

Ministry of Education

Operational Review Report Brant Haldimand Norfolk Catholic District School Board

June 2008

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Executive Summary

This report details the findings and recommendations of the Operational Review of the Brant Haldimand Norfolk Catholic District School Board (the Board) conducted by the Operational Review Team comprised of external consultants, Deloitte and Touche LLP, and Ministry of Education staff. The Operational Review was conducted over a three day period beginning March 4, 2008.

Introduction

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

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

The review found that the Board is well-managed, based on the fact that it has adopted a significant number of the leading practices in all of the functional areas reviewed. A summary of the findings and recommendations identified in each of the functional areas reviewed follows. Details can be found in subsequent sections of the report.

Governance and School Board Administration

The Board has adopted a governance model that clearly delineates the roles and responsibilities of the Board of Trustees and the administrative council which is composed of the Director and three superintendents. The Board of Trustees has responsibility for setting and maintaining policy, while the administrative council develops and implements operating plans and procedures. The administrative council also ensures adherence to the Board's policies and the accomplishment of the Board's strategic goals.

The central piece of Board planning is the development of a Board Improvement Plan. For 2007-2008, this plan covered a single academic year although prior plans have

previously covered multiple years. Through a consultation process involving trustees, senior administration, administrators, central curriculum staff, teachers, parents, as well as the community at large, specific areas of opportunity are identified for focus and improvement. The plan is then presented to the Board of Trustees for final input and approval before being implemented across the system. The detailed plan identifies “areas of growth” followed by five goals or “areas of focus”. The five areas of focus for the 2007-2008 Board Improvement Plan are:

- Improvement in literacy achievement
- Improvement in mathematics achievement
- Evidence-based decision-making
- Integration of technology
- Home, school, and community partnerships

Each of these areas of focus is further delineated into strategies and the associated resources and indicators of success. These goals are meant to improve student success by establishing the annual academic priorities as well as accountability and coordination across the Board. In addition to the goals and strategies detailed in the Board Improvement Plan, the Board has also developed a comprehensive Special Education Department Framework 2007 - 2010. This is intended to provide the Special Education Strategic Plan to support the Board’s Improvement Plan through the achievement of the following goals:

- Improved level of student success and access to curriculum.
- Reduced gaps in student achievement.
- Improved parent/guardian confidence in the education of our students on an Individual Education Plan (IEP).

While the Board publishes its academic goals in an annual Board Improvement Plan and the Special Education Department Framework, it does not produce formal documents that publicly articulate the longer-term strategic direction of the system as a whole.

The strong working relationship between the Director and the Board of Trustees contributes to the achievement of the Board’s goals and priorities. The Director frequently meets with the Trustees to inform them of key administrative developments. The overall governance model appears to be operating effectively.

The Board has a transparent and collaborative planning and decision-making process that includes the direct involvement of various board sub-committees. The Board has demonstrated that decision making is aligned with student achievement targets, through the incorporation of school-level input.

Recommendations:

- The Board should develop a multi-year strategic planning document that defines key objectives, timelines and performance metrics for the entire system. This would provide an over-arching framework for the Board to which all annual plans should align.
- On an annual basis, the Board should develop an operating plan that expands the scope of the Board Improvement Plan to cover all aspects of Board operations. This plan should define in-year initiatives that contribute to the achievement of the longer term goals and demonstrate the alignment of non-academic departments.

Human Resources Management and School Staffing/Allocation

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

- The HR department has developed an annual plan that sets out its goals and objectives for 2007-2008 and beyond. The plan provides details on the projects to be undertaken, the staff responsible, the target completion dates and provision for reporting on the status of implementation. This will provide transparency for the accountability for the plan and its implementation.
- The department maintains an electronic HR calendar that is shared with all departments and populated with HR-related deadlines and key dates, such as union contract renewals, Ministry deadlines and administrative events for special education and elementary and secondary curriculum. This tool has been effective in helping HR communicate and coordinate with other departments.
- HR department roles and responsibilities are outlined in a document titled “Who we are and what we do” that is distributed across the system, providing other departments easy access to the appropriate contact for specific issues.
- The HR department coordinates training programs across all teaching and nonteaching groups. Programs coordinated through the HR department include the New Teacher Induction Program (NTIP), formalized development for principals and vice principals, team building, management and supervisor professional development retreats, eSIS reporting for secretaries, training

updates for managing the Safe Schools Program, management tools for IT, asbestos awareness, fall protection and certification for the operation of small drinking water systems.

