, such as total cost of ownership, value, and quality.	Yes
Regular reporting is used to monitor compliance and develop strategies to increase purchasing power and to minimize the costs of goods and services procured.	Yes

## Purchasing Levels of Authority

Leading Practices – Procurement	Evidence of Adoption?
Procurement authorization levels are commensurate to job title/role, and are monitored by the department head.	No

## Policies and Procedures for Pcard/Corporate Card Use

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

## Accounting for Completeness of Purchase/Payment Cycle

Leading Practices – Procurement	Evidence of Adoption?
Automated three-way matching (purchase order, receipt/invoice and inspection) is used.	Yes
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 Board has approved procurement policies and procedures in place. The policies and procedures have been clearly communicated to staff with purchasing authority. Although the Board reviews its purchasing policy and procedures on an annual basis, the only amendments deemed necessary since 1999 have been those pertaining to Purchase Cards (PCards), corporate credit cards and levels of purchasing authority. The purchasing policy and other related procurement policies are available on the Board's web site, however it was noted that some appendices still require updates in order to be in synch with the Board's approved purchasing policy. The revised purchasing policy addresses a number of key elements:

- The purchase of goods and services shall be in accordance with procedures established by the Board;
- Cooperative purchasing with other school boards and governmental agencies shall be encouraged and supported by the Board;
- Obtaining the maximum value for the dollar for all purchases of goods and taking into consideration such factors as quality, service, standardization and the environment;
- Low value purchase programs will be made available to schools and facilities and expedite the purchase of miscellaneous low dollar operating supplies;
- Unauthorized purchases remain the obligation of the person making the purchase and not the obligation of the Board;
- Designated suppliers must be used unless permitted under the a list of documented exceptions approved by the Board; and
- Purchasing must be in accordance with federal and provincial acts and regulations.

The Board approved new or amended policies and/or procedures in May, 2007, in accordance with the Ministry's direction in the areas of corporate credit cards, PCards, expense reimbursement, advertising and advocacy.

Management considers the total cost of ownership over the lowest purchase price during product selection. The Board also considers ship times, quality and availability. Since most vendors are chosen through a purchasing cooperative, the lowest price is usually assured.

The purchasing department has adopted a policy of continuous improvement. This is demonstrated by their decision to eliminate the Board's warehouse after a cost benefit analysis of warehousing vs. vendor delivery. Warehousing introduced additional costs and issues to procurement, such as stock management, limited vehicles for deliveries, shrinkage, obsolete items, and staffing to meet fluctuating demand. Direct shipping from the vendor has been much more efficient and cost effective for the Board.

### **Purchasing Levels of Authority**

The purchasing administrative procedures provide for appropriate authorization levels commensurate with job titles and roles. These are monitored for compliance by the respective department officials. Financial system functionality such as purchasing approval workflow, budget checking and matching are included in the purchasing

handbook and are enforced through the financial system. The procurement administrative procedures outlines that all departments adhere to the following limits for securing supplier quotations:

- Petty cash funds or the use of PCards are provided to facilitate purchases up to
- \$300 and must be approved by either a principal, coordinator or manager;
- Purchases of \$300 to \$2,500 initiate a system purchase order and must be approved by a principal, coordinator or manager. Where practical, three verbal quotations must be recorded and attached to the PO;
- Purchases of \$2,501 to \$10,000 require three written quotes documented by the person requisitioning the product or service and submitted to purchasing department for approval.
- Purchases of \$10,001 to \$50,000 require a minimum of three written quotes administrated by the purchasing department;
- Purchases over \$50,000 require a formal process with RFPs or tenders solicited from a minimum of three suppliers, advertised where necessary.

The Board's current administrative procedure states that "the purchase of goods and services will be in accordance with all applicable Federal and Provincial Acts and Regulations pertaining to the public procurement". This means that where the Board issues tenders advertising will be done according to the following thresholds:

- a) \$100,000 or greater in the case of goods or services; or
- b) \$250,000 or greater in the case of construction.

Management stated that they will also advertise at lower thresholds where they consider it necessary to secure the widest possible circulation for a particular good or service.

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

Management's acquisition strategy includes participation in consortia/cooperatives where it benefits the Board. For example, the Board has realized savings and stabilized the price and expenditures through a natural gas consortium with the City of Ottawa, Red Cross, Algonquin College, CitéCollégiale, Université, and four other school boards.

They have also formed other consortia with school boards, with one board taking the lead for each project or item (e.g. snow removal contracts, grass cutting, computer purchases, copiers, etc.).



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

The Board has developed clearly communicated policies and procedures for PCard and corporate card use, aligned with the regulations recently put in place by the Ministry. A PCard manual has been developed and circulated, and annual training has been put in place for PCard owners and those with purchasing authority.

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

The Board has a commitment accounting process where the purchase is encumbered to the general ledger after the purchase order (PO) is issued. Further, if a PO triggers a budget warning, the transaction is stopped until Finance is notified and the issue is addressed.

The Board conducts periodic readiness assessments and workshops to gauge the adoption of new process and technology by staff. The assessments and workshops facilitate future planning and upgrades to the procurement function. Currently, receipting through the system at the school level is being rolled-out in order to streamline the process and provide more accurate matching and accountability. This should be complete by mid 2008. The Board has also implemented automated three-way matching (purchase order, receipt / invoice and inspection) with online receipting for departmental or board-level purchases.

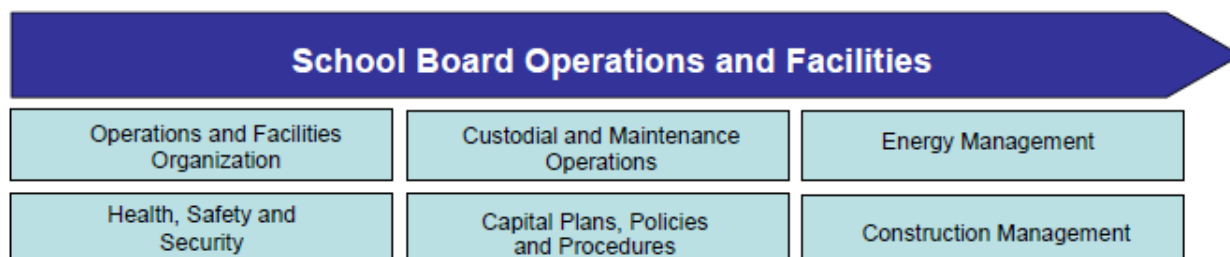
### **Use of Electronic Funds Transfer for Greater Efficiency**

The Board is using EFT for payments for utilities only. Management recognizes that additional EFT opportunities should be explored.

### **Recommendations:**

- Finance staff should implement the Electronic Funds Transfer method of payment to as many suppliers as appropriate, in order to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.

## 5. Operations and Facilities Management - Findings & Recommendations



Efficient and effective management of the Board’s facilities (particularly schools) is an important factor in student achievement targets and strategies. Along with providing a positive learning environment for students, teachers and staff, it also helps the Board achieve a standard of cleanliness and maintenance that meets the expectations of the school community.

The following is a summary of our assessment of the Board’s adoption of leading practices under the processes identified above. All findings are a result of the review of data provided by the 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 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?
Departmental goals and priorities are aligned to the Board’s strategic directives and are documented in an annual department plan accessible by key stakeholders.	Yes

### Organizational Structure and Accountability

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
Publicly available organizational charts clearly illustrate roles, responsibilities and accountabilities.	Yes
Senior operations and facilities staff have appropriate designations (e.g. P.Eng., Project Management Professional) and/or relevant field experience	Yes

### Monitoring and Communication of Policy

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
Management monitors operations and facilities department policy compliance.	Yes
Management provides scheduled policy awareness, training and education sessions.	Yes

### Development and Reporting of Annual Goals and Priorities

The Operations and Facilities Department developed a five-year plan covering the period from 2003 -2008. It appears that it has been updated on an annual basis. The original plan is cross-referenced to the Board’s values, principles and goals. The plan has over 240 tasks and activities and is very comprehensive. The timelines for completion were spread over the extended period of five years. Management outlined the departmental goals for 2007-2008:

- Development and construction of the new Riverside South High School (08-09)
- Construction of Stittsville Elementary School (08)
- Continuation of the Energy Management Plan
- Development and construction of the annual facility renewal projects and the ReCAPP projects (GPL)
- Commencement of review for development of new EDC Plan/Bylaw
- School Accommodation Reviews
- Continuation of caretaker, trades and departmental staff professional development days and training program.

It is expected that the department will be developing a detailed plan for 2008-09 and will follow the new plan template design adopted this year.

High-level maintenance and facility renewal goals summarizing the needs of the Board are tracked by departmental staff during regular inspections and through requests made at the school level. Needs are prioritized based on criteria aligned with system priorities and the project definition requirements of the Good Places to Learn grants.

### **Organizational Structure and Accountability**

Management has established and implemented an organizational structure and accountability mechanisms to support effective and efficient performance of the maintenance and operation functions. Supervisory roles in both facilities and maintenance provide the appropriate expertise and alleviate school principals from managing this area of specialization.

The Board has also demonstrated a balance between full-time, part time and contract staffing to effectively manage the most critical requirements of the Board in a cost efficient manner, while covering a large geographic area.

Performance appraisals are conducted by supervisors on an annual basis through a custom online system. The department deliberately operates as a “flat” organization, which allows for lateral movement based on the proactive development of career plans.

Key operations staff have appropriate professional designations and/or appropriate related field experience.

## **Monitoring and Communication of Policy**

Board policy is communicated to staff through superintendents and supervisors. New policies, or those requiring a higher rate of adoption, are introduced through memos and are added to mandatory PD agendas. New policy is typically aligned with new equipment or revised certification requirements in which case communication happens during training or PD sessions. Third-party or contracted staff are contractually bound by the policies of the Board.

The department has improved the satisfaction levels for the participants of professional development (PD) days by adding low cost and informal ‘extras’ such as door prizes. On occasion, the department has also invited guest lecturers and other attractions to further enhance the relevance and content. The attendance at PD sessions is also kept high because the agenda is meaningful to the participants and is tailored to their needs to support the goals of the Board. This is achieved through solicitation of staff input into the development of agenda items.

District Supervisors perform a Quarterly evaluation of maintenance and operations activities in schools through the review of School Facility Surveys. The Head Caretaker and School Principal have a joint responsibility for completing the surveys every three weeks, signing-off on their accuracy and submitting the surveys to head office. District Supervisors are required to consult with school Principals every two weeks and are expected to perform on-site inspections of schools to ensure that ongoing levels of service and policy adherence meet the Board’s standards. District Supervisors meet all Caretakers at High Schools once a month to follow-up on facility issues. Contract maintenance and custodial work is inspected in the same manner as work performed by in-house staff.

District Supervisors meet with central coordinating staff every two weeks where cleaning, maintenance and related initiatives are discussed and reviewed for the purpose of maintaining the Board’s standards.

The Superintendent of Planning and Facilities, all Head Caretakers and all District Supervisors meet with central coordination staff at Head Office twice a year to review and discuss maintenance and operational matters. In addition, similar meetings are held with all in house trades’ staff, central coordinators and the Superintendent of Facility Services .

## **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.

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

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The school board has set cleaning/maintenance standards for schools and reports annually on results.	Yes
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.	Yes

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Standardization of Cleaning and Maintenance Supplies	Yes
An inventory system tracks and controls major cleaning and maintenance equipment.	Yes

### **Common standards ensure efficient procurement of supplies to minimize costs and promote energy and operating efficiency.**

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

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

In establishing the allocation of custodians, the Board factors the type and state or age of the facilities into the square footage assigned to custodians. The age of the building, the accessibility of cleaning supplies and sources of water are also factors.

Custodians perform cleaning and general maintenance of school interiors and exteriors, following established standards detailed in a Caretaking Procedures and Practices Manual. The manual is provided to school principals and is available to staff on-line. Levels of cleanliness are clearly defined and checklists ensure that a consistent and effective method of inspection is carried out daily by custodial supervisors.

Custodians are also responsible for routine security and safety checks to ensure the safety of staff and students. Custodians also initiate maintenance work order requests and are required to accompany any third-party contractors working within the schools.

To manage staff attendance, the department has leveraged technology for tracking attendance and detecting patterns of employee absenteeism. A detailed report is generated weekly for each supervisor and union representative. This assists them in identifying absentees and managing attendance and supply costs. The use of this system is widely communicated to all employees and the union. The visibility and transparency of this monitoring system is one of the contributing factors to a 30% reduction in absenteeism for non-teaching staff over a three-year period.

To maintain flexibility and coverage in responding to emergencies and sick-days, district floaters and a cohort of casual employees are used to cover absences and/or

unforeseen emergencies where custodians are unable to be on site. The department has also strived to accommodate a high degree of location and shift flexibility within the staffing model. It has also introduced more formalized advancement mechanisms through the establishment of career pathways for head caretaker and maintenance staff positions. These approaches have also contributed to higher job satisfaction and better attendance.

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

Although much of the maintenance required by the Board is reactive in nature (e.g. broken windows, boiler breakdown, etc.), management develops a 3 year plan that addresses its preventative, critical and deferred maintenance in accordance with the Board's maintenance needs. The Board's preventative maintenance activities are assessed through individual facility assessments, ReCAPP and work-order analysis. The department's internal staff performs general daily, monthly and quarterly inspections and hires an external inspector for annual cyclical program inspections. Inspection results are combined with maintenance work orders prioritized and incorporated into the multiyear plan.

Items included under the preventative maintenance plan include; Elevators, HVAC, Fire Alarms, Generators, Boilers, Recycling and Waste Disposal, Glass Replacement, Snow Removal, Yard Sweeping, Window Cleaning, etc. These types of preventative maintenance activities are typically tendered for three year contracts and are operationalized annually.

The department also provides preventative maintenance programs that occur on an annual cyclical basis such as Asbestos Management, Water quality (wells and municipal services) as well as the testing programs, Structural components, Playground Equipment, Portable Classrooms, Specialty areas, particularly in high schools (Gyms, science rooms, Tech shops, auditoria/stages) and Replacement of Phone Systems. Projects of this nature are also paid through the annual GSN.

The Department develops an annual facility renewal plan. Facility renewal projects are scoped in detail and are funded by the ministry allocation. Projects are identified on a school-by-school basis and the scope and expenditures are discretionary. The GPL (Good Places to Learn) allocation is similarly scoped in detail for specific projects.

The preventative maintenance and renewal budgets are presented annually by the Superintendent of Operations to the Budget Council, which in turn presents the budget to the Executive Council for review. The budget is then presented by Executive Council to the Board of Trustees for approval as part of the regular annual budget process. The maintenance aspect of the budget is presented as discretionary spending to be managed within the Facilities.



The department ensures that, where possible, budgets are supported annually by Ministry Renewal grants as well as the Good Places to Learn allocation. This process provides the department with an annual budget for maintenance and ensures that schools are maintained in the best condition possible to support improved student learning and facilitates employee productivity.

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

The Board manages day-to-day maintenance centrally through a hosted third party technology system used to create, prioritize and then dispatch work orders to maintenance crews in the field through handheld devices. As a result, the Board has been able to reduce lead times and support maintenance crews to perform daily work orders more efficiently. In addition to tracking and reporting on work orders, the workorder system is capable of monitoring and recording project costs. Currently the department is not using the system functionality to enter and track the cost of materials or the effort required to complete maintenance projects, with the exception of subcontractor maintenance.

### **Evaluation of the Board's Service Delivery Model**

Maintenance services are delivered through a combination of internal staff and externally contracted services. Management regularly evaluates the quality of internal versus external maintenance services and has been steadily moving towards an internal service model. Data related to cost of service is also tracked in the system but the department has not recently conducted a value for money audit.

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

To minimize costs and promote efficiency, management has established common standards and customized technical systems for the procurement of supplies. Maintaining a standard suite of supplies has also shortened and simplified the training process and streamlined it through a single supplier.

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

Management has an annual training plan with clear targets to address ongoing skills development and emerging regulations in areas such as asbestos training, mould awareness, floor care and the testing of drinking water systems. Management regularly evaluates the plan's effectiveness and follows up on missed targets. Management ensures that there is flexibility among the roles within the organization, to support the potential for career changes and/or advancement.

### Recommendation:

The Board should consider leveraging the data in its work order system to perform cost analysis of the maintenance activities performed by both internal resources and external suppliers. This will allow the Board, over time, to develop a clearer understanding of maintenance productivity, efficiency and effectiveness.

## 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;
- 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.	Yes
Purchasing practices support energy conservation objectives (e.g. Energy Star products, leveraging consortia membership).	Yes
Successful conservation initiatives are shared across all schools and with other school boards.	Yes

### Tracking and Reporting Energy Conservation

Leading Practices – Energy Management	Evidence of Adoption?
Management provides formal annual reporting on the conservation savings achieved against plan.	Yes

Leading Practices – Energy Management	Evidence of Adoption?
A comprehensive system exists to budget expenditures, track consumption and identify opportunities for further savings.	Yes
Billing for all board facilities is consolidated from each utility.	Yes
Centralized technology that automates energy regulation and conservation (e.g. light control, desktop power) is used wherever practical.	Yes

## Energy Management Plan

The Board established a multi-year energy management plan called the “Framework for Energy Management” that incorporates new measures and tools. The Framework was initiated in 2005 by the Planning and Facilities Department in consultation and collaboration with all administrative departments, the Director of Education, superintendents, school principals, unions, custodial and trades staff. It responds to the need for energy conservation in the midst of declining enrolment and funding.

The department has done significant research to develop an energy management strategy without incurring third-party costs. Industry best practices were researched by the Board and used to develop a plan. Board resources were focused on the implementation of the concepts to deliver savings.

The plan was supported by a process of systematically informing, educating and guiding staff and students throughout the year in order to establish operational and behavioral practices within each facility.

Targets for consumption were established for each facility, using a site-by-site analysis of current consumption and operational characteristics. This provided a benchmark for expected improvements. The same climate year as the previous was assumed and capital improvements planned for that year were incorporated into consumption reductions targets. The plan also has incentives for facilities that achieve their assigned targets or exceed them. The Director will present a plaque and \$500 in recognition of their accomplishments. Facilities that maintain or exceed targeted reductions over a three year period will receive system recognition and a further \$500. The awards must be used for future site-based conservation initiatives.

The Board has also established several partnerships, with membership in Natural Resources Canada’s Office of Energy Efficiency, Hydro Ottawa’s Designated Customer Program and Better Building Partnership, and the Higher Efficiency Boiler Programs sponsored by Enbridge Gas. These memberships have allowed the Board to obtain incentive grants and stay abreast of current technology.

In a report to the Board in November, 2007 management noted that for 2006-07, the avoided cost was \$1,673,427. This includes increased costs of \$122,509 due to detrimental weather variations in comparison with the '03-04 baseline year. Another \$1,181,265 resulted from energy reduction benefits of capital improvement projects in 2004-05-06. The balance of \$614,671 is attributed to practices implemented as a result of the energy management program and related educational and communication initiatives. The total cumulative avoided costs since the inception of the energy management program is \$3,403,133.

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

A comprehensive system tracks total annual consumption, budget expenditure, and identifies opportunities for savings. However, the ongoing tracking and reporting process is hindered by the fact that the utility companies still send multiple billings to the Board through the mail. Accounts Payable is required to enter the data into the tracking system monthly.

The Board has implemented centralized technology that automates energy efficient practices (e.g. light control, desktop power). The enabling software is currently being implemented across all operations. The Board can centrally monitor meters and computer usage, and can proactively advise principals and custodial staff at the school level.

The Board has also established an energy conservation committee at each school to help reduce consumption at the source. In addition, management provides formal annual reporting on the conservation savings achieved against plan. Management also provides each school with copies of electricity invoices for two months and two comparative months from the prior year to monitor energy consumption.

## **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**

<b>Leading Practices – Health, Safety and Security</b>	<b>Evidence of Adoption?</b>
The maintenance of health, safety and security plans and policies 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
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**

Within the Board, a single manager performs an independent role to ensure the adoption and monitoring of health, safety and security measures.

The Board has created and maintained a health, safety and security plan and policy to ensure compliance with all relevant requirements. The plan and the agendas for training are also linked to issues specific to the Board.

The Board has incorporated health and safety training into PD agendas such as asbestos handling and “slip and fall” awareness. Physiotherapists and occupational therapists have been involved in the training of staff with regard to safe lifting, especially for support staff working in Special Education, where the lifting of students is quite common.

Third party occupational therapists and ergonomists have been hired by the Board to evaluate the safety of various locations within the workplace. Recommendations for improvements made by the external parties are incorporated into the annual budgeting and planning process, or implemented within the fiscal year, depending on the health and safety implications and risks.

The Board has established a security code policy, including alert codes that specify a variety of situations and their respective threat level. Policies include having only one school door open during classes, mandatory visitor sign-in, and strategically placed cameras in some schools to deter vandalism and theft.

The Board participates in the Ontario School Boards Insurance Exchange HELP program. This program, “Human Element Loss Prevention” is designed to promote awareness of the 10 common areas of risk to the Board, and to provide proven risk management guidelines to address the issues under each criterion. By modifying procedures rather than making expensive changes to buildings, school boards can reduce their loss profile with no impact to operating budgets. The program audits and scores the Board against a series of compliance factors to achieve a “risk management credit” that is applied to the Board’s property insurance premiums. In a recent audit in 2006, the Board achieved a compliance rating of 81%, which resulted in a 4% (out of a possible credit of 5%) credit against its property insurance premium.

## 5.5 Capital Plans, Policies, and Procedures

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

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

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

## Development of Annual and Multi-Year Capital Plans

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

## On-going Monitoring and Maintenance of Data to Support Capital Plans

Leading Practices – Capital Plans, Policies and Procedures	Evidence of Adoption?
The school board maintains accurate and up-to-date inventories of school capacity and utilization.	Yes
Capital forecasts and related funding plans are assessed annually and adjusted to meet current needs and changes to original assumptions such as enrolment projections and capital grants.	Yes
An accurate and up-to-date assessment of facility conditions is maintained, based on industry standards (using RECAPP methodology).	Yes
Funding allocations are analyzed to determine if they meet the current and forecasted needs of the school board's capital requirements.	Yes
Management tracks compliance and monitors new legislation or changes to existing legislation.	Yes

## Development of Annual and Multi Year Capital Plans

In 2006 the Board developed and submitted a 10-year capital plan to the Ministry. Management subsequently prepared a more detailed five-year capital plan for those projects that would need to be carried out within that time frame. This was approved by the Board in March, 2006. The plan includes the related funding plan and has an approved pupil accommodation review policy. The Director of Education and the Board of Trustees receive periodic updates from the superintendent of planning and facilities that cover new schools, consolidation reviews, additions and major renovations.

The Board financed its previous capital projects through debentures which it issued in 1999 and 2002. In the current five-year capital plan, it appears that the Board should be able to fund its previous and forecasted needs for major renewal, additions, replacement of schools and other capital priorities. These would be funded through a combination of proceeds of disposition reserve, annual facility renewal grants and New Pupil Place grants. Senior finance and facility staff are working with the Ministry staff on the new "Financial Liquidity Template" to ensure that all current commitments are fully

funded. Management acknowledges that any new capital proposals will need to be reviewed and approved by the Ministry before proceeding.

### **On-Going Monitoring and Maintenance of Data to Support Capital Plans**

The Planning and Facilities Department regularly reports to the Board on the status and accuracy of capital forecasts. Readjustments are uncommon and most requests and recommendations for approval are for the initiation of projects already identified in the five-year plan. In some cases, new and beneficial opportunities, which have not been identified in the plan, arise.

To maintain the accuracy of capital needs, the Board keeps accurate and timely inventories of school capacity and utilization through SFIS and ReCAPP. The Board uses regular inspections and comparisons to industry standards to analyze how well budget allocations are meeting current and forecasted needs.

## **5.6 Construction Management**

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

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

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

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

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



## Monitoring and Reporting on Progress of Construction Projects

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

## Maintaining Current Approved Professional Service Providers

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

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

Staff and management minimize construction, future maintenance and operations costs through the use of cost-effective designs, standard footprints, energy conservation, and economical construction practices. To control school renewal and construction project costs, management maintains standard policies and procedures for procurement. The cost for school Board facility construction is benchmarked against other school Board data, including coterminous Boards.

## Monitoring and Reporting on Progress of Construction Projects

Management has an effective process to monitor and control construction projects and costs. There is a standard and agreed process between the Board and the contractors for the submission and evaluation of change orders.

Management prepares a “Final Summary of Accounting” for each capital project once it is completed. Any variances are documented in the report to the Board.

## Maintaining Current Approved Professional Service Providers

Management evaluates and updates its approved list of contractors, architects, and related professionals periodically, and conducts a post completion analysis of each project before renewals are considered.

## 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. This 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.

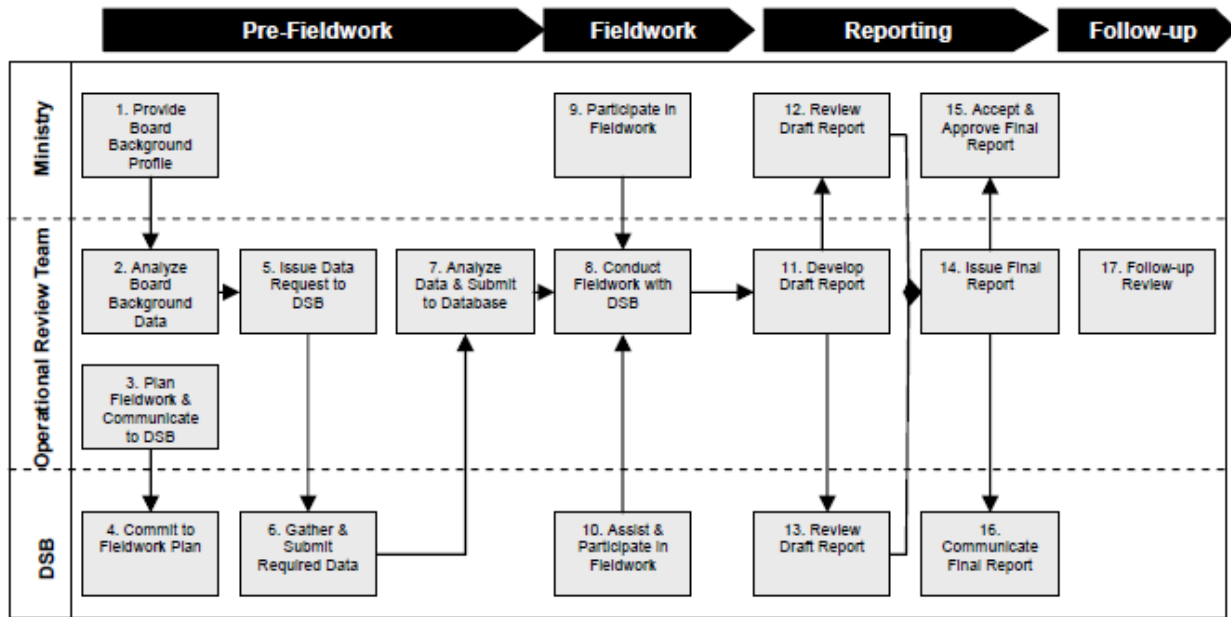
#### Operational Review Summary Scope

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 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 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 and provide a better understanding of the environmental conditions. They also allow the team to review materials that support the existence leading practices.



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

### Phase: Initial Planning and Analysis

Key Activity	Description
Provide Board Background Data	The Ministry collects and maintains significant quantities of Board data. The Operational Review team has developed a standardized data request from the Ministry that will be used to provide background data for each Board.
Analyze Board Background Data	Prior to launching fieldwork, the Operational Review team will review Board background data to understand the financial and operating characteristics. This review will identify specific issues and / or focus areas for the review.
Plan Fieldwork and Communicate to Board	The Ministry and the Operational Review team will develop a rolling, quarterly review schedule that will be communicated to Boards prior to the start of that quarter.
Commit to Fieldwork Plan	Boards will be required to commit to the Operational Review schedule. The Ministry and the review team will attempt to accommodate scheduling constraints faced by Boards.
Issue Data Request to Board	Prior to the start of fieldwork, a data request will be generated to gather operating and other information for each of the focus areas. The review team will use this data to enhance its understanding of the Board prior to the start of field work.
Gather Required Data	Upon receipt of the data request, each Board will compile the requested data. It is envisioned that Boards will have at least three weeks to complete this process prior to the start of the fieldwork.

Key Activity	Description
Analyze Data and Submit to Database	The review team will analyze the data provided by each Board, calculate key performance indicators where appropriate, and add the results to a sector-wide database that will be used to compare the results for each Board.

### Phase: On Site review

Key Activity	Description
Conduct Fieldwork	The fieldwork will be conducted for each Board according to the previously agreed review cycle. The duration required to complete fieldwork will range between five to 15 days, based on the size of the Board.
Participate in Fieldwork	Ministry staff will support the review team in the performance of fieldwork to ensure continuity and knowledge transfer of Board operations and upfront data support.
Assist and Participate in Fieldwork	Board staff will assist with and participate in the fieldwork. The number of participants involved will vary depending on the size of the Board.

### Phase: Develop Final Report

Key Activity	Description
Develop Draft Report	Based on the results of the fieldwork and data analysis, the operational review team will prepare a draft report. The draft report will contain a synopsis of findings and, where appropriate, recommendations for improvement.
Review Draft Report (Ministry)	The Ministry will review the draft report and provide feedback to the review team.

### Phase: Board Report Review

Key Activity	Description
Review Draft Report (Board)	The review team will meet with Board senior staff to review and obtain feedback.

### Phase: Final Report

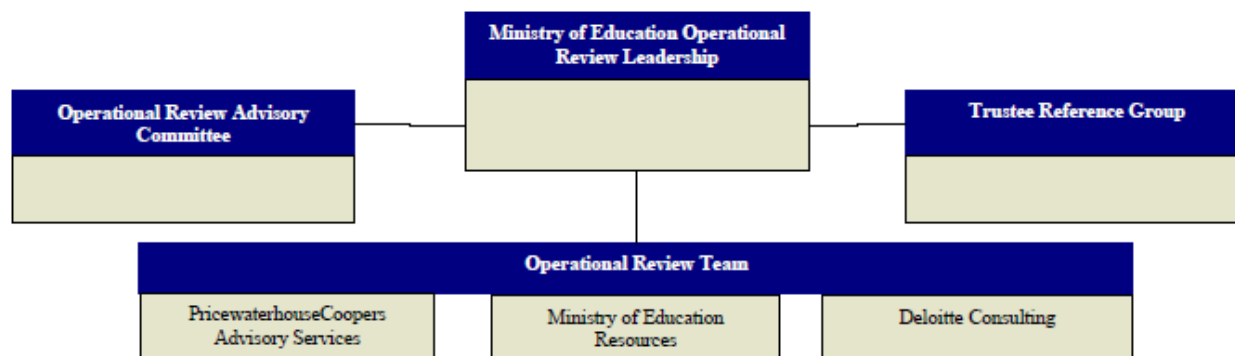
Key Activity	Description
Issue Final Report	The review team will incorporate the feedback from the both the Ministry and the Board and prepare a final report.
Accept and Approve Final Report	The final report will be issued to the Ministry for approval and release.

Key Activity	Description
Communicate Final Report	The Ministry will issue a final report to the Board.
Follow-up Review	Six to 12 months after the submission of the final report, the review team will conduct a follow-up review. This will determine the extent of the Board's adoption and implementation of the recommendations,

### The Operational Review Team

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

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



### Limitations of this Review

The purpose of this report is to document the results of the Operational Review of the Ottawa 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

Ref.	Recommendation
	None.

### HR Management and School Staffing/Allocation

Ref.	Recommendation
1.	The HR Department organizational charts should be posted on the Board's web site so that they are publicly available.
2.	Management should continue efforts to address teacher absenteeism by incorporating lessons learned from its success with non-teaching groups and through the development of strategies, policies and procedures in concert with the teacher association.
3.	The Board should consider conducting confidential exit interviews and periodic staff satisfaction surveys across all staff groups. This can provide management with valuable input to develop effective HR policies and contribute to professional development initiatives.

### Financial Management

Ref.	Recommendation
4.	The Finance department should proceed with its plan to adopt the new template and approach for its annual plan. This will ensure consistency with the other departments and demonstrate alignment to the school system's goals.
5.	Management and the Board should consider establishing an internal audit function. Management could start by identifying options for the internal audit's mandate and scope, and the estimated annual cost of each option. Management's proactive assessment of need and cost would be a useful first step.
6.	Management and the Board should consider expanding the membership of the Audit Committee to include external members as advisors for areas where there are gaps in technical expertise.
7.	Finance staff should implement the Electronic Funds Transfer method of payment to as many suppliers as appropriate, in order to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.

## Operations and Facilities Management

Ref.	Recommendation
8.	The Board should consider leveraging the data in its work order system to perform cost analysis of the maintenance activities performed by both internal resources and external suppliers. This will allow the Board, over time, to develop a clearer understanding of maintenance productivity, efficiency and effectiveness.