Ministry of Education

Operational Review Report
Ottawa-Carleton District School Board

July 2009

Table of Contents

Executive Summary

This report details the findings and recommendations of the Operational Review of the Ottawa-Carleton District School Board (the school board or OCDSB) conducted by the Operational Review Team composed of external consultants from Deloitte & Touche LLP and Ministry of Education staff. The Operational Review was conducted over four days beginning April 14, 2009.

Introduction

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

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

The review team found that the school board has implemented many leading practices. Noted strengths include the school board"s robust and integrated strategic planning process. 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

At the time of the review, the governance structure was supported by a board of 12 experienced trustees, with an average tenure of over seven years. In addition, two student trustees are elected annually. As part of its governance model, the school board has developed guiding principles for trustees to support their decision-making ability. However, the school board has not developed documentation clearly delineating the role of the board of trustees from the responsibilities of the senior administration.

The Board recognizes that the committee structure is an effective process for the identification and close study of issues. While Board committee membership is defined in policy, non-committee member trustees can attend meetings and vote. This has resulted in committee meetings operating with the same dynamics of a full Board meeting, requiring significant support from administration staff.

Given the significant organizational support required from school board staff, the Board should consider re-examining the composition and mandate of its sub-committees.

The Board has developed a comprehensive multi-year strategic plan that includes both academic goals and objectives, and the operational targets needed to support their achievement. The school board establishes goals for the year through the annual district goals, the district improvement plan, and the school improvement plans. The school board has developed an excellent template that shows the alignment between overarching strategic goals, areas of focus and the annual activities required in the support of each area of focus. Once the annual district goals are established, detailed departmental work plans for the year are developed.

The school board"s governance model is supported by an increasingly collegial, transparent, and cooperative relationship between the Director and the board of trustees. The continued development of a positive relationship promotes open communication and contributes to effective agenda-setting and decision-making.

Finally, the Board has established a comprehensive set of policies that are available on its public website. However, the school board does not have a cyclical review process to ensure that policies are regularly maintained.

Recommendations:

- To further support the effective and positive relationship between the trustees and senior administration, the Board should develop a document clearly defining the delineation of the roles and responsibilities between the board of trustees and the Director of Education.

- The school board should consider reexamining the composition and mandate of its sub-committees to ensure that they continue to effectively and efficiently meet the needs and objectives of the Board.

- The Board should develop a policy review cycle to ensure that all policies are upto-date. Management should consider extending this practice to include administrative procedures.

- The school board should develop a formal succession plan to manage departures of key staff.

Human Resources Management and School Staffing/Allocation

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

- The HR department develops annual work plans to support the school board"s annual district goals. These work plans include strategies, actions, responsibilities, resources required, timelines and indicators of success.

- Department staff have appropriate qualifications and experience commensurate with their titles and responsibilities.

- The department has a Diversity and Equity Coordinator who is responsible for increasing awareness of diversity/equity among system leaders, trustees, human resource staff, the community, and students.

- The HR department has completed revisions to all job descriptions to ensure they are accurate and current. The roles and responsibilities for all HR staff are clear.

- All HR policies and procedures are available to school board employees through the school board"s public website.

- The school board has Labour-Management Committees (LMCs) for each of its bargaining groups. The Director meets with union presidents regularly to address issues and concerns.

- The HR system automatically transmits employee and employer contributions to the Ontario Teachers" Pension Plan and the Ontario Municipal Employees Retirement System, for accurate and timely enrolment of all eligible employees.

Recommendations:

- Management should develop recruitment policies and procedures and ensure they are reviewed annually to align staff planning with student achievement.

- Management should document its current hiring practices and develop hiring policies and procedures. Management should also review its current decentralized hiring practice, where schools are responsible for the hiring process.

- Management should document its practice of progressive disciplinary action to ensure clear communication to all employees.

- The school board should ensure that its attendance management program is utilized by all its functional areas.

- Management should periodically report to the Board and senior management on the effectiveness of its attendance management program.

- Management should consider developing a formal plan for periodic staff surveys. This would improve communication with staff and provide input for professional development plans and HR policy.

- Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy, as well as process and program improvement.

Financial Management

The Financial Services department demonstrates a good level of operational effectiveness overall. It has implemented many of the leading practices:

- The Financial Services department develops annual work plans in support of the school board annual district goals.

- Every job category in the Financial Services department has a detailed and upto-date job description, and the organizational chart of the department provides a general outline of the roles and responsibilities.

- Staff in the Financial Services department have appropriate financial designations and relevant experience to perform their roles.

- The Financial Services department provides training sessions to school office support staff to enhance awareness of relevant financial policies.

- Management identifies, documents, and presents all significant budget risks to senior management and the Board as part of the budget development process and the final budget approval process.

- Management reviews its banking arrangement every five years to ensure that its rates remain competitive.

- The school board has a "mirror-netting" agreement with 127 of its schools, where it draws from their accounts before utilizing its overdraft.

- The school board"s procurement strategy includes participation in consortia in order to realize cost savings.

Recommendations:

- The Financial Services department should document the budget planning process to provide additional transparency for all stakeholders and clarity for staff regarding roles and responsibilities.

- The Board should develop a formal audit plan of non-academic areas of the school board to be reviewed by its external auditors.

- Management and the Board should include at least two external members on the Board"s audit committee to advise and contribute to the committee"s overall effectiveness.

- Management should periodically report to the Board on the performance of its investment activities.

- Management should review and update its procurement policies to ensure they meet the current procurement needs of the school board. Management should explicitly indicate in all its procurement policies and procedures that evaluation criteria other than the lowest price are used for vendor selection.

- Management should review its current practices with regard to P-Card usage, to ensure its P-Card program effectively meets school board objectives with the least amount of risk.

- Management should investigate opportunities to use on-line receipting in its financial system.

- Finance staff should implement electronic funds transfer (EFT) payments to all appropriate suppliers, 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 demonstrates a good level of operational effectiveness overall. It has implemented many of the leading practices:

- The Facilities department has developed an up-to-date organizational chart that provides a general outline of the roles and responsibilities of staff. Job descriptions in the department are current.

- Facilities staff have appropriate professional designations and related field experience.

- The department has developed a set of processes and tools to monitor, manage and report on cleaning standards.

- The school board has an aggressive energy management program, which has introduced recycling initiatives and developed energy efficient designs within new schools over the last 10 years.

- The school board is a member of buying consortia for bulk energy purchasing for gas and electricity.

Recommendations:

- The department should develop an annual departmental work plan that aligns with the objectives in the Board"s annual district goals and multi-year strategic plan. The departmental work plan should set targets, timelines and assigned responsibilities for key activities.

- Management should consider establishing a multi-year maintenance and renewal plan, including the funding available to support the plan.

- Management should establish a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.

- Management should provide formal annual reporting on the conservation savings achieved against its energy management plan.

- The school board should continue to ask utility companies to provide consolidated billing in an electronic format.

- The department should develop cost-effective designs, standard footprints, energy conservation and economical construction practices to minimize construction, maintenance and operation costs.

1. Background and Overview

1.1 School Board Profile and Structure

The Ottawa-Carleton District School Board provides public education to almost 70,000 students. The school board offers a diverse range of programs throughout its 125 elementary schools, 20 secondary schools and five other educational sites.

The school board is experiencing declining enrolment, a pattern consistent with the majority of Ontario school boards. However, the school board is expecting stable enrolment for future years. For the current 2008-09 academic year, 48 per cent of the schools are using less than 80 per cent of the available space, resulting in an overall excess capacity of 14 per cent.

The following figure represents the Director"s Executive Council (DEC) at the school board. The DEC is composed of the Director of Education, the Superintendent of Learning and Support Services, the Superintendent of Human Resources, the Chief Finance Officer, the Superintendent of Facilities, the Superintendent of Curriculum, an Executive Superintendent and six Superintendents of Instruction. The school board is organized around a „family of schools" structure, where each Superintendent of Instruction is responsible for the day-to-day operations of schools within his or her area.
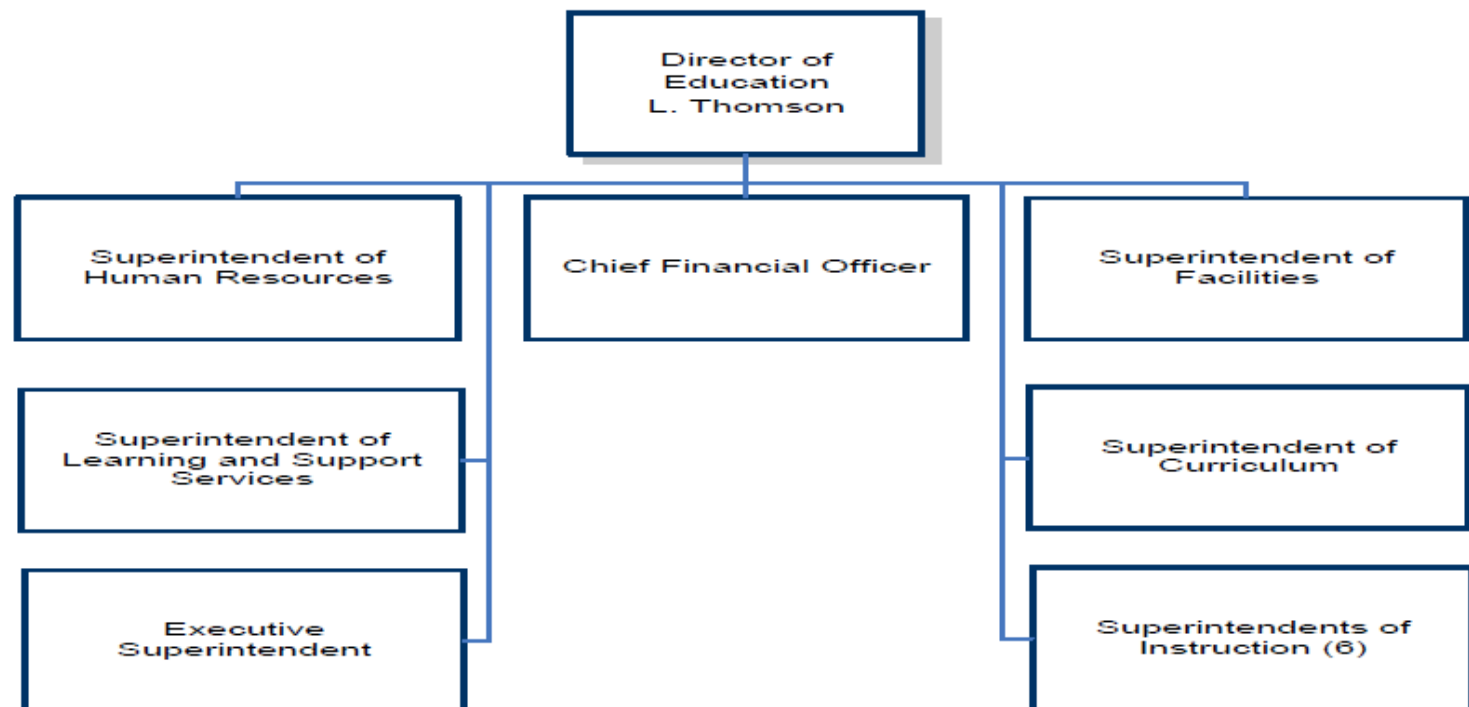
Figure 1

1.2 Key Priorities of the School Board

The vision of the Ottawa-Carleton District School Board is: "**To focus on student success through an effective organization**". The school board"s vision incorporates the Ministry"s objective of student success, as well as the importance of achieving that academic objective through management efficiencies.

In addition, the following mission statement has been developed for the Ottawa-Carleton District School Board: "*Educating for success – inspiring learning and building citizenship.*"

The school board has also developed nine belief statements as an extended expression of what is important to the organization. The belief statements are:

- Every student can learn.

- Every student can benefit from school.

- Every student must be respected, valued, and acknowledged as an individual.

- The individual needs of students, as these needs change over time, must determine the education provided.

- Education will enhance student's opportunities and abilities to function independently.

- There must be continuous improvement of students, schools, staff and the education staff provides.

- Education should be delivered in the home, class or home school when it meets students' needs.

- Schools must be collaborative, welcoming and connected with their communities.

- It is the shared responsibility of school, family and community to support and motivate students to be prepared to meet the challenges of the future.

Finally, the OCDSB has three areas of focus, which provide the supporting framework for the school board"s multi-year strategic plan and enable it to realize its vision and mission statement. The areas of focus highlighting the key priorities of the board are:

Learning – Student learning is the key focus of the school board, requiring it to provide quality programs, supports and instructional practices that lead to success for all students and inspire lifelong learning.

Leadership – As an organization, the OCDSB encourages leadership by example, and fosters an environment of listening and soliciting input.

Community – The school board"s commitment to community recognizes that an effective community is built on a sense of trust, respect and recognition of individual and collective responsibility, diversity and the need to work collaboratively to ensure success for our students and our future.

The Board"s multi-year strategic plan builds on this framework to outline 19 multi-year goals that fit under the overarching areas of focus:

1. The Learning Objective- To recognize a focus on student learning through program quality, effective instructional practice and valid and sustainable learning supports through the development of:

   a) A community school framework and implementation strategy;

   b) A program renewal process which facilitates an ongoing cycle of program reviews to ensure program quality, accessibility, sustainability and innovation;

   c) A focus on literacy and numeracy in support of the full curriculum;

   d) Comprehensive differentiated instructional practices supported by early and tiered intervention strategies;

   e) Improved assessment and evaluation practices through enhanced training, assessment tools, and strategies;

   f) Supports for vulnerable or potentially vulnerable learners through access to internal or external resources and alternative learning strategies; and

   g) A capital plan and an accommodation review process which facilitates the natural cycle of accommodation studies.

2. The Leadership Objective- To model responsible leadership for students, staff and community through commitment to personal growth, organizational effectiveness and good governance by:

   a) Recognizing, encouraging and celebrating leadership through the development of a comprehensive leadership strategy;

   b) Emphasizing the importance of personal growth and leadership through sustainable character development initiatives;

   c) Establishing an organizational planning and decision making framework that supports the key values, priorities and directions of the strategic plan and provides an ongoing link to the Board Improvement Plan;

   d) Undertaking a comprehensive governance review to ensure an effective governance framework to support the Board and its committees in achieving its vision and mission;

e) Improving internal communications strategies and processes; and

f) Creating an accountability framework linked to the strategic plan and based on measurable outcomes.

3. The Community Objective- To celebrate commitment to community through responsible citizenship, collaborative partnership and the stewardship of resources by:

a) Recognizing the diversity of our community through the development and implementation of a diversity strategy;

b) Creating a healthy OCDSB/workplace community with a focus on wellness, trust and respect for all staff;

c) Maximizing opportunities for responsible citizenship, collaborative partnership and innovation which contributes to community development;

d) Reviewing external communication strategies, techniques and messaging processes with a view to creating more effective community dialogue and engagement;

e) Using technology effectively to improve both student learning opportunities and the coordination of information resources; and

f) Improving human, administrative and financial management practices and systems that ensure responsible and sustainable resource management.

1.3   Student Achievement

Between 2002-03 and 2007-08, the school board"s student achievement performance has been mixed. While the school board"s Education Quality and Accountability Office (EQAO) Grade 3 results have improved since 2003-04, OCDSB results were below the provincial average during the timeframe for writing and math (in 2007-08, Grade 3 EQAO reading results were above the provincial average).

However, Grade 6 EQAO results have been at or above the provincial average for reading, writing, and math since 2002-03. Similarly, Grade 9 EQAO academic results have been consistently above the provincial for each year between 2002-03 and 200708, while applied results have largely been below the provincial average.

Finally, the school board"s Ontario Secondary School Literacy Test (OSSLT) results have consistently been above the provincial average since 2002-03. The following charts illustrate the school board"s EQAO and OSSLT results over the last five years.
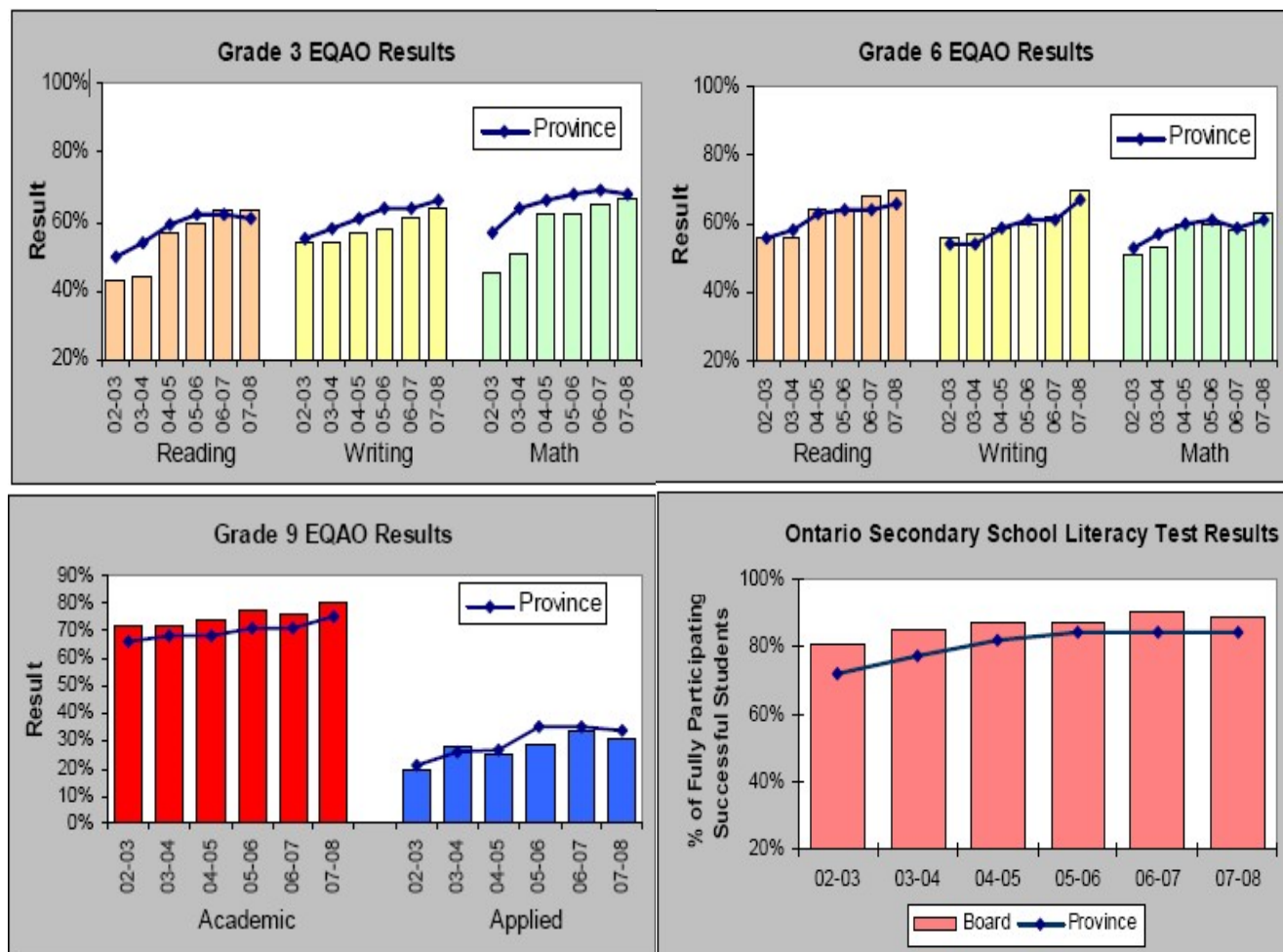
1.4 Fiscal Overview

Over the last three years, the school board presented mixed financial results of two deficit budgets and one surplus to the Ministry. In 2006-07 and 2008-09, the school board posted deficits of $4.4 million and $1.9 million respectively. In 2007-08, the school board presented a $1.8 million surplus. The balance of the Reserve for Working Funds increased from $4 million in 2006-07 to $8.6 million in 2007-08, where it has remained.

The school board has been actively monitoring its ability to fund its capital commitments. The school board has completed its Capital Liquidity template, which demonstrates that its existing capital debt is fully-funded. Management will continue to work with Ministry staff as they go forward with any new capital projects.

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

Summary Financial Data (Revenues)

Revenues	2006-07 Financial Statements	2007-08 Financial Statements	2008-09 Revised Estimates
Legislative Grants	$312,646,413	$341,210,015	$374,208,804
Local taxation	$270,719,885	$275,816,051	$272,765,017
Board Revenues	$22,225,601	$22,542,516	$22,566,281
Other Operating & capital Grants	$9,885,828	$13,879,100	$6,600,305
Total Revenues (Schedule 9)	**$615,477,727**	**$653,447,682**	**$676,140,407**

Summary Financial Data (Expenditure)

Expenditures:	2006-07 Financial Statements	2007-08 Financial Statements	2008-09 Revised Estimates
Operating expenditures	$602,394,780	$617,715,224	$647,168,154
Capital expenditures - Before transfers from reserves	$23,276,364	$29,336,757	$30,869,864
Transfer to (from) Reserves	-$5,764,517	$4,633,071	$0
Total Expenditures	**$619,906,627**	**$651,685,052**	**$678,038,018**
In-year Surplus (Deficit)	**-$4,428,900**	**$1,762,630**	**-$1,897,611**

School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues:	2006-07 Financial Statements	2007-08 Financial Statements	2008-09 Revised Estimates
Reserve for Working Funds	$3,991,896	$8,624,967	$8,624,967
Miscellaneous			
Financial System & IPPS	$1,000,000	$1,000,000	$1,000,000
GPL Reserve	$14,690,306	$9,387,825	$1,663,254
Total Reserve Funds (Schedule 5)	**$19,682,202**	**$19,012,792**	**$11,288,221**
Pupil Accomodation Allocation Reserve	$3,469,262	$5,295,935	$3,221,776
Proceeds of Dispositions Reserve-School Buildings	$35,633,016	$31,921,206	$15,559,058
Proceeds of Dispositions Reserve-Other	$969,481	$1,032,945	$1,062,945
Education Development Charge Reserve	$3,478,747	$629,557	$0

School Board Reserve and Deferred Revenues:	2006-07 Financial Statements	2007-08 Financial Statements	2008-09 Revised Estimates
Total Deferred Revenues (Schedule5.1)	**$43,550,506**	**$38,879,643**	**$19,843,779**
Total Board Reserves and Deferred Revenues	**$63,232,708**	**$57,892,435**	**$31,132,000**

1.5   Key School Board Statistics

The following table highlights key statistics for the school board. Of note is the decreasing enrolment trend. These statistics illustrate a unique and challenging operating environment for the school board.

Day School Enrolment

Day School Enrolment	2002-03 Actual	2008-09 Revised Est.
Elementary Day School ADE	46,413	43,048
Secondary Day School ADE	25,922	23,252
Total Day School Enrolment	**72,335**	**66,300**

Primary Class Size

Primary Class Size	2003-04	2008-09
% of Classes Less Than 20	26%	91%
% of Classes Less Than 23	55%	100%
Average Class Size - Jr/Inter	25.29	25.10
% of 3/4 Classes 23 & Under	34%	97%
% of Combined Classes	20%	28%

Staffing

Staffing	2003-04	2008-09
School Based Teachers	4,314	4,366
Teacher Assistants	532	591
Other Student Support	233	270
School Administration	336	230
School Clerical	453	359
School Operations	697	712

Staffing	2003-04	2008-09
Other Non-Classroom	165	179
Total Staffing	**6,730**	**6,707**
Teacher - Pupil Ratio	**1:17**	**1:15**
FTE Staff per 1,000 Pupils (ADE)[1]	**93.0**	**101.2**
Total Salary & Benefits as % of Net Operating Expenditures	**89.7%**	**89.4%**

Special Education

Special Education	2003-04	2008-09
Special Education Incremental Expenditures	$56,905,055	$74,814,800
Special Education Allocation	$57,705,055	$72,641,581
Spending above Allocation (Reserve)	**-$800,000**	**$2,173,219**

School Utilization

School Utilization	2003-04	2008-09
Number of schools	151	156
Total Enrolment (ADE)	72,335	66,300
School Capacity (Spaces)	76,694	76,326
School Utilization	**94.3%**	**86.9%**
Board Area (Km^2)	**2,894**	**2,894**
Number of Trustees	**13**	**12**

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

2. Governance and School Board Administration – Findings and Recommendations

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

Governance and board administration processes are reviewed 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 school board"s objectives;

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

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

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

Establishment of an Effective Governance Model

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The school board"s governance model clearly delineates the division of duties between the board of trustees and the director of education. The board has established clearly defined duties and responsibilities to support on effective working relationship.	No

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

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees develops and communicates a multi-year strategic plan that provides a framework for annual planning.	Yes
The director of education and senior management develop an annual board improvement plan of their goals/ priorities, incorporating both academic and non-academic departments. The plan is aligned with the board"s multi-year strategic plan and has goals that are specific, measurable, achievable, relevant and timely.	Yes
Senior management periodically/ annually report to the board on the status and outcomes of the annual board improvement plan.	Yes

Decision Making Processes

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

Organizational Structure and Accountability

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

Stakeholder Engagement

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

Establishment of an Effective Governance Model

At the time of the review, the school board"s governance structure was supported by a board of 12 experienced trustees, with an average tenure of over seven years. In addition, two student trustees are elected annually. As part of its governance model, the school board has developed guiding principles for trustees to support their decisionmaking ability. However, the effectiveness of the school board"s governance model is incomplete in that the Board has not clearly defined the role of the trustees *vis-à-vis* the role of the Director, and, by extension, school board staff.

This lack of clarity has resulted in procedural details being included in policy i.e. the Board"s public consultation policy. To address this issue, and provide clarity to all stakeholders, the Board should develop a policy document that clearly delineates the roles of the board of trustees and the Director. The board should also refresh those policy documents where procedural guidelines should be removed. This would help streamline decision-making, strengthen the delineation of roles and responsibilities, and provide a more formal and consistent basis for the benefit new trustees and senior management.

In accordance with the Education Act, a school board may establish sub-committees (composed of members of the Board) to make recommendations to the Board of Trustees in respect of education, finance, personnel and property. The Board recognizes that the committee structure is an effective process for the identification and close study of issues. As such, the Board establishes by resolution such standing, special purpose and *ad hoc* committees as it deems appropriate, or as required under legislation or through contractual obligations.

There are currently 17 committees in place at the school board: four standing committees (including the Education Committee and the Business Services Committees), two statutory committees (the Special Education Advisory Committee and the Supervised Learning for Excused Pupils" Committee), nine special purpose committees (including the Audit Committee and the Parental Involvement Committee), and two *ad hoc* committees (including the Ad Hoc Committee for Board Self-Evaluation Process and the Director Evaluation Process).

During the course of the review it was noted that while committee membership is established in policy, non-committee member trustees can attend committee meetings and vote. Although it is not without precedent, this practice essentially means that each committee functions as a "committee of the whole", but without being constituted as such. This approach results in committee meetings operating under the same dynamics of a full Board meeting, requiring significant time and support from school board staff. Overall, this approach may not be consistent with the practice of delegating authority to a school board sub-committee.

Given the significant organizational support required from school board staff, the Board should consider re-examining the composition and mandate of its sub-committees, to ensure that they meet the needs and objectives of the Board.

In addition, the special purpose committees report annually to the Board. Due to their infrequent reporting, special purpose committees tend to operate with a fair degree of independence (in some

cases isolation) from the Board. The Board should re-examine policies regarding the establishment of special purpose committees, to ensure they are meeting the needs of the Board. Furthermore, the life cycle of each committee and its mandate should be approved by the Board.

Development and Reporting of Annual Goals and Priorities

In support of its multi-year strategic plan, the school board establishes an annual District Improvement Plan and an Implementation Strategy to identify its annual district goals. The development of the annual district goals informs the development of school improvement plans and departmental work plans for the year.

The school board"s planning process is supported by year-end reports on the district goals, the district improvement plan, as well as the school board"s budget. The year-end reports are the Measures and Outcomes Report on objectives and goals, the Student Achievement Data Report and the Audited Financial Statements. Mid-year reports on each of these three areas ensure the Board is informed about the status of the work underway.

A. **Multi-year Strategic Plan:** The Board-approved multi-year strategic plan covers 2007-2011 and encompasses three areas of focus: Learning, Leadership and Community. In the multi-year strategic plan, the areas of focus operate as overarching objectives that are further supported by 19 multi-year goals, as detailed in Section 1.2 of this report.

   The strategic planning process begins with an environmental scan that includes both a quantitative and qualitative analysis of the issues facing the school board, and the potential impact of these issues. The quantitative analysis consists of a comprehensive review of demographic and student achievement data with a view to identifying trends. The qualitative analysis centers on a series of dialogue forums including students, parents, trustees, teachers, principals and vice-principals and union representatives.

B. **Annual District Goals**: Supporting each of the 19 goals in the multi-year strategic plan are the school board"s annual district goals. The school board has developed an excellent template that shows the alignment between overarching strategic goals, areas of focus and the annual activities required in the support of each area of focus.

   The annual district goals are also supported by data and include assigned areas of responsibility, identification of resource requirements, expected outcomes, indicators of success, and a time frame for completion of the work. The annual district goals cover both academic and non-academic areas of the school board.

C. **District Improvement Plan- Curriculum (K-12):** Although school boards are only required to submit an improvement plan that focuses on K-6 literacy and numeracy, school board staff consider it prudent to set expectations for all schools throughout the district. As a result, district direction for all elementary and secondary schools is established through the district improvement plan, which identifies specific objectives that schools are expected to meet within the year. Progress towards

implementation of these directives is measured using a self-report feedback form completed by each school principal.

D. **School Improvement Plans:** In the OCDSB, it is expected that all elementary and secondary schools develop a school improvement plan aligned with the expectations set forth in the District Improvement Plan and targeting the specific needs of the students and staff.

These plans must be based on "evidence" that is collected and discussed by staff to ensure a cyclical process of planning, implementing, monitoring, revising, and evaluating. Plans must also include SMART goals (i.e., specific, measurable, attainable, results-oriented, and time bound) and identification of targets that will help staff evaluate progress along the way to achieving the goal(s).

To facilitate the school improvement planning process, the school board collects, analyzes, and reports annually on a variety of student achievement data. In addition, the indicators used to monitor the Student Success initiative are disaggregated for individual schools to aid in their planning initiatives.

Decision-Making Process

The school board"s governance model is supported by an increasingly collegial, transparent and cooperative relationship between the Director and the board of trustees. The continued development of a positive relationship promotes open communication, and contributes to an effective process for agenda-setting and decision-making.

The Board meets twice monthly. These meetings include *in camera* sessions which are closed to the public when the subject matter includes litigation facing the school board, the acquisition or disposition of a school site or the disclosure of intimate, personal or financial information related to a trustee, employee, or pupil. The agenda for Board meetings are approved by the Chair"s Committee, which meets every two weeks. This committee includes the Chair of the Board, the Vice-Chair, and the Chairs of the three other standing committees; it is also supported by the Director. The committee discusses upcoming items before the Board, and reviews the agenda for Board sub-committees.

The Board has established a comprehensive set of policies that are available on its public website. However, the school board does not have a cyclical review process to ensure that policies are regularly maintained and current. All policies are subject to review on an "as-needed" basis.

Policy development, evaluation, and review are conducted with appropriate stakeholder consultation. Policy proposals or reviews are usually initiated at the committee level. All policy statements are ultimately authorized by the Board in open public sessions.

In general, the school board"s policies are focused statements of the Board"s intent, governing principles, or desired results. They are broad enough to allow flexibility in dealing with diverse situations, while ensuring consistency across all schools and departments. The Director of Education may issue operational procedures to implement Board policies.

Organizational Structure and Accountability

The organization of the school board"s administrative team is well-defined. The school board"s operations are managed by DEC which includes the Director, along with 12 superintendents including a Chief Financial Officer. The school board is organized around a „family of schools" structure, where six Superintendents of Instruction are responsible for the day-to-day operations of schools within their area. These Superintendents meet weekly with the Executive Superintendent (to whom they report) as part of the School Operations Committee (SOC). SOC meets with the Director every three weeks.

The school board has developed up-to-date job descriptions for the Director and all superintendents, and has made their names and areas of responsibility available on the school board"s website.

The school board has not established a formal succession plan for its leadership positions (such as superintendents). However, management noted there are a number of potential internal leadership candidates with Supervisory Officer qualifications. As well, the Director keeps the Board informed of positions that will need to be filled as a result of retirements or other changes. The school board would benefit from the establishment of a formal succession plan for key management positions.

Stakeholder Engagement

Through its strategic planning process, as well the strategic plan (which includes a Community Objective), the Board actively seeks stakeholder engagement. Various communication channels (e-mails, web-site postings and various Board Committee meetings) are used to facilitate stakeholder communication.

Further, the Board has developed a policy on Board-Community Relations to support the effective involvement of the community in the decision-making process. The Board relies significantly on its long-standing relationship with the umbrella organization for school councils, the Ottawa-Carleton Assembly of School Councils, for facilitating informed awareness of Board decision-making among school councils and school communities and for providing the collective views of school councils on matters before committees of the Board. The Board also has a Parental Involvement Committee, which meets six times a year and develops strategies to enhance parental engagement and outreach.

The Director provides an annual report to the community highlighting the school board"s accomplishments and progress made on the multi-year strategic plan. The Director also meets regularly with his counterpart at the English Catholic school board, and has instructed staff and principals to build relationships and open communication channels with their colleagues in neighboring school boards.

Finally, senior school board personnel are members in sector committees of provincial associations and Ministry workgroups, such as the Ontario Association for School Board Officials (OASBO) and are given the time for participation.

Recommendations:

- To further support the effective and positive relationship between the trustees and senior administration, the Board should develop a document clearly defining the delineation of the roles and responsibilities between the board of trustees and the Director of Education.

- The school board should consider reexamining the composition and mandate of its sub-committees to ensure that they continue to effectively and efficiently meet the needs and objectives of the Board.

- The Board should develop a policy review cycle to ensure that all policies are upto-date. Management should consider extending this practice to include administrative procedures.

- The school board should develop a formal succession plan to manage departures of key staff.

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

Human Resource Management and School Staffing/Allocation

Organization	Human Resource Management	School Staffing/ Allocation
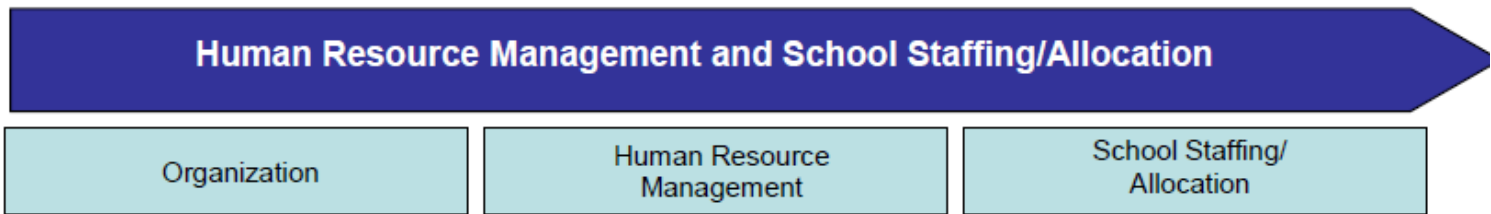
Effective management of human resources ensures an adequate number of qualified staff throughout the organization can perform their prescribed duties. Policies and procedures to develop staff are in place, through performance appraisals, professional development and support services. Staff allocations to schools and classrooms meet the Ministry"s class size requirements, and are congruent with the board"s collective agreements and allocation models. The allocation models adopted by the board ensure the most effective teaching and learning practices.

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

3.1 Organization

The review of the organization of the HR department assesses:

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

- Whether an annual plan setting out the goals and priorities and their alignment to the school board"s strategic directions has been established;

- Whether the roles and responsibilities of staff support the key functions, activities and practices of HR;

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

The following table summarizes the leading practices defined for HR organizations, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present

or the practice was not completely adopted at the time of the review, a "No" indicates that an improvement opportunity exists.

Development and Reporting of Annual Goals and Priorities

Leading Practices – Human Resource Organization	Evidence of Adoption?
The HR department"s goals and priorities are documented in an annual department plan. They are aligned to the annual board improvement plan, accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified responsibilities.	Yes

Organizational Structure and Accountability

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

Monitoring and Communication of Policy

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

Development and Reporting of Annual Goals and Priorities

The HR department develops annual work plans in support of the school board"s annual district goals. These work plans include strategies/actions, responsibilities, resources required, timelines and indicators of success. In 2008-09, the goals outlined in the department work plan include:

- **Diversity and equity** – *Develop a diversity strategy*. This supports the school board"s commitment, through its district goals, to build awareness of equity issues and develop strategies. This annual district goal further supports the school board"s multi-year strategic plan under the Community Objective to recognize diversity of the community.

- **Respectful workplace and harassment prevention program** – *Review employee misconduct procedure.* This supports the school board"s annual district goal to develop policies focused on respect and wellness. This annual district goal further supports the school board"s multi-year strategic plan under the Community Objective to celebrate commitment to the community.

- **Employee wellness and disability management** – *Improve the disability management program*. This supports the school board"s annual district goal to initiate new business improvement initiatives in Finance, Human Resources, and Corporate Services. In turn, this annual district goal further supports the school board"s multi-year strategic plan under the Community Objective to celebrate commitment to the community.

- **Labour relations** – *To reduce the number and costs associated with grievances/arbitrations*. This goal does not appear to fit neatly into the school board"s annual district plan or the Board"s multi-year strategic plan.

Most of the HR department"s annual work plan supports the school board"s annual district goals and the Board"s multi-year strategic plan. However, management could ensure better alignment of the department"s work plan to the school board"s annual district goals and the Board"s multi-year strategic plan. This could be achieved if the department adopted the school board"s template for annual district goals. The design of the school board"s current template clearly demonstrates an alignment between annual district goals and the multi-year strategic plan. This could be used to illustrate the link between these and the activities of the department.

Organizational Structure and Accountability

The HR department at the school board performs standard HR functions such as employee recruitment, attendance management, and labour relations. However, the OCDSB"s payroll function resides in the Financial Services department. The HR function reports to the Superintendent of HR through the Manager of HR, the Supervisor of Occupational Health and Safety (OHS) and two Labour Relations (LR) Officers.

The HR Manager is responsible for functions such as staff development, employee wellness and disability management, and staffing allocation. The Supervisor of OHS is responsible for occupational health and safety, while the LR Officers manage day-to-day labour relations.

The department recently hired a Diversity and Equity Coordinator, who is responsible for increasing awareness of diversity and equity among system leaders, trustees, human resource staff, the community, and students.

The HR department"s job descriptions are accurate and current, and the department has clearly defined organizational units delineating roles and responsibilities. This provides clarity for staff and management regarding roles and responsibilities. Recently, various functions within the HR department have been moved to one location, to maximize efficiency and promote better collaboration.

Department staff have appropriate qualifications and experience commensurate with their titles and responsibilities. Management should encourage staff to pursue HRspecific designations such as the Certified Human Resources Professional designation, and require that prospective employees have appropriate designations prior to being hired.

Monitoring and Communication of Policy

The HR department is the lead on monitoring and communicating HR policies and developing HR procedures. The department"s policies cover performance appraisals, health and safety, and harassment. Procedures have been developed to support these policies, as well as additional procedures around emergency planning and safe drinking water quality.

All HR policies and procedures are available to school board employees through the school board"s public website. The department monitors compliance with its policies on a reactive basis, relying on anecdotal evidence or complaints. The department also monitors for emerging patterns and provides training sessions for school board staff as necessary.

Currently, principals and vice principals receive policy training. There is no annual staff development plan, and managers receive *ad hoc* training. The school board does offer operational training for school office staff, a behavioral management program for educational assistants, and non-violent crisis intervention courses. The department could improve policy awareness by providing regularly scheduled education and training sessions.

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, labour relations, employee performance and attendance and other support services to foster employee satisfaction;

- Opportunities to support continual improvement in the effectiveness and efficiency of all processes can be identified.

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

Staff Recruitment

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

Labour Relations

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

Employee Performance Evaluation Processes

Leading Practices – Human Resource Management	Evidence of Adoption?
HR management has policies and procedures for an employee evaluation/performance system for all staff.	Yes
HR Management maintains and communicates formal disciplinary policies and procedures for all staff.	No

Attendance Management Processes/Programs

Leading Practices – Human Resource Management	Evidence of Adoption?
Attendance management process/programs exist that include employee supportive policies and procedures to minimize the cost of absenteeism.	No
Management periodically reports on the effectiveness of the attendance management process/programs to senior management and the board.	No

Management of HR and Payroll Data

Leading Practices – Human Resource Management	Evidence of Adoption?
Payroll processing is segregated from employee data records, and changes to data are adequately controlled.	Yes
HR records are current, including the formal tracking of teacher qualifications and experience.	Yes

Leading Practices – Human Resource Management	Evidence of Adoption?
HR management has implemented an approved pay equity plan, which is reviewed periodically and amended as necessary.	Yes

Management of Board's Benefit Plans

Leading Practices – Human Resource Management	Evidence of Adoption?
HR Management periodically conducts independent compliance audits of the board"s insurance carrier to ensure adherence to the benefit plans terms and conditions.	Yes
Employee data is automatically synchronized among the board and external carriers such as TPP, OMERS and the board"s benefit provider(s).	Yes
Policies and procedures ensure the board"s benefit plans are managed appropriately.	Yes

Monitoring Staff Satisfaction

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

Staff Recruitment

The school board does not have any policies and procedures to support the recruitment process. The HR department is responsible for recruitment, while academic hiring occurs at the school level, where principals and vice principals post job advertisements, select, screen and interview candidates, and make hiring decisions. Principals are also responsible for performing reference checks on successful candidates. HR performs criminal background checks of potential employees.

The school board has experienced difficulty filling its French teaching positions in both the elementary and secondary panels, particularly with for part-time positions. As such, the OCDSB has taken a number of steps to improve recruitment ,including establishing a hiring catalogue based on central screening, and interviews for the purpose of advanced identification of qualified candidates. This allows principals to hire quickly after vacancies become known, and offer positions before other local boards. School board staff attend job fairs at the University of Ottawa, Queens University, and McGill University. They also make classroom presentations and visit the French Divisions of the Faculty of Education at the University of Ottawa for face-to-face conversations with potential teachers.

Ongoing recruitment strategies for all positions include liaison with universities. Hiring information is distributed to universities, who provide it to graduating students via websites, student newsletters, etc. There is widespread use of the Apply to Education portal. HR staff also noted that they are considering recruitment activities outside the province and country for specific areas of need.

All new teaching and non-teaching employees receive an information package upon hiring, and new teachers receive appropriate mentoring and professional development through the New Teacher Induction Program (NTIP). The school board has also implemented a formal orientation program for long-term occasional staff and casual office staff.

Although the HR department is involved in recruiting and hiring activities, it currently does not have any policies or procedures to support these key processes. Management indicates that it has documented the hiring process for administration, support staff as well as the promotions of vice principals, principals and supervisory officers. Nonetheless, the lack of recruitment policies and the decentralized hiring process increase the risk of inconsistent and conflicting hiring practices at the school board. The HR department should develop a set of policies and procedures for recruitment. It should also review its decentralized hiring practice to ensure transparency and re-enforce the need for consistent application of interview and hiring processes. The HR department could further support the decentralized hiring process by screening pools of applicants, from which principals can conduct interviews and provide additional screening for vacant positions.

Labour Relations

The trustees and school board senior leadership participate in collective agreement negotiations. Negotiation teams include the Superintendents of HR (as an *ex-officio* member), the two LR Officers, Financial Services department staff, a Superintendent of Instruction and one trustee as an observer.

The school board"s collective agreements lay out the processes to be followed for grievances. In addition, the OCDSB has Labour-Management Committees (LMCs) for each of its bargaining units. The effectiveness of LMCs in solving labour issues varies across bargaining units i.e. the Ontario Secondary School Teacher Federation (OSSTF) LMC has effectively worked with management to use the LMC as a proactive forum to resolve issues. Furthermore, the Director meets with union presidents once every two months, and has received positive feedback about the effectiveness of these meetings.

Employee Performance Evaluation Processes

The school board has separate policies on performance appraisal for teachers and support staff. These policies are supported by three administrative procedures (one each for teachers; principals and vice principals; and support staff). In line with the Ministry of Education"s „Supporting Teaching Excellence document, the school board evaluates its experienced teachers on a five-year cycle. New teachers are reviewed during the first and second year as part of the NTIP.

Non-teaching staff, including support and administrative staff as well as principals and vice principals, are appraised for performance every three years. New administrative and office support employees are appraised after an initial one year probation.

Principals are responsible for teacher performance appraisals, but may delegate this responsibility to vice principals. Principals, in consultation with superintendents, are also responsible for vice principal performance appraisals. Superintendents are responsible for principal performance appraisals, and appropriate supervisory staff are responsible for administrative and support staff appraisals. The HR department provides training to vice principals and principals for the performance appraisal function.

The school board"s procedures lay out the process following satisfactory or unsatisfactory ratings for staff performance appraisals. This includes the timeframe within which ratings must be communicated, what information must be included in the communication (such as explanations of what is lacking in performance) and when the next performance appraisal should take place.

Although the HR department does not have a formal disciplinary policy, management notes that adheres to the principles of progressive discipline. Terminations for cause must be approved by the Board. The school board should develop and maintain a formal disciplinary policy or procedure regarding staff competence and behavior.

Attendance Management Processes/Programs

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

The school board"s attendance management program sets out clear steps for all school board staff to take in reporting an absence, as well as those that management must take to support employee attendance.

Teachers reporting absences must call to inform principals or vice principals, who in turn call supply teachers. Management noted that the attendance management program is not being fully utilized by all functions across the system. The school board should ensure that the attendance management program is utilized by all its functional areas.

The school board is implementing a back-to-work plan for staff receiving Workplace Safety and Insurance Board and long-term disability benefits. This is based on best practice recommendations identified in a recent review of the disability management program (WSIB and non-occupational disability). The study estimates the school board could save $4M as a result of the back-to-work plan.

The school board tracks the sick days and associated costs for each of its bargaining groups, and assesses trends over time. Between 2004-05 and 2007-08, overall estimated costs associated with sick

days have increased from $7.9M to $9.7M. Likewise, average sick days have also increased, from 7.9 days to 8.7 days.

However, the overall average masks underlying trends, which show that average sick days for some staff groups have increased, while others" have decreased. In particular, it was noted that the facilities department has had some success in implementing the attendance management program, and that staff have received appropriate supports where needed. To further support the adoption of the program across the school board, management should consider tracking absences categorized as „other", in addition to sick days, and develop reports that include year-to-date variances for each of its employee groups.

Management of HR and Payroll Data

The payroll function resides within the Financial Services department and reports to the Chief Financial Officer through the Assistant Treasurer. This ensures segregation of duties between the HR and payroll functions. HR staff update personnel records for pay and benefit changes or other compensation adjustments, while Financial Services staff in payroll administer payroll deposits. Payroll deposits are made to employee bank accounts through EFT.

Management has developed effective processes to ensure that teacher qualifications and experience are formally tracked and updated. The academic positions are reclassified with input from OSSTF and the Qualification Evaluation Council of Ontario (QECO). HR revises its personnel files based on these OSSTF and QECO updates, and ensures teachers are placed in the appropriate salary grid. Teacher qualifications in employee files are synchronized with the Ontario College of Teachers database.

The school board has pay equity plans in place for all staff categories, and is currently negotiating revisions for educational assistants, office clerical staff, and professional student services personnel.

Management of the Board's Benefit Plans

The school board uses an experience rated benefits plan through an external provider. Previously, it had been on an ASO (Administrative Services Only) Benefits Plan. The school board"s benefits plans are administered in the HR department by a dedicated salary and benefits administrator. Management also uses external consultants to annually review the benefit plan provided by the insurance carrier. This supports the school board"s ability to control costs and secure appropriate changes during fee negotiations with benefits providers.

The school board assesses the cost of its plan against those of other school boards for health, life and dental costs. As well, HR staff assess the school board"s costs of fringe benefits against the costs of other school boards in Ontario, through the Council of Senior Business Officials" (COSBO) study on fringe benefits. While management does not provide reports to the Board regarding the cost of plans, the HR department prepares an annual report for the Joint Occupational Health and Safety Committee. This covers significant factors including changes in trends affecting benefits uptake, such as increases in

injury rates. The school board obtains input from employees and employee groups regarding benefits decisions, through the collective agreement negotiation process.

The HR system automatically transmits employee and employer contributions to the Ontario Teachers" Pension Plan and the Ontario Municipal Employees Retirement System, ensuring accurate and timely enrolment of all eligible employees.

Monitoring Staff Satisfaction

Management does not perform any general surveys of staff to solicit general attitudes or feedback on the priorities of the school board. However, management conducts exit interviews of central staff under certain circumstances. These include when an employee requests an exit interview, when HR staff feel there is a need to conduct an exit interview and contact the employee directly, or when a supervisor recommends that an employee have an exit interview with a representative from HR.

Currently, the exit interview may be a face-to-face interview between the employee and a member of the HR Department. This practice is currently under review, and will become a more formalized process in the future.

As a next step, management should consider developing formal plans to periodically survey staff for feedback on school board priorities and general attitudes, and perform exit interviews on all staff that resign, transfer, or retire. Practices such as staff surveys and exit interviews can provide management with valuable input for staff professional development and policies impacting future employee relations.

Recommendations:

- Management should develop recruitment policies and procedures and ensure they are reviewed annually to align staff planning with student achievement.

- Management should document its current hiring practices and develop hiring policies and procedures. Management should also review its current decentralized hiring practice where schools are responsible for the hiring process.

- Management should document its practice of progressive disciplinary action to ensure clear communication to all employees.

- The school board should ensure that its attendance management program is utilized by all its functional areas.

- Management should periodically report to the Board and senior management on the effectiveness of its attendance management program.

- Management should consider developing a formal plan for periodic staff surveys. This would improve communication with staff and provide input for professional development plans and HR policy.

- Management should consider developing a formal plan for conducting exit interviews for all staff groups. These interviews would provide input for HR policy, as well as process and program improvement.

3.3 School Staffing/Allocation

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

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

- Ensure that staff optimization allocation processes are in place, supported by an effective attendance management system;

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

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

Planning and Processes for Annual Staff Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Policies and procedures govern the annual staff allocation process.	Yes

Monitoring and Reporting on Staff Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Systems are in place and accessible by both HR and Finance staff to establish and track an approved level of staff.	Yes
Systems and processes monitor adherence to key Ministry and board policy parameters, such as: class size, prep time, collective agreement requirements and other board directions.	Yes
Management periodically reports on the actual allocation of staff, compared to the original approved allocation plan and budget (FTE"s by function, department and program, actual versus budget).	Yes

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Procedures are in place to enable adjustment of staff allocations for school-based staff, if estimates for enrolment and funding change after budget approval.	Yes
Plan for student support services and staffing are based on student-needs analysis.	Yes

Benchmarking Costs with Other Boards and Funding

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

Planning and Processes for Annual Staffing and Allocation

The methodology used to determine classroom staff allocations are outlined in the school board"s collective agreements. The staff allocations are driven by enrolment projections provided by the planning unit, student needs, class size requirements, and contractual obligations, such as preparation time, that are outlined in collective agreements.

Each February, elementary and secondary staffing is approved as an early part of the Board"s budget development process for the coming school year. This timing is necessary to enable the contractual staffing processes to be completed by the end of June. The February enrolment projections are validated by the school principals using initial registration data, to get a comprehensive estimate of the enrolment figures. In April, enrolment projections are revised based on school-by-school enrolment projections, which are further broken down by program and class size for the elementary panel. As projections change, certain elements of staff allocation change, based on collective agreement requirements, Ministry regulations and expectations related to class size and program needs.

The allocation of non-classroom staff, which includes office assistants, elementary library technicians, secondary school technicians, and custodial staff, is subject to the budget development and approval process of the Board. The formula to determine the allocation of these staff (except custodians) is documented in the school board"s administrative and support staffing procedure. The allocation of custodial staff is determined based on the square footage of the facility. Other discretionary staff allocations include psychologists and social workers. These allocations have been historically constant, and are based on the approved budget as well as need. HR staff use data such as wait-list reports to determine student needs.

As the budget proceeds with input from the school level, any significant change in the enrolment forecast is incorporated. Further staffing adjustments are generally required in September, as a result of fluctuations in enrolment between what was projected and the actual enrolment that attends in September.

Monitoring and Reporting on Staff Allocation

Management noted that the staff allocation model has been very accurate in meeting the Ministry"s Primary Class Size requirements. Given that hiring is decentralized, principals must ensure that they operate within the staffing envelope determined by HR. This is supported by the fact that the responsible Superintendent of Instruction must sign-off on staffing for schools within their area of responsibility. The school board also monitors school staffing with audits, which include a review of preparation time and workload evaluations.

HR staff retains a contingency pool of staff to ensure that they do not allocate all staff at the beginning of the staffing allocation process. This enables the adjustment of staffing allocations, if estimates for enrolment and funding change after budget approval.

Benchmarking Costs with Other Boards and Funding

The school board compares its staffing costs with similar-sized boards during the collective agreement negotiation process. The school board also reviews and analyzes compensation and staff cost data supplied by the Ministry of Education, as well as surveys by the Ontario Public School Boards Associations, regarding staffing levels and salaries for staff, including custodial and office support staff.

4. Financial Management – Findings and Recommendations
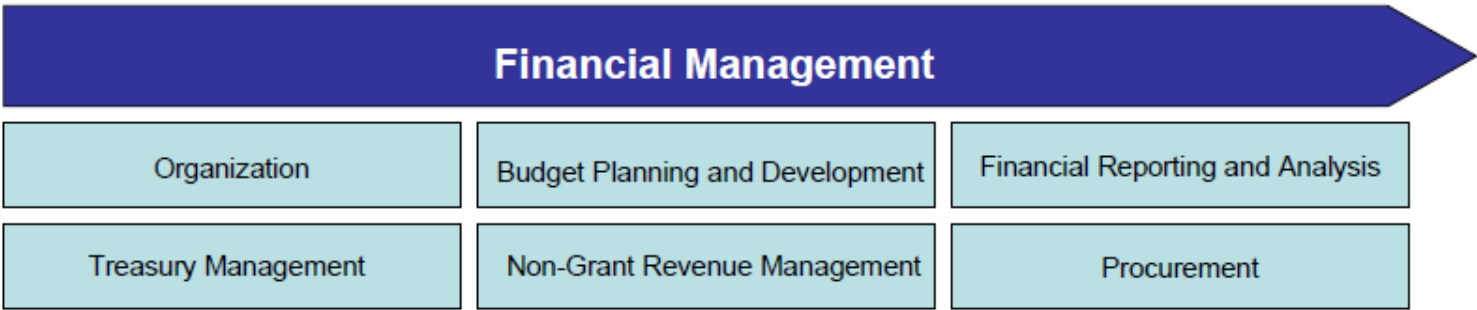
The financial management of the school board contributes to the efficient and effective use of fiscal resources. Financial management ensures that the annual budget is developed within the Ministry"s allocation and is aligned with student achievement targets, and that appropriate financial policies and 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 school board stakeholders reflects the approved goals/priorities relating to student achievement.

The following is a summary of our assessment of the school board"s adoption of the leading practices under the processes identified above. All findings are a result of a review of the data provided by the school board and on-site 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 Financial Services branch is to assess:

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

- Financial services branch support of the overall goals/priorities and accountability measures established by the school board;

- The efficiency and effectiveness of branch structure and support of the roles and responsibilities for the key functions, activities and practices;

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

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Finance Organization	Evidence of Adoption?
The finance department"s goals and priorities are documented in an annual department plan that is aligned to the annual board improvement plan accessible by key stakeholders. The plan incorporates measurable targets, specific timelines, and identified accountability.	Yes

Organization Structure and Accountability

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

Monitoring and Communication of Policy

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

Development and Reporting of Annual Goals and Priorities

The Financial Services department develops annual work plans in support of the school board"s annual district goals. While these work plans include strategies/actions, responsibilities and project status, the work plans do not identify the resources required, timelines, and indicators of success. In 2008-09, the goals outlined in the department work plan include:

- **Customer/Clients Service Enhancements** – Develop a shared communication plan/process for Financial Services

- **System Enhancements** – Review on-line process for receipt of goods in BAS 2000 as a means of automating the invoice payment process

- **Process Enhancements** – Identify and implement EFT payments

- **Financial Reporting Enhancements** – Develop new reporting requirements to meet Board needs

- **Improved Accountability** – Prepare for Ministry operational review.

Each of the Financial Services department goals appears to support the school board‟s annual district goal to initiate new business improvement initiatives in Finance, HR, and Corporate Services. In turn, this annual district goal supports the school board‟s multiyear strategic plan under the Community Objective to celebrate commitment to the community through responsible citizenship, collaborative partnership and the stewardship of resources.

Nonetheless, there is room for management to ensure better alignment of the department‟s work plan to the school board‟s annual district goals, and to the Board‟s multi-year strategic plan. This could be achieved by adopting the school board‟s template for annual district goals. The template is designed to demonstrate alignment between annual district goals and the multi-year strategic plan. Department templates should further demonstrate alignment of work plans to the annual district goals.

Organizational Structure and Accountability

The Financial Services department reports to the Chief Financial Officer (CFO) through the Assistant Treasurer. The Assistant Treasurer oversees budget services, financial reporting and payroll, and purchasing and logistics. Each of these functions reports to the Assistant Treasurer through a Coordinator. Every job category has a detailed and current job description. An organizational chart of the department provides a general outline of the roles and responsibilities.

Staff in the Financial Services department have appropriate financial designations and relevant experience to perform their roles. The CFO is a Chartered Accountant and has a Masters of Business Administration, the Assistant Treasurer is a Certified General Accountant, and the coordinators and analysts have a mix of appropriate designations and experience. In addition, the department provides financial support for staff to pursue professional development opportunities and relevant designations.

Monitoring and Communication of Policy

The Financial Services department maintains a set of policies and procedures covering aspects of financial management including procurement, purchase card (P-Card) use, and signing authority and spending controls. These policies and procedures are available on the school board‟s website.

The Financial Services department provides training sessions to school office support staff to enhance awareness of relevant financial policies. However, the department does not provide formally scheduled training sessions to ensure other school board personnel are informed of financial policies and procedures. There is an opportunity for the Financial Services department to provide regularly scheduled policy training sessions for all school board staff, to support awareness.

The Financial Services branch continually monitors compliance with its key policies, especially in the areas of procurement and accounting. Policy compliance is maintained through a combination of manual reviews and approvals. For instance, when reviewing all requisitions before purchase orders are issued, the Financial Services buyers monitor for compliance with spending authority levels.

4.2. Budget Planning and Development

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

- Understand the linkages between the board of trustees" goals and priorities and the operational budgeting process;

- Assess whether sufficient transparency and controls exist in the budget planning and development process;

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

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

Annual Budget Development Process

Leading Practices – Budget Planning and Development	Evidence of Adoption?
The annual budget development process is transparent, clearly communicated, and incorporates input from all key stakeholders including management (with principals), board of trustees and the community.	No
The annual budget presented for approval demonstrates that it is linked to the board-approved goals and priorities including student achievement targets. It provides useful and understandable information for all stakeholders.	Yes
Budget planning processes account for all required cost and revenue changes.	Yes

Enrolment Forecasting Linked to Budget Development

Leading Practices – Budget Planning and Development	Evidence of Adoption?
Management has adopted an integrated (at 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 and documents all significant risks during the budget planning process, and develops strategies to mitigate the risks of spending beyond authorized/budgeted levels.	Yes

Annual Budget Development Process

Budget planning at the school board begins with the communication of key timelines to school board staff and the trustees. The development of the budget typically involves consultations early in the process with key stakeholders including the general public. Stakeholders are invited to provide comments, ideas and reactions to proposals. The consultations make extensive use of the school board"s website to disseminate information and gather input.

While the Financial Services department has outlined segments of the budget process, (in a variety of documents spanning a number of years) it has not developed a comprehensive document detailing all the key activities required to produce the budget. There is an opportunity to document the budget development process to ensure transparency to the Board, and clarify roles and responsibilities of school board staff.

The budget process extends from September to June every year. Stakeholder input is facilitated and analyzed from October to June as budget recommendations are developed and debated. In November and December, the Financial Services department develops payroll projections, and a proposed budget package is sent to all departments indicating top line changes (such as spending targets) that may need to be made. Financial Services staff maintains a master budget in Excel, and tracks all changes resulting from school board departmental feedback.

Budget iterations are shared with DEC. Based on DEC approvals or revisions, an initial budget is represented to the Board in December for approval in principle. Management noted that because 80 per cent of the budget is committed early on in the process, final Board approval for staffing decisions in the budget is obtained in mid-February, based on the Planning unit"s enrolment projections.

Once the school board"s revenue is confirmed against the proposed Grants for Student Needs (GSN), planned budget expenditures are reviewed and rationalized. When the March student enrolment data is compiled in April, the enrolment and staffing allocation projections are adjusted, by reallocating staff and utilizing the contingency pool of staff, as required.

A staff-recommended budget is presented to the Budget Committee in early to mid-May, when public delegation meetings are held. The presentation to the Budget Committee illustrates clear linkages between the Board"s strategic goals and budget priorities. During the public delegation meetings the Budget Committee puts forth motions for budget changes that are debated and voted upon. The Budget cycle ends in June, once the Board officially debates and then approves the full budget.

In the fall, a report is prepared to update the Board on the actual staffing allocations and enrolments. Management builds contingencies into its annual budget, to manage in-year budget changes resulting from unforeseen circumstances.

Enrolment Forecasting Linked to Budget Development

In the OCDSB, the Planning unit in the Facilities department is responsible for developing school board level enrolment forecasts. The HR department is responsible for allocating staff based on the Planning unit"s enrolment projections. The Financial Services department is responsible for aligning staffing levels to salary projections. The Planning unit"s projections are then validated by input from the school principals, using initial registration data to get a comprehensive estimate of the enrolment figures.

The enrolment forecasting is approved in February, when the Planning unit prepares enrolment forecasts at the system level, based on historical data and the long-term enrolment projections. In April, enrolment projections are revised based on school-byschool enrolment projections, which are further broken down by program and class size for the elementary panel.

As projections change, certain elements of staff allocation change, based on collective agreement requirements, Ministry regulations and expectations related to class size and program needs. As budget development proceeds with input from the school level, any significant change in the enrolment forecast is incorporated.

Identification of Risks and Mitigation Strategies

The Finance department identifies and documents all significant budget risks to senior management and the Board, as part of the budget development process and in the final budget approval process. The school board"s budget includes a section on budget assumptions outlining risks, should these assumptions differ from actual events. However, the school board does not develop mitigation plans for each area of risk. As a next step, management is encouraged to document and share budget risk mitigation strategies for identified risks and assumptions highlighted in the budget.

Recommendations:

- The Financial Services department should document the budget planning process to provide additional transparency for all stakeholders, and clarity for staff regarding roles and responsibilities.

4.3. Financial Reporting and Analysis

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

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

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

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

Integrated System for Variance Analysis and Financial Reporting

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

Interim and Annual Financial Reporting

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

Audit

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

Integrated System for Variance Analysis and Financial Reporting

The school board uses an integrated financial system (BAS 2000) to record, track and report financial data. The system integrates general ledger, accounts payable, accounts receivable, budget and

purchasing modules. The financial system also facilitates variance analysis and management reporting. Financial Services staff set up the chart of accounts in the financial system, maintain mapping to Ministry reporting requirements, and manage access rights to the system.

Interim Financial Reporting Accountability

A number of factors (including variances in actual enrolment versus projections, contract negotiations, macro-economic trends, and Ministry directives) can result in in-year variances between budget estimates and actual costs. Interim financial reporting allows management to track these variances and communicate them to the trustees and other key decision-makers. To that end, Financial Services staff at the school board prepare detailed monthly financial reports for review by the DEC. The detailed monthly reports present a summary of revenues and expenditures in a format consistent with Ministry funding categories, and are calendarized to allow for year-to-date comparisons.

In addition, quarterly variance reports are prepared for the board of trustees as information items, and include benchmarks based on historical spending trends and an explanation of any variances from the benchmarks. Both the detailed monthly reports and high-level quarterly reports provide critical information on whether variances are in line with historical trends. The department also develops year-to-date revenue and expense forecasts. The forecast reports show the expected surplus/deficit and explain significant variances in expectations.

Finally, senior management signs off on annual financial statements presented to the Ministry, and follows up on the management letter provided by external auditors. Management files all financial reports in accordance with established timelines.

Internal Audit Function

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

The school board currently does not have an internal audit function. However, the Board"s audit committee has taken the approach that each year one non-academic area of the school board should be reviewed by external auditors. The Board"s audit committee receives recommendations from management on which areas should be targeted for review. The committee also receives and reviews the reports of external auditors. Management follows up on recommendations as appropriate.

However, beyond the school board"s general commitment to perform these audits annually, there is no formalized plan of administration areas to be audited. As a next step, management should formalize the audit plan of areas to be reviewed.

Audit Committee

The board of trustees has an audit committee but it does not include external members as advisors. Consideration should be given to include external advisors on the audit committee. Along with significant changes in accounting in recent years, the complexity of the annual financial statements is increasing. External members could support trustee audit committee members in understanding what constitutes sound internal accounting and operational control processes.

The external advisors would not be voting members, since current legislation only recognizes trustees as voting members on school board standing committees. The professional backgrounds of the external members could include professional accountants, lawyers or other professionals, depending on the needs of the committee and its mandate. This would ensure that an objective third-party view is applied to the review of the financial statements, auditor"s report, and in-year reports produced by management.

Recommendations:

- The Board should develop a formal internal audit plan of non-academic areas of the school board to be reviewed by its external auditors.

- Management and the Board should include at least two external members on the Board"s audit committee to advise and contribute to the committee"s overall effectiveness.

4.4. Treasury Management

The purpose of reviewing treasury management processes is to assess:

- Whether processes are in place to ensure the optimal use of cash, investments and borrowings within school boards;

- Whether sufficient internal controls exist to support cash management, investments and borrowings;

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

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

Cash and Investment Management

Leading Practices – Treasury Management	Evidence of Adoption?
There is an efficient cash management process to maximize interest income, using short-term investments where appropriate.	Yes
Cash management activities are consolidated with a single institution.	Yes
Management periodically reports to the board on the performance of the investment activity, in accordance with the approved investment policy in accordance with the Education Act.	No
Management periodically compares the board"s banking terms and conditions to those of similar school boards.	Yes
Management monitors financial risk related to cash/investment management, and has a plan to mitigate associated risks. Management performs regular cash/funding forecasting to ensure that the board"s debt service costs can be met to maturity.	Yes

Management of School-Based Funds

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

Cash and Investment Management

The Financial Services department has consolidated the school board"s cash management activities with a single institution. Management reviews its banking arrangement every five years, to ensure that its rates remain competitive. Moreover, the Financial Services department compares its banking rates to those of other school boards, and reviews its arrangement against information on industry standards captured in OASBO"s banking surveys. Consequently, Financial Services staff is confident of the competitiveness of the school board"s banking terms.

The school board typically generates $1.4 million in annual interest revenue. Furthermore, the school board has a "mirror-netting" agreement with 127 of its schools, where it draws from their accounts before utilizing its overdraft. These schools typically have a collective balance of $3 million to $5 million. This enables schools to generate interest revenues from lending to the school board. It also benefits the OCDSB, due to the fact that schools lend the school board funds at lower rates of interest than the rate that the bank would apply to an overdraft.

Cash balances are monitored daily, and daily bank reconciliations are performed by the Finance Officer. This involves preparing daily cash flow reports, tracking inflows such as GSN and taxes and outflows including payroll and accounts payable runs. These reports are provided to the Coordinator of Financial Reporting monthly.

The Coordinator reviews daily cash flow trends and account balances. Excess funds that are temporarily surplus to its operating and reserve funds requirements are invested at appropriate terms. Investments typically mature on payroll dates, and terms are normally 180 days or less up to a maximum of one year.

In addition, daily money market rates for short term securities are compared to the school board"s current account interest rate. All investments comply with Ministry of Education regulations regarding eligible investments. Risk is minimized by investing in Banker"s Acceptance notes primarily. All investments are approved by the CFO. However, management does not report to the Board on the performance of its investment activities.

The school board also maintains reserve funds to attend to unforeseen circumstances. The Board has developed a reserves policy requiring the transfer of any year-end surplus to working fund reserves for use in future years. The school board has also created specific reserves from time to time so that multi-year replacement plans for facilities, equipment, fleet and insurance needs could be partially addressed. The Education Act requires Board approval to move funds from reserves to generating funds in cases where a transfer is requested.

Management of School-Based Funds

Due to mirror-netting, the majority of the school board"s schools use the same banking institution as the OCDSB. However, there is no policy requiring schools to do so, as schools are responsible for maintaining their own bank accounts. Still, the school board does require that schools bank with one of the Canadian chartered banks or the local Education Credit Union.

The school board centrally monitors whether schools complete their monthly bank reconciliations through the *schoolcash.net* financial software, and principals are required to sign-off on monthly bank reconciliations. In addition, the school board audits elementary and secondary schools every three years and two years respectively. Financial Services staff has also developed an accounting manual for school-based funds to support school staff in managing these accounts. Management has created a school support unit that trains school staff in the handling of school generated funds and provides on site support to school offices experiencing difficulties. All of these activities combine to ensure the integrity of accounting for school-based funds.

Recommendations:

- Management should periodically report to the Board on the performance of its investment activities.

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.

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

Policies and Procedures and Planning to Support Non Grant Revenues

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

Procedures for all Non-Grant Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
Electronic registration and payment systems are used where appropriate (e.g., continuing education, permitting of facilities and leasing).	Yes
Staff monitor all sources of revenue to ensure completeness and compliance with policies. Action plans and processes maximize collections including obtaining credit/risk assessments.	Yes
Board budget identifies revenue and expenditure for each EPO program. Management monitors activity to ensure compliance with terms and conditions.	Yes

Policies to Support Non-Grant Revenues

The Financial Services department tracks and reports on non-grant revenue received by the school board. The school board sources of non-grant revenue include:

- Adult and continuing education

- Community use of schools

- Education Programs Other (EPO)

- Interest

Non-grant revenues at the school board amount to roughly 5 per cent of overall revenues, for an approximate total of $37M. Management has procedures governing non-grant revenue that outline responsibilities for monitoring incoming grants, recording payments, analyzing contracts, and sending notifications to appropriate staff regarding important deadlines and spending rules.

Financial Services staff build revenue forecasts for each significant area into the school board"s overall budget. Moreover, management operates on a cost-recovery model i.e. the continuing education program mix is reviewed to ensure that programs which do not breakeven are discontinued. However, the school board also attempts to ensure its profit-making programs subsidize programs which have been identified as important by the Board, but may be operating at a loss.

Technology to Support Registration and Collection of Revenue

The school board uses an automated system (CLASS software) as an electronic registration and payment system for the collection of community use rentals and continuing education registration fees. Payments are requested upon registration to avoid collection issues.

The Financial Services department uses CLASS for payment processing, refunds, monthly statements and financial reporting. Courses are paid for and posted to CLASS at the time of registration. The Continuing Education department uses CLASS for program registration. The Community Use of Schools department uses CLASS for facility booking to grant permits and rent school board facilities to the general public, schools or other departments.

Monitoring Procedures for all Non-Grant Revenue

Courses and permits are paid for by cheque, cash, Visa, MasterCard, Amex or debit. Payments are processed through CLASS, which is interfaced with BAS 2000. Daily cash balances are reconciled by appropriate program staff, and are reviewed and approved by the Financial Services department. Monthly reconciliations of CLASS transactions are performed by Financial Services staff.

Managing the EPO Grants

Financial services staff have established appropriate procedures to record and track the various EPO grants received. The Finance Officer monitors for incoming grants daily, and monthly summaries of expenses for each grant are developed. Agreements are analyzed to determine allowable expenses and reporting, and notifications are sent to appropriate staff. As well, the Financial Services department follows up with contacts in advance of reporting due dates, to ensure that the funds are spent for the purposes intended and that financial reporting is completed on time.

Each EPO grant in the financial system is assigned a G/L code with revenue and expense lines. Financial Services staff monitors the account and tracks in-year expenses.

4.6. Procurement

The purpose of reviewing procurement processes is to assess:

- Whether procurement policies and practices are in place to ensure that the school board acquires goods and services through an open, fair and transparent process;

- Whether appropriate internal controls exist to support the procurement and related payment process;

- Whether school board processes ensure the receipt of value for money from all acquired goods and services;

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

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

Procurement Policies and Procedures

Leading Practices – Procurement	Evidence of Adoption?
Approved procurement policies and procedures are clearly communicated to staff with purchasing authority, and are periodically reviewed and updated.	No
Vendor selection criteria include elements other than the lowest cost, such as total cost of ownership, value, quality and competitive procurement (including the use of public advertising for RFPs and tenders over a defined level).	Yes
Purchasing managers monitor and ensure compliance with the board"s procurement policies and procedures.	Yes

Participation in Buying Consortia

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

Purchasing Levels of Authority

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

Policies and Procedures for PCard/Corporate Card Use

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

Accounting for Completeness of Purchase/Payment Cycle

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

Use of Electronic Funds Transfer for Greater Efficiency

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

Procurement Policies and Procedures

The CFO has overall responsibility for establishing and maintaining appropriate purchasing practices. The Board has developed a policy for the tendering, purchasing and acquisition of supplies and services, to ensure that there is a competitive bidding process that demonstrates fairness and openness to all potential suppliers. As well, the Board has developed a policy on the acquisition of major services (over $100,000).

The Financial Services department has developed procedures to support the implementation of the Board‟s procurement policies. The department recently updated its procurement procedures, however, the Board‟s procurement policies are out of date, with the most current policies revised in 1999. Management should review the existing procurement policies, to ensure they are continuing to meet the needs of the school board. The procedures outline the following limitations on soliciting and obtaining bids:

a. Goods / Services up to $2,500 shall require verbal quotation;

b. Goods / Services between $2,501 and $5,000 shall require a minimum of two written quotations submitted to the Purchasing department for approval;

c. Goods / Services between $5,001 and $25,000 shall require a minimum of three written quotations submitted to the Purchasing department for approval;

d. Goods / Services between $25,001 and $50,000 shall require a formal quotation administered by the Purchasing department;

e. Goods / Services $ 50,001 and over shall require a formal tender/request for proposal (RFP) administered by the Purchasing department.

The purchasing procedures also allow for single sourcing in exceptional circumstances, such as when specific expertise is required. These circumstances require preauthorization by both the CFO and the Director.

The school board"s policy and procedures regarding tendering, purchasing and acquisition of supplies and services do not explicitly note that factors other than lowest price will be considered in the evaluation vendor proposals. However, the procedures allow for contracts to be awarded even if they are not the lowest bid, provided that a detailed report substantiating the recommendation is submitted to the CFO for approval.

As well, the Board"s policy and procedure on the acquisition of major services states that factors such as expertise, experience, cost and effectiveness will be considered in the selection process. Management also noted that school board preferences are often considered. As a next step, management should explicitly indicate in its tendering, purchasing and acquisition of supplies and services procedures and policies that evaluation criteria other than the lowest price will be used for vendor selection.

Financial Services staff noted that RFPs over $100,000 are posted on electronic bulletin boards. However, the school board"s policies and procedures do not explicitly require this practice. Management should consider explicitly stating in its policies that the posting of tenders and Requests for Proposals (RFPs) on the electronic advertising bulletin boards will be mandatory to ensure the widest circulation of tenders.

Participation in Buying Consortia to Reduce Acquisition Costs

The school board"s procurement strategy includes participation in consortia in order to realize cost savings. The school board participates in 27 cooperative procurement initiatives including the Ottawa-Carleton Energy Purchasing Group. This group contracts for natural gas in future periods as a hedging strategy. Other participants include coterminous school boards and the City of Ottawa.

Purchasing Levels of Authority

The school board has developed a policy and procedure on spending authority and controls stipulating the following authorization levels by staff title:

- Over $200,000 - Director of Education and Chief Financial Officer

- Up to $200,000 - Superintendents

- Up to $50,000 - Principals and Managers

- Up to $25,000 - Vice-Principals and Supervisors

- Up to $10,000 - School Department Heads, Project Officers and Building Supervisors

- Up to $5,000 - As delegated by the principal budget holder.

Trustees approve all payments in excess of $500,000. The Co-ordinator of Purchasing Services is authorized to issue purchase orders for all goods and services for which funds have been provided in the school board's annual budget, subject to approved tendering procedures or other authorized means.

Policies and Procedures for Purchase Card/Corporate Card Use

The school board has developed a policy for the use of P-Cards. All requests for PCards must be approved by the CFO or designate, and cardholders must sign a P-Card Cardholder agreement form. Expenses charged to P-Cards are monitored by the immediate supervisor and the Financial Services department. While P-Cards are paid centrally, schools and departments are required to reconcile and attach appropriate supporting documents and forward them to the Financial Services department.

The school board also has a Low Value Purchase policy and program designed to enable schools/departments for purchases of miscellaneous supplies, to a maximum of $250 per item and a $1,000 maximum per invoice. Low value purchases are made either through petty cash or P-Cards.

There are almost 300 P-Cards in use by schools and departments, with limits ranging from $2,000 to $50,000. Management indicates it performed a spend analysis of all transactions on P-Cards to arrive at its spending limits. However, the school board has not blocked specific merchant categories, such as liquor.

A typical feature of P-Cards is that they can be configured so as to allow only certain categories of spend. Given that the school board is not taking advantage of this functionality in practice, its P-Card program resembles a credit card program. Credit card programs allow cardholders to purchase any good or service up to the card limit. The current P-Card practice exposes the school board to the risk that inappropriate purchases are made with P-Cards, and inherently requires additional manual reviews.

Accounting for Completeness of Purchase/Payment Cycle

Management indicates that 80 per cent of its school-based goods and services are pretendered and available to staff through an on-line catalogue interface with suppliers. The catalogue is used for ordering goods or services only.

The school board uses the procurement module in its finance system to process its purchase-to-payment cycle. A requisition is created at the schools / initiating department and then sent to the purchasing department, where it is reviewed for spending level authority and budget availability by a Financial Services Buyer. The Buyer also ensures that charges are made to the appropriate account. Assuming compliance, Financial Services staff initiates a Purchase Order (PO) in BAS 2000, which creates a commitment and encumbers the appropriate budget funds. The PO is then dispatched to vendors via fax.

The goods are shipped directly to the initiator"s site and all goods are checked immediately on receipt to determine whether the goods arrived in proper condition and the shipment is complete. Invoices are sent to the initiating department by the vendor. These invoices are then signed and couriered to Financial Services staff to indicate receipt of goods. Finally, the Financial Services department matches the signed invoice to the PO and enables vendor payment.

The process contains manual steps which the school board should investigate automating within its financial system. Specifically, the receipting of goods by the department is currently performed manually. Many school boards enable receiving departments to record a receipt directly in the system.

Use of Electronic Funds Transfer for Greater Efficiency

The school board currently employs EFT to process payroll remittances, while most other payments are made by issuing manual cheques. However, management indicates it is starting to use EFT for its larger vendor accounts where possible. An increase in the use of EFT for vendor payment is an opportunity for the school board to increase process efficiencies and potentially reduce costs.

Recommendations:

- Management should review and update its procurement policies to ensure they meet the current procurement needs of the school board. Management should explicitly indicate in all its procurement policies and procedures that evaluation criteria other than the lowest price are used for vendor selection.

- Management should review its current policies with regard to P-Card usage, to ensure its P-Card program effectively meets school board objectives with the least amount of risk.

- Management should investigate opportunities to use on-line receipting in its financial system.

- Finance staff should implement EFT payments to all appropriate suppliers, to gain greater efficiency, and minimize the risk of payments being altered prior to clearing the bank.

5. School Operations and Facilities Management – Findings and Recommendations

School Operations and Facilities

Organization	Custodial and Maintenance Operations	Energy Management
Safety and Security	Capital Plans, Policies and Procedures	Construction Management

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

The following is a summary of our assessment of the school board"s adoption of the leading practices under the processes identified above. All findings are a result of the review of data provided by the school board and on-site 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?
The operations and facilities department"s goals and priorities are documented in an annual department plan that is aligned to the annual board improvement plan and is accessible by key stakeholders. The plan incorporates measurable targets, specific timelines, and identified accountability.	No

Organizational Structure and Accountability

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

Monitoring and Communication of Policy

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

Development and Reporting of Annual Goals and Priorities

The Facilities department has not developed an annual work plan that includes issues, actions required, accountabilities or deadlines. However, management indicates it is in the process of bringing together various planning and tracking tools. The department should develop an annual departmental work plan and ensure that the annual departmental work plan aligns with the objectives in the Board"s annual district goals and multi-year strategic plan.

The departmental work plan should set targets, timelines and assigned responsibilities for key activities. This would enable management to track and report on the progress of its defined priorities and goals throughout the year. In addition, the department should consider adopting the school board"s template for annual district goals. The template is designed to demonstrate alignment between annual district

goals and the multi-year strategic plan. Department templates should further demonstrate alignment of work plans to the annual district goals.

Organizational Structure and Accountability

The Facilities department reports to the Superintendent of Facilities, through the Manager of Facilities and the Manager of Planning. The Manager of Facilities oversees operations, maintenance and design and construction. The Manager of Planning is responsible for planning and real estate, as well as admissions and enrolment.

An up-to-date organizational chart of the department provides a general outline of the roles and responsibilities of staff. As well, job descriptions in the department are current. Facilities staff has appropriate professional designations and related field experience. All the maintenance personnel are qualified tradespersons, and the design and construction staff includes engineers and technicians. The department is highly supportive of professional development opportunities, and has developed a seven-module course in collaboration with Algonquin College to support staff in obtaining a project management designation.

Monitoring and Communication of Policy

The school board has various policies and related operating procedures to manage its facilities and operations, covering areas such as energy management, video surveillance and school site acquisition. Management primarily communicates policies to custodial staff through training, and a manual of standard operating guidelines on work hours, pest control and cleaning procedures.

Principals inspect school sites at least once a week to ensure compliance with maintenance policy and standards. To support principals in this activity, the department has developed a Principal"s Guide. Also, the Chief Custodian performs monthly inspections of school sites and follows up on any issues.

The Superintendent of Facilities is responsible for monitoring and communicating changes to the various regulations that govern the school building and property matters. The Superintendent monitors advisories from key professional bodies including the Ontario Public School Board Association (OPSBA), OASBO and the Technical Standards and Safety Authority. The Superintendent receives Ministry memos regarding regulatory changes and other initiatives, and shares information with appropriate staff such as supervisory staff and affected departments.

Recommendation:

- The department should develop an annual departmental work plan that aligns with the objectives in the Board"s annual district goals and multi-year strategic plan. The departmental work plan should set targets, timelines and assigned responsibilities for key activities.

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 board has adopted cleaning standards and has developed a standard set of processes and tools to monitor, manage, and report on results.	Yes
Management"s custodial/maintenance allocation model optimizes the 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 and multi-year (three to five years) maintenance plan that addresses preventative and deferred maintenance priorities. Outcomes improve the learning environment for students. The plan optimizes the use of available funding (Annual Renewal Grant and Good Places to Learn funding) and is approved by the board.	No

Training to Support Skills Development and Safety

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

Standardization of Cleaning and Maintenance Supplies

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
An inventory system tracks and controls major cleaning and maintenance equipment.	Yes
Common standards ensure efficient procurement of supplies to minimize costs and promote energy and operating efficiency.	Yes

Project Management, Monitoring and Support Systems

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
A work-order system and process 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.	Yes

Staffing Model Supports the Board's Cleaning and Maintenance Standards

The Facilities department has developed a resource manual for custodians. The resource manual includes the school board"s standards of cleaning, as well as a variety of cleaning techniques and procedures. The department has developed a set of processes and tools to monitor, manage, and report on cleaning standard results, including:

- Checklist logs for daily activities, salt and sanding, playground inspection and boiler inspections

- Housekeeping inspections are completed on a monthly basis at each school by the Chief Custodian and Principal

- School Condition Inspections are conducted twice annually (spring and fall) at each school by the Area Supervisor and Principal. The school condition report results are tracked on the school condition summary sheet by the Supervisor of Operations

- A rating system, which is based on a satisfaction survey of all occupants and users of the schools.

The department"s staffing allocation model supports the school board"s cleaning standards and maintenance requirements. The department has a work-loading program that allocates staff based on average cleaning time and an amount of time to support school operations. The allocation model also considers the size the school. The Superintendent of Facilities approves the department"s staffing allocation model, and the Board approves the results.

Development of Annual and Multi-Year Maintenance Plan

Management develops an annual plan of renewal and maintenance projects to address its preventative, critical, and deferred maintenance. The annual plan is based on the department"s high and urgent

needs. This list is derived from the department‟s computerized maintenance management system (CMMS), which tracks work orders, inspection reports and health and safety issues. CMMS is integrated with ReCAPP. Consequently, information is uploaded into CMMS at the start of the process, which helps drive the renewal program budget and prioritization of projects. The projects are managed through the CMMS project management module. At the end of the process, the information is uploaded to ReCAPP.

The CMMS is also integrated with a preventative maintenance (PM) system that anticipates wear and tear to recommend corrective action that would ensure peak efficiency and minimize deterioration. The PM system also informs the list of high and urgent needs. The department prioritizes its high and urgent needs, based on meetings with staff and input from principals, to develop its annual plan. The annual plan is submitted to the Board for approval. While the current plan covers one year, the department intends to develop a two-year roll-out. Management should consider establishing a multi-year maintenance and renewal plan, including the funding available to support the plan. This would provide the school board and its stakeholders with a clear forecast of critical needs over the next several years.

Training to Support Skills Development and Safety

The Facilities department has an extensive training and professional development program in place. Training is distinct among the three departments in facilities (Design and Construction, Operations and Maintenance). Through an annual two-day session, the department provides workshops on maintenance procedures and department systems. The department takes advantage of specific training offered centrally by HR for leadership, administration and some health and safety courses.

The department‟s CMMS enables the tracking of staff training needs based on current certifications and timing expirations. The department is in the process of listing all staff training and certifications in the system, which will assist in tacking and identifying course requirements. Workplace Hazardous Materials Information System (WHMIS) training is mandatory for all custodial and maintenance staff, and is offered on-line. As well, the department offers a certificate program for custodial staff. This training includes sessions on cleaning techniques and workplace safety.

For maintenance staff, depending upon the trade, specific training is provided to ensure qualifications are maintained. In addition, common courses such as first aid and defensive driving are provided to all maintenance staff. All regulatory training is also mandatory for all maintenance staff, including training on confined spaces and asbestos.

Standardization of Cleaning and Maintenance Supplies

The department‟s CMMS tracks and controls major cleaning and maintenance equipment. Equipment is inspected annually at the school board. Custodial supplies are managed centrally through the school board office, and the school board has standardized its cleaning supplies through a single supplier.

Project Management, Monitoring and Supporting Systems

Chief Custodians, often in consultation with principals, initiate work orders through the department"s CMMS. The system identifies the time needed to perform the work and whether parts are required, and assigns the job to appropriate maintenance staff based on employee training and certification.

Maintenance staff are allocated to specific geographic areas, and receive work orders for the closest jobs through mobile devices. This work arrangement reduces travel time. Moreover, the department dispatches maintenance personnel from home, rather than have them travel to the maintenance office to receive work orders. Management noted that this system has resulted in operational efficiencies of $500,000 for the school board.

Recommendation:

- Management should consider establishing a multi-year maintenance and renewal plan, including the funding available to support the plan.

5.3 Energy Management

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

- Whether adequate planning and communication exist to support the reduction of energy consumption;

- Whether school board structure and processes are in place to ensure that energy is procured for the lowest cost;

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

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

Energy Management Plan

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

Leading Practices – Energy Management	Evidence of Adoption?
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.	No
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.	No
Centralized technology that automates energy regulation and conservation (e.g., light control, desktop power) is used wherever practical.	Yes

Energy Management Plan

The school board has an aggressive energy management program, which has introduced recycling initiatives at schools and supported the development of energy efficient designs for new schools over the last 10 years. The program was recognized by the Chief Energy Conservation Officer of the Ontario Conservation Bureau in September 2006. The school board was presented with a certificate of recognition for its outstanding energy conservation achievements.

The school board has partnered with Ameresco Canada to introduce:

- energy retrofits to the school windows

- boiler replacements

- lighting upgrades in all schools

- heat recovery and ventilation systems in many schools

- Building Automation Systems (BAS) in 75 per cent of schools

In addition, the partnership with Ameresco involved the development of an energy awareness program for students, teachers and custodians. This curriculum-aligned program focuses on energy conservation, waste reduction, and water conservation. It has also been the impetus for the school board"s expanded refuse and recycling program.

The department has not developed a multi-year energy management plan. As a next step, management should develop a multi-year energy management plan that incorporates measures to be implemented, and the tools to monitor and manage the plan.

The school board is a member of buying consortia for bulk energy purchasing for gas and electricity. The OCDSB also purchases energy efficient products such as Energy Star goods. However, the department does not have a procurement policy requiring that new equipment be energy efficient. The school board has also developed a set of energy conservation best practices that it shares across its schools, as well as with coterminous school boards.

Tracking and Reporting Energy Conservation

Management prepares reports that track the consumption of electricity, natural gas and water across all sites. However, the reports are presented on an *ad hoc* basis to the Board. The department uses Energy CAP as a system to track the metering of energy consumed at each school facility. This information is closely monitored to identify further areas to reduce consumption. The school board does not have targets for new savings or consumption.

The billing is not consolidated from each utility for all school board facilities. The school board has requested consolidated billing on a number of occasions, but this has not yet been provided. The school board should continue to request consolidated billing. This would support more efficient monitoring and forecasting of energy consumption, and reduce the workload in the accounts payable department.

Recommendation:

- Management should establish a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.

- Management should provide annual reporting on the conservation savings achieved against its energy management plan.

- The school board should continue to ask utility companies to provide consolidated billing in an electronic format.

5.4 Health, Safety and Security

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

- Whether adequate planning and communication exist to support the provision of a safe teaching and learning environment;

- Whether school board structure and processes are in place to implement safety precautions;

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

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

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

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

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

The school board has developed a Board approved health and safety policy, which is supported by nine procedures covering accident reporting, workplace inspections and the storage, handling and disposal of asbestos containing material.

In addition, schools have safe school plans regarding school lockdown procedures to keep students, teachers, and other staff safe in the event of a serious accident, schoolyard threat, violent incident, or act of terrorism. Community stakeholders, including the police, were consulted during the development of the safe school plan. The police are also available for security audits of schools upon request. Safe school plans are reviewed annually.

Safe school plans include alert codes that reflect the situation and threat level of an emergency. Also, schools have TERT teams (Tragic Events Response) on call to respond to events involving deaths in schools. The Superintendent responsible for safe schools is charged with maintaining and revising safe school plans. Safe school plans could involve relocating to nearby coterminous schools. Coterminous school boards work together in responding to a situation when appropriate.

As part of the safe schools plan, security incidents are tracked and reports are generated for the Security Coordinator"s office. The police are also informed of all security incidents. Management ensures that Ministry guidelines, policy and legislation on healthy schools are followed by sending alerts to all schools regarding any changes. Also, procedures are modified as appropriate, and staff training is offered to ensure plans can be implemented.

Water testing is conducted at all rural schools, as per the Ministry of Environment"s (MOE) regulations. All water testing reports for lead are conducted as per the MOE regulations, and the testing reports are sent directly to the MOE and the school board"s third party laboratory. Management ensures that custodians follow procedures by reviewing the log books maintained at each site. The log books reflect the required regulatory and safety information for each site. In addition, the school maintains Health Canada guidelines with respect to air quality.

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 Planning

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

Development of Annual and Multi-Year Capital Plans

In compliance with Ministry requirements, the school board has completed its capital liquidity template. While the school board does not have an independent capital planning committee, it has developed a 10-year capital plan that has been approved in principle by the Board.

The Board approves the details of annual capital plans presented by the department. The annual plan"s projects are fully funded. The multi-year capital plan is based on demographic projections, program demand and, prohibitive to repair (PTR) and renewal projects. Some schools are faced with overcrowding due to program demand. For instance, the school board experiences very strong demand for its French immersion programs.

The school board has a Board approved accommodation review policy that was last updated in May 2007. The policy outlines the school closure initiation process, a generic school valuation framework, the accommodation review committee (ARC) initiation process, and the public consultation details.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

The planning and monitoring of school capacity and utilization is reported through the Student Facilities Inventory System (SFIS). The Planning division is responsible for tracking, updating and monitoring data uploaded into SFIS. The school board maintains accurate and up-to-date inventories of school capacity and utilization.

Management indicates there are variances between funding allocation and actual needs. These gaps are addressed through the use of portable classrooms, student transportation, and boundary adjustments.

5.6   Construction Management

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

- Whether processes are in place to ensure that school boards complete construction projects on-time, on-budget and with due regard to economy;

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

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

Cost Effective Practices in the Design and Construction of Facilities

Leading Practices – Construction Management	Evidence of Adoption?
Management uses cost-effective designs, standard footprints, energy conservation and economical construction practices to minimize construction, maintenance and operation costs.	No
Management maintains standard policy and procedures to rationalize construction projects, including benchmarking against other school board construction costs and design standards (including coterminous boards).	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 5-year cycles).	Yes

Cost-Effective Practices in the Design and Construction of Facilities

Management acknowledges that it has not been successful in designing standard footprints to minimize maintenance and operations costs. The department indicates the schools it builds are 25-45 per cent over benchmark costs of other school board"s construction expenses. Management noted that the

Board"s construction costs are higher than the provincial average because of its location. As an example, the school board builds to accommodate greater snow loads. In addition, the Ottawa region has a history of seismic activity. Consequently the school buildings structures have to be built according to engineering design requirements for earthquake-resistant buildings.

Nonetheless, management acknowledges its construction costs are higher than its coterminous boards. Facilities department staff indicates coterminous boards have larger pieces of land, and do not need to build more expensive two-storey buildings. Finally, the school board chose to build schools with higher upfront costs and lower long term operating and maintenance costs.The department should develop cost-effective designs, standard footprints, energy conservation and economical construction practices to minimize construction, maintenance and operation costs.

Monitoring and Reporting of Progress on Construction Projects

The school board outsources its construction work to external contractors. Once the board of trustees has approved the overall cost of a construction project, management indicates the department has been very good with delivering on-time, on-budget projects. In cases where a project may be over budget, the Facilities Planning Management Committee (FPMC) meets to discuss, and if needed, make a recommendation to the Board.

During the construction/implementation phase, management conducts frequent site visits to supervise the progress of the project. Management uses spreadsheets to monitor and control construction projects and associated costs.

Maintaining Current Approved Professional Service Providers

The Board maintains standard procurement policies and procedures to control school renewal and construction costs, with pre-qualified general contractors and architects.

Management evaluates and updates its approved list of contractors every year. The department intends to move this to a three-year review cycle, to coincide with its review of architects. All construction projects are out-sourced, and contracts are often procured through MERX.

Recommendation:

- The department should develop cost-effective designs, standard footprints, energy conservation and economical construction practices to minimize construction, maintenance and operation costs.

Appendices

Appendix A: Overview of the Operational Review

Operational Review Objectives

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

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

- Strengthen management capacity in school boards by developing recommendations that support improvement in non-academic operations;

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

- Leverage "Best Practices" across the education sector;

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

- Provide the Ministry with important input on DSB capacity/capabilities for consideration in the ongoing development of policy and funding mechanisms.

### Operational Review Summary Scope

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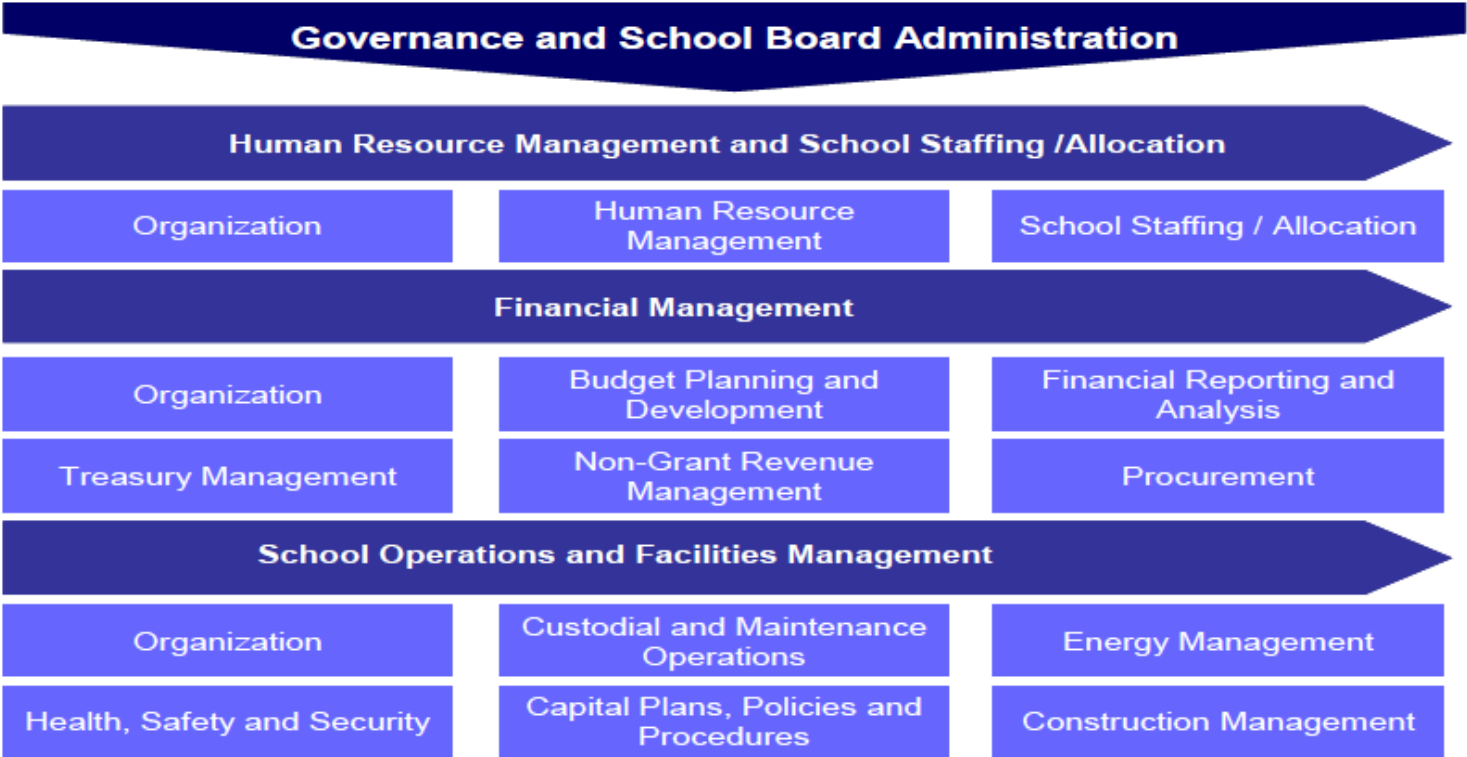
Operational Review Summary Approach

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

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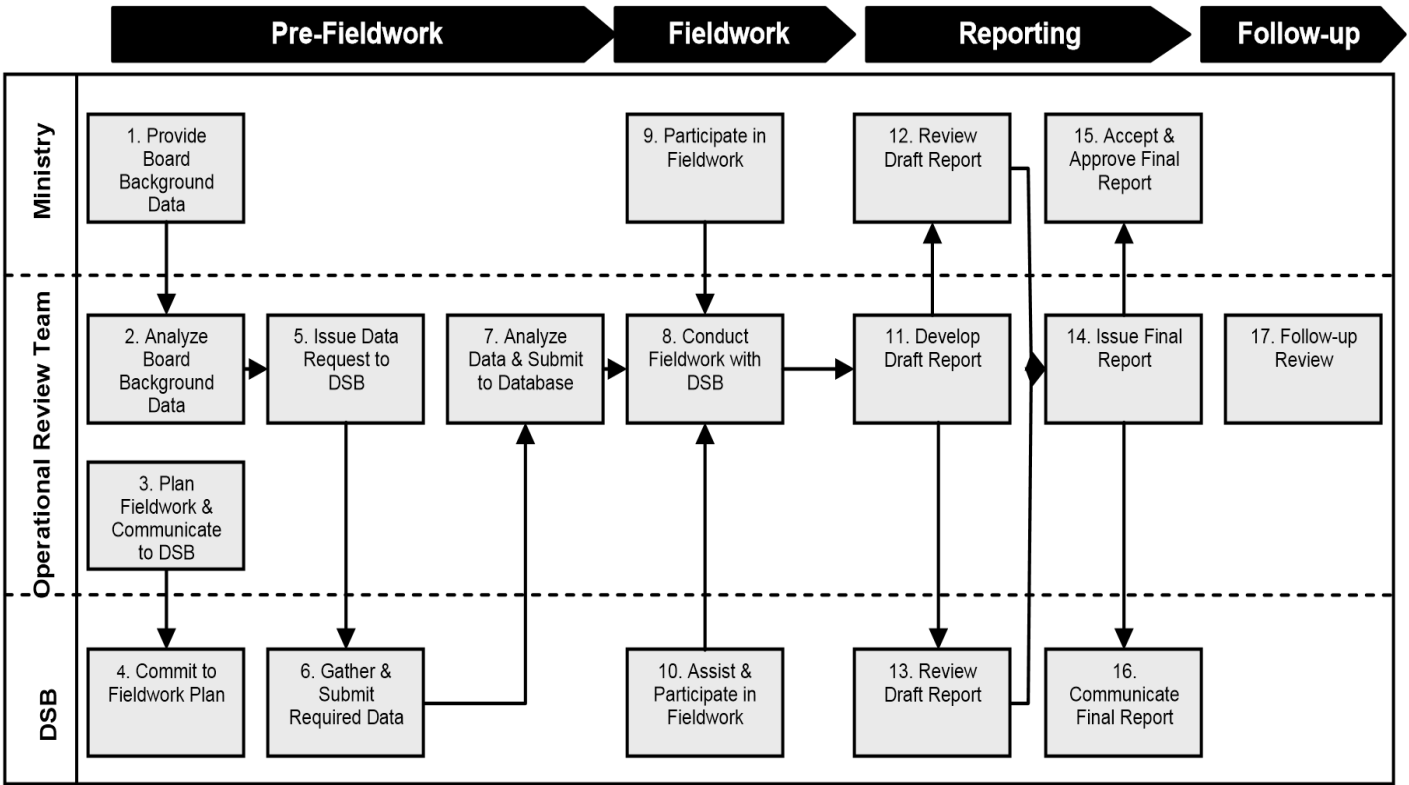
The Table below defines the key phases and activities which comprise the Operational review Methodology.

Phase: Pre- Fieldwork

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

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

Phase: Fieldwork

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

Phase: Reporting

Key Activity	Description
Develop Draft Report	Based on the results of the fieldwork and data analysis, the operational review team writes a draft report. The draft report contains a synopsis of findings and, where appropriate, recommendations for improvement.
Review Draft Report (Ministry)	The Ministry reviews the draft report and provides feedback to the review team.
Review Draft Report (board)	The review team meets with board senior staff to review and obtain feedback.
Prepare Final Report	The review team incorporates the feedback from the both the Ministry and the board and prepares a final report.
Accept and Approve Final Report	The final report is issued to the Ministry for approval and release.
Communicate Final Report	The Ministry issues a final report to the board.

Phase: Follow up

Key Activity	Description
Follow-up Review	Eight to 12 months after the release of the final report, the review team conducts a follow-up review to determine the extent 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 Ottawa-Carleton District School Board. The review has been conducted using the methodology as previously described. The review is not of the nature or scope that constitutes an audit made in accordance with generally accepted auditing standards.

Appendix B: Summary of Recommendations

Governance and School Board Administration

No.	Recommendation
1.	To further support the effective and positive relationship between the trustees and senior administration, the Board should develop a document clearly defining the delineation of the roles and responsibilities between the board of trustees and senior school board staff.
2.	The Board should develop a policy review cycle to ensure that all policies are up-to-date. Management should consider extending this practice to include administrative procedures.
3.	The school board should develop a formal succession plan to manage departures of key staff.

HR Management and School Staffing/Allocation

No.	Recommendation
4.	Management should develop recruitment policies and procedures, and ensure they are reviewed annually to align staff planning with student achievement.
5.	Management should document its current hiring practices and develop hiring policies and procedures. Management should also review its current decentralized hiring practice where schools are responsible for the hiring process.
6.	Management should document its practice of progressive disciplinary action to ensure clear communication to all employees.
7.	The school board should ensure that its attendance management program is utilized by all its functional areas.
8.	Management should periodically report to Board and senior management on the effectiveness of its attendance management program.
9.	Management should consider developing a formal plan for periodic staff surveys. This would improve communication with staff and provide input for professional development plans and HR policy.
10.	Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy, as well as process and program improvement.

Financial Management

No.	Recommendation
11.	The Financial Services department should document the budget planning process, to provide additional transparency for all stakeholders and clarity for staff regarding roles and responsibilities.
12.	The Board should develop a formal audit plan of non-academic areas of the school board to be reviewed by its external auditors.
13.	Management and the Board should include at least two external members on the Board"s audit committee to advise and contribute to the committee"s overall effectiveness.
14.	Management should periodically report to the Board on the performance of its investment activities.

No.	Recommendation
15.	Management should review and update its procurement policies to ensure they meet the current procurement needs of the school board. Management should explicitly indicate in all its procurement policies and procedures that evaluation criteria other than the lowest price are used for vendor selection.
16.	Management should review its current practices with regard to P-Card usage, to ensure its P-Card program effectively meets school board objectives with the least amount of risk.
17.	Management should investigate opportunities to use on-line receipting in its financial system.
18.	Finance staff should implement electronic funds transfer (EFT) payments to all appropriate suppliers, to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.

School Operations and Facilities Management

No.	Recommendation
19.	The department should develop an annual departmental work plan that aligns with the objectives in the Board"s annual district goals and multiyear strategic plan. The departmental work plan should set targets, timelines and assigned responsibilities for key activities.
20.	Management should consider establishing a multi-year maintenance and renewal plan, including the funding available to support the plan.
21.	Management should establish a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.
22.	Management should provide formal annual reporting on the conservation savings achieved against its energy management plan.
23.	The school board should continue to ask utility companies to provide consolidated billing in an electronic format.
24.	The department should develop cost-effective designs, standard footprints, energy conservation and economical construction practices to minimize construction, maintenance and operation costs.