- The Board has a well-established recruiting process, driven by a recruiting plan developed by HR Staff and administrative council. The plan is based on expected enrollment and anticipated attrition in teaching and non-teaching positions.
- The HR department has established detailed procedures that govern staff allocation requirements that are based on enrolment forecasts, student needs, class size requirements and alignment to collective agreements. The enrolment forecasting process is developed on a school-by-school basis and considers both Board level data and trend analysis and input from each of the school principals. This process is reviewed annually.
- The Board's academic staff is evaluated every five years triggered by an automatic notification from the HR system (iSYS) or from specific requests at the discretion of the principal if there are performance issues. Likewise, custodial evaluations are conducted every three years by operational coordinators in conjunction with the principal.

An area of opportunity for the Board is more timely capture of absenteeism data. Departments and schools currently track this on a monthly basis for entry at the Board office. This is a labor intensive process that is always one month in arrears and thus delays management's ability to identify issues and take corrective action.

Recommendations:

- The HR department should produce an annual report that demonstrates accomplishments relative to its annual plan.
- The Board should investigate an automated solution that allows schools to enter attendance information directly into iSYS on at least a weekly basis. With more timely and accurate information, the Board should then develop an attendance management strategy for all staff groups. This would define measurable objectives with the required policy, process and procedures.
- The Board should consider conducting confidential exit interviews with staff. It should also consider conducting periodic staff satisfaction surveys across all staff groups. These practices can provide management with valuable input for HR professional development and enhance employee relations.

Financial Management

The finance department has demonstrated positive results through the implementation of many of the leading practices:

- The annual budget process is transparent and clearly communicated and approved by the Board. A Budget Procedures Manual is prepared and issued every year to ensure coordination with all departments. Finance staff work closely with all key stakeholders including administrative council and school principals, to ensure input is captured and reflected appropriately. As part of the budget development process, staff incorporates an analysis of the prior year's budget to reflect any recurring cost issues.
- The published budget includes a comprehensive analysis that includes the priorities that have been considered in the development of the budget, details of the funding changes and detailed departmental and program expenditures and revenues.
- Management uses macro demographic information, multi-year forecasts, and regional planning information combined with school based information from principals to develop enrolment forecasts.
- The Board participates in several purchasing consortia, including the purchase of electricity, natural gas and caretaking supplies.
- The Board has consolidated its banking relationships with a single bank and has negotiated favourable interest rates for the investment of surplus funds.
- The Board has developed processes and tools to monitor its on-going funding capacity service its existing capital debt commitments. These are similar to the Capital Liquidity template that the Ministry has recently released across the sector.

One of the improvement opportunities for the Board is to expand the level of detail of interim financial reporting to the Board. The reports currently present high level updates, track year-to-date expenditures against budget and express actual expenditure as a percentage of budget. The report also provides an overall commentary explaining the variance between the year-to-date position and budget. However, there is no narrative reference to assist the reader in determining whether the percentage spent to date on specific line items is above or below the expected spending for the period reported. This is particularly relevant where the year-to-date results for specific revenues and/or expenditures are significantly above or below what would normally be expected at a given point of reporting.

The Finance department prepares monthly reports that are sent to schools and departments for review. Monthly reports are also prepared by the Manager of Finance for the Associate Director to report any variances relative to budget on a line-by-line basis.

Another area of opportunity is to improve the alignment of the budget process with Board approved goals. Recently, the Board has supported its annual budget planning process with the identification of goals and supporting strategies. For 2007-2008 management outlined four strategic goals which were provided to the Board of Trustees for input and approval before the start of the budgeting process. While these goals are comparable to those in the Board Improvement Plan, there are some inconsistencies. In the future, the implementation of an over-arching, long term planning framework for the entire system would help to promote alignment for the various levels of planning undertaken by the Board.

Recommendations:

- The finance department should adopt a more structured approach to annual departmental planning, including targets, timelines and assigned responsibilities. The plan should use the existing format within the Board Improvement Plan.
- The Board should add a step to the budget planning process to ensure alignment between specific budget goals, the annual Board Improvement Plan and the long term strategic direction of the Board.
- Finance staff should consider providing an expanded level of interim reporting, as in the format suggested in section 4.3 of this report. This would improve understanding of the financial reporting of the year-to-date results.
- Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost for each option. Management's proactive assessment of need and cost would be a useful first step.
- Management and the Board should establish an audit committee. The Board and management should consider including at least two external members to act as advisors and contribute to the committee's accountability.
- Management should establish an investment policy for approval by the Board. A formal cash management plan and appropriate procedures to manage surplus cash to optimize investment income should be developed.

- The finance department should develop a formal cash flow model to forecast and monitor the Board's cash flow activities. The model will allow the Board to identify opportunities to optimize investment income and/or minimize interest costs.
- The Board should continue with the development of the electronic scheduling system for its community use of schools program. This would increase the accessibility and efficiency of the registration process and strengthen the Board's controls over this revenue stream.
- As part of an overall assessment of its financial system needs, the Board should examine the procurement functionality within its financial system to determine if a more efficient opportunity exists for electronic purchase orders, school level receipting and automated three-way matching capabilities (purchase order, receipt and invoice).
- The Board should perform a transaction/spend analysis of PCard usage relative to issued purchase orders. This would identify opportunities to increase purchase order threshold limits and promote increased use of PCards through an expansion of the existing program.
- Finance staff should implement EFT payments to the majority of their 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 employs many of the leading practices in its caretaking and maintenance operations. The following significant practices are noted:

- The Board's custodial allocation model uses an average productivity factor based on the current custodial hours per week. The model appears to provide for the optimal use of resources in support of the Board's cleaning standards and practices
- The department operates primarily on a just-in-time basis and maintains only sufficient amounts of supplies inventory within schools. Caretakers place orders online, which are reviewed and approved centrally. The supplies are then delivered directly to the schools.
- There is an annual training program provided to caretaking staff covering a broad range of job related training.
- The Board has developed a comprehensive health and safety program which includes a committee, monthly site inspections, an emergency response plan,

removing high-risk activities from caretakers when working alone and introducing a buddy system for teachers.

- The Board has conducted an energy management audit of thirty-seven buildings that identified a number of conservation measures, a capital plan and recommended energy conservation projects. Implementation of these recommendations had been progressing. One of the projects implemented was the installation of centralized technology that enables the staff to automate energy efficient practices to remotely manage and control energy consuming equipment on a facility by facility basis.

Recommendations:

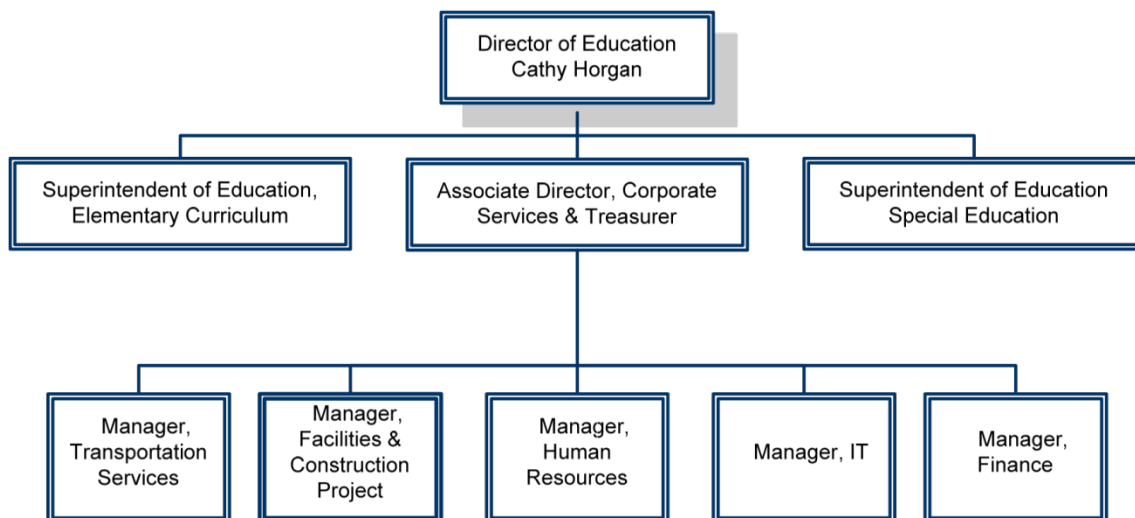
- The facilities department should adopt a more structured approach to annual departmental planning, including targets, timelines and assigned responsibilities. The plan should use the existing format within the Board Improvement Plan.
- The Board should continue to establish cleaning standards for schools to ensure consistency in service levels and enable more effective monitoring across all sites.
- Management should consider establishing a multi-year maintenance and renewal plan, including the funding available to support it. This would provide a clear forecast of the Board's critical needs over the next several years.
- The Board should investigate the cost-benefit of enhancing its work order system to streamline the management, dispatch, tracking, costing and reporting of facility renewal and general maintenance work orders.
- The Board should continue to expand its existing energy management initiatives and develop a system-wide, multi-year energy management plan with appropriate consumption reduction targets. In addition, the Board should ensure that it has tracking and reporting mechanisms to monitor consumption and energy costs for reporting to the individual schools, senior administration and the Board of Trustees.
- The Board should continue to develop a more comprehensive 10-year capital plan to provide a better understanding of short and long term facility requirements and a related funding plan. The ReCAPP database should also be updated, as it will contribute to the analysis of the renewal requirements over the 10-year period. The plan would also incorporate the impact of declining enrolment, and present options to address ongoing facility needs.

1. Background and Overview

1.1 Board Profile and Structure

Brant Haldimand Norfolk Catholic District School Board was established in 1998 with the amalgamation of the Brant County Roman Catholic Separate School Board and the Haldimand-Norfolk Roman Catholic Separate School Board. The Board provides elementary and secondary education for an estimated 11,000 students located in 32 elementary schools and three secondary schools. The Board covers a large and diverse region of approximately 4,000 square kilometers. The Board's enrolment in total has remained virtually unchanged since 2002-03. However, the elementary enrolment has decreased by about 8% or 570 students. This has been offset by a similar increase in secondary enrolment. The enrolment trend is part of the considerations by management as their new multi-year capital plan is developed.

The Board's senior administration:



1.2 Key Priorities of the Board

The Annual Board Improvement Plan identifies five areas of focus for 2007 – 2008. Each of these goals is supported by specific focus areas and strategies, along with associated resources. The goals are also supplemented with performance indicators to track progress through the year. The five areas of focus are:

1. Improvement in literacy achievement
2. Improvement in mathematics achievement
3. Evidence-based decision making

4. Integration of technology
5. Home, school, and community partnerships

The Board has also developed a comprehensive Special Education Department Framework 2007 - 2010. It is intended to provide the Special Education Strategic Plan to support the Board's Improvement Plan and to improve the academic achievement of the estimated 1,200 students on Individual Education Plans (IEP'S). The Special Education Department has set the following goals:

1. Improved level of student success and access to curriculum.
2. Reduced gaps in student achievement.
3. Improved parent/guardian confidence in the education of our students on an Individual Education Plan (IEP).

1.3 Student Achievement

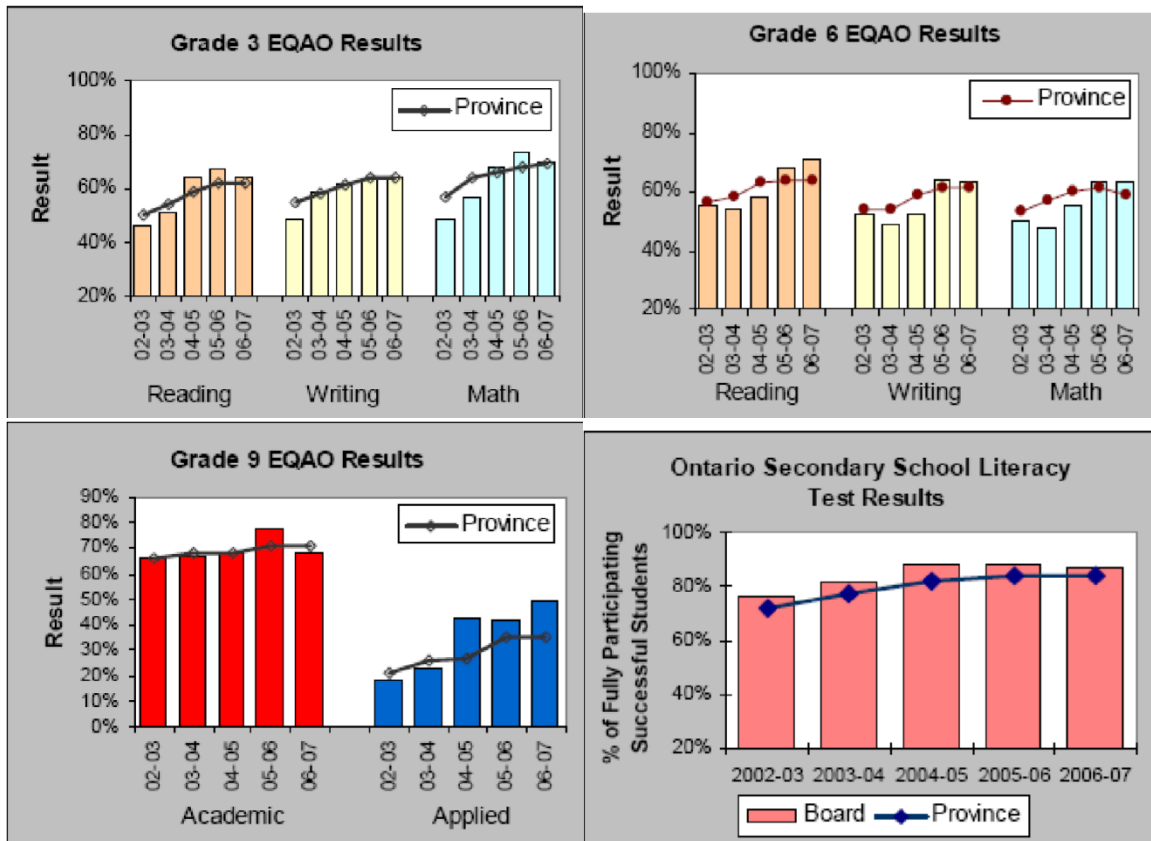
The Board has made a concerted effort to improve student achievement outcomes, as is evident from the Education Quality and Accountability office (EQAO) results for Grade 3 and 6, which have been improving.

The Board's development of instructional strategies is based in part on the assessment of the performance from Grade 3 up to Grade 6. Through Board level professional learning teams, academic staff develop new teaching strategies which are then implemented. Teachers continue to develop their literacy instructional strategies and use the

Developmental Reading Assessment to plan instruction. Numeracy development at the Board includes instructional strategies related to fractions, ratios and using manipulatives in the classroom.

The Board has made significant strides to improve its Grade 9 applied results. As evident from the most recent test, 68% of the students studying mathematics at the Grade 9 academic level met or exceeded provincial standards. The Board helps Grade 9 students make a smooth transition into high school by creating school-based student success teams and through programs such as credit recovery and homework club.

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



1.4 Fiscal Overview

The Board has achieved a balanced budget over the past several years.

The Board has been actively monitoring its ability to fund its capital commitments. Prior to the issuance of the Ministry's Capital Liquidity template, management maintained a spreadsheet that essentially tracked the same funding elements. The Board has completed the Capital Liquidity template, which demonstrates that the 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 Board:

Summary Financial Data (Revenues)

Revenues	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Legislative Grants	\$68,218,271	\$71,281,297	\$76,622,757
Local taxation	\$18,092,899	\$18,492,191	\$18,629,585
Board Revenues	\$1,655,956	\$1,260,354	\$1,366,185

Revenues	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Other Operating & capital Grants	\$2,626,572	\$1,996,298	\$1,375,470
Total Revenues (Schedule 9)	\$90,593,698	\$93,030,140	\$97,993,997

Summary Financial Data (Expenditure)

Expenditures:	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Operating expenditures	\$85,447,995	\$88,341,840	\$92,651,793
Capital expenditures - Before transfers from reserves	\$7,868,054	\$7,051,570	\$7,919,995
Transfer to (from) Reserves	-\$2,641,574	-\$2,416,274	-\$2,577,791
Total Expenditures	\$90,674,475	\$92,977,136	\$97,993,997
Surplus (Deficit)	-\$80,777	\$53,004	\$0

School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues:	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Reserve for Working Funds	\$525,834	\$525,834	\$525,834
WSIB	\$192,807	\$201,538	\$201,538
Pupil Accomodation Debt Reserve	\$693,507	\$7,549,488	\$8,423,983
Proceeds of Disposition	\$534,608	\$558,069	\$558,069
Total Reserve Funds (Schedule 5)	\$1,946,756	\$8,834,929	\$9,709,424
Education Development Charge Reserve	\$401,785	\$559,253	\$439,395
Total Deferred Revenues (Schedule 5.1)	\$401,785	\$559,253	\$439,395
Total Board Reserves and Deferred Revenues	\$2,348,541	\$9,394,182	\$10,148,819

1.5 Key Board Statistics

The following table highlights key statistics for the Board. Of note are the decreasing enrolment trend and the large geographic area and dispersion of the Board.

Day School Enrolment

Day School Enrolment	2002-03 Actual	2007-08 Revised Estimates
Elementary Day School ADE	7,247	6,857
Secondary Day School ADE	3,297	3,723
Total Day School Enrolment	10,544	10,580

Primary Class Size

Primary Class Size	2003-04	2007-08
% of Classes Less Than 20	40%	90%
% of Classes Less Than 23	66%	100%
Average Class Size - Jr/Inter	26.4	26.5
% of 3/4 Classes 23 & Under	22%	100%
% of Combined Classes	24%	38%

Staffing

Staffing	2003-04	2007-08
School Based Teachers	609	666
Teacher Assistants	91	111
Other Student Support	43	62
School Administration	37	41
School Clerical	18	47
School Operations	90	92
Other Non-Classroom	34	37
Total Staffing	922	1,056
Teacher - Pupil Ratio	1:17	1:16
FTE Staff per 1,000 Pupils (ADE)¹	88.0	100.0

¹ Note: Impacted by Class Size and Special Education

Staffing	2003-04	2007-08
Total Salary & Benefits as % of Net Operating Expenditures	84.5%	86.3%

Special Education

Special Education	2003-04	2007-08
Special Education Incremental Expenditures	\$8,000,543	\$10,845,729
Special Education Allocation	\$7,138,356	\$9,370,467
Spending above Allocation (Reserve)	\$862,187	\$1,475,262

School Utilization

School Utilization	2003-04	2007-08
Total Capacity (Spaces)	9,354	9,808
Capacity Utilization	112.70%	107.90%
Number of schools	34	35
Board Area (Km²)	4,079	4,079
Number of Trustees	6	6

2. Governance and School Board Administration – Findings and Recommendations

The Board's governance model and administrative organizational framework make a significant contribution in helping the Board of Trustees, Director, administrative council and community stakeholders support both "**Student Achievement**" strategies and effective 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 Board's objectives;
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

This section provides a summary of the findings and recommendations of our assessment of the Board's adoption of 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 Board and our field work, which included interviews with the chair, the Director and senior staff of the Board.

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The Board of Trustees articulates annual goals/priorities and receives periodic/annual reports on the achievements against them.	Yes
The Director of Education and management develop annual plans which reflect the Board of Trustees' goals/priorities and report on their outcomes to the Board of Trustees and stakeholders.	Yes

Decision Making Processes

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The Board of Trustees and management establish processes to facilitate decision making that address student achievement targets and operational performance.	Yes

Organizational Structure and Accountability

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
Organizational charts that clearly and accurately reflect the structure of senior management and illustrate roles, responsibilities and accountabilities are available to the public.	Yes

Stakeholder Engagement

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The Board of Trustees and management proactively engage internal and external stakeholders on a regular basis and through a variety of communications vehicles (e.g., websites, email, memoranda, town hall meetings, etc.).	Yes
Key senior staffs, of all functional areas, are members and participants in sector committees of provincial associations and/or Ministry work groups.	Yes

Development and Reporting of Annual Goals and Priorities

The Board leverages the best practices identified in the EQAO Guide to School and Board Improvement Planning for the development and implementation of a Board

Improvement Plan. For 2007-2008, this plan covered a single academic year although prior plans have previously covered multiple years.

Through a consultation process involving trustees, senior administration, administrators, central curriculum staff, teachers, parents, as well as the community at large, specific areas of opportunity are identified for the Board's Improvement Plan. The detailed plan identifies "areas of growth" followed by five goals or "areas of focus". The five areas of focus for the 07-08 Board Improvement Plan are:

- Improvement in literacy achievement
- Improvement in mathematics achievement
- Evidence-based decision-making
- Integration of technology
- Home, school, and community partnerships

Each of these goals or focus areas is supplemented by specific strategies and performance indicators that are aligned to eight focus areas that allow the Board to implement an effective school improvement plan. The eight principles are –

- Leadership and coordination
- Standards and targets
- Monitoring and assessment
- Classroom teaching, program and resources
- Professional learning teams
- School and class organization
- Intervention and assistance
- Home, school and community partnerships

This plan provides management with a road map to achieve the Board's academic objectives. It also provides the foundation for the subsequent development of individual School Improvement Plans. The Board reports on its achievements against the plan in its subsequent Board Improvement plan for the next academic year along with the various initiatives undertaken during the year.

In addition to the goals and strategies detailed in the Board Improvement Plan, the Board has also developed a comprehensive Special Education Department Framework 2007 - 2010. It is intended to provide the Special Education Strategic Plan to support the Board's Improvement Plan through the achievement of the following goals:

- Improved level of student success and access to curriculum.
- Reduced gaps in student achievement.
- Improved parent/guardian confidence in the education of our students on an Individual Education Plan (IEP).

The Director also produces an annual report to publicly highlight the annual academic and non-academic accomplishments of the Board.

While the Board publishes its goals in an annual Board Improvement Plan and the Special Education Department Framework, it does not develop a formal plan that publicly articulates the longer-term strategic direction of system as a whole, including nonacademic operations. The implementation of an over-arching, long term planning framework for the entire system would help to ensure complete alignment for the various levels of planning undertaken by the Board.

Decision-Making Process

The Board's governance model is supported by a positive, collaborative relationship between the Director and the Board of Trustees. The Board has established by-laws to regulate the processes and responsibilities of the Board, its officers, and its committees. The roles and responsibilities of the Board of Trustees have been clearly defined and documented and supported by Board by-laws that are posted on the Board's website. Procedural by-laws of the Board are approved by the trustees and reviewed semiannually.

The Board has developed clear decision-making processes that involve a committee of the whole and regular Board of Trustee meetings and several standing and ad hoc committees. The Board's executive council composed of the chair and vice-chair along with the Director and the associate director, review and assist with the preparation of agendas for the Board and committee of the whole meetings.

The committee of the whole reviews committee and staff reports dealing with educational, operational policy and financial issues and make recommendations to the Board of Trustees meeting for approval. This committee meets on the third week of each month, followed by Board meetings on the fourth week of each month when formal Board decisions are taken. A week's lag between committee of the whole and the Board meeting sessions ensures that the trustees are fully informed and have had the

opportunity to discuss and debate issues before an item is formally tabled for final decision. This approach also helps to ensure that meetings are run efficiently and that the agenda covers the key priorities of the Board.

The Board has three statutory committees for special education advisory (SEAC), discipline and supervised alternative learning for excused pupils (SALEP). The Board has 11 *ad hoc* committees that may make recommendations to the committee of the whole or the Board for approval. These committees are focused on specific functions such as budget, negotiations, policy development and accommodation reviews.

The Board has developed a comprehensive list of policies covering issues such as school board governance, students, human resources, operations, educational programs, information technology and finance. The development and review of all policies is initiated by the Board, the Director, or the administrative council. The proposed policy is reviewed by the administrative council. Following appropriate stakeholder consultation, it is presented to the policy committee for recommendation to the Board for its approval.

Organizational Structure and Accountability

The Board is governed by six trustees, representing areas from across the Brant Haldimand Norfolk region. The Board trustees are experienced and long-tenured, as shown by the fact that there was no turnover during the last municipal elections. In addition, two student trustees are selected from the student body to serve on the Board of Trustees as non-voting members of the Board.

The Board has seen some recent changes in its leadership team, with a new Director of Education as of October 2007. The new Director has a long-standing relationship with the Board in various capacities, most recently as the superintendent of education. The role of superintendent of education vacated to fill the Director position has yet to be filled.

The associate director is supported by four managers leading finance, human resources, information technology and facilities and construction projects, and a supervisor to lead transportation services.

Stakeholder Engagement

The Board has a communications department to support effective two-way communication with all stakeholders. To maintain consistency in the flow of information, a dedicated communications officer works with internal and external stakeholders to facilitate dialogue and strengthen the Board's relationship with the community.

Various communication channels (school newsletters, general meetings, press releases, website postings and public consultations) are used to keep key stakeholders engaged throughout the year. The Board periodically communicates with the parishes and the regional school councils. The Board also uses its website to disseminate information (e.g. policies, director's report) to external stakeholders. The Board's website is currently being revamped. The goal is for each school to have its own website with both local and the Board developed content.

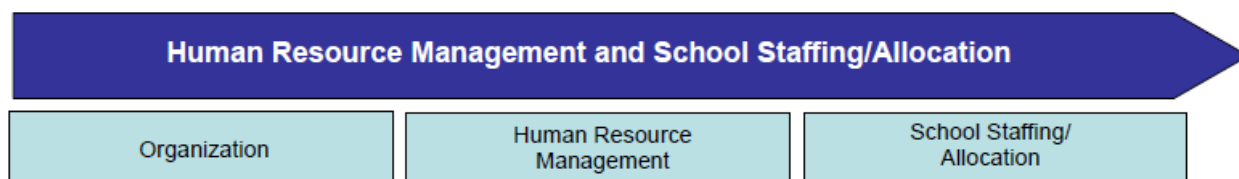
The Board also encourages public participation in the budget process through open forums at special meetings of the Board. This provides the public with an opportunity to collaborate on Board activities, including fiscal actions. Agendas for the regular Board meetings are provided to internal and external stakeholders, including the supervisory officers of the board, principals, chair of the regional Catholic school council, president or chairs of the local employee groups, members of the local news media, and meeting attendees.

The senior management at the Board is actively involved in various provincial and national forums including OASBO and COSBO. This ensures that the Board learns and shares best practices from across the sector.

Recommendations:

- The Board should develop a multi-year strategic planning document that defines key objectives, timelines and performance metrics for the entire system. This would provide an over-arching framework for the Board to which all annual plans should align.
- On an annual basis, the Board should develop an operating plan that expands the scope of the Board Improvement Plan to cover all aspects of Board operations. This plan should define in-year initiatives that contribute to the achievement of the longer term goals and demonstrate the alignment of non-academic departments.

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



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

The following is a summary of our assessment of the Board’s adoption of the leading practices under the processes identified above. All findings are a result of a review of the data provided by the Board and on-site field-work, which included interviews with all key 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 Board’s directions;
- Whether an annual plan setting out the goals and priorities and their alignment to the Board’s strategic directions has been established;
- Whether the roles and responsibilities of staff support the key functions, activities and practices of HR;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

The following table summarizes the leading practices defined for HR 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?
Departmental goals and priorities are aligned to the Board's strategic directives and are documented in an annual department plan accessible by key stakeholders.	No

Organizational Structure and Accountability

Leading Practices – Human Resource Organization	Evidence of Adoption?
Publicly-available HR organizational charts clearly illustrate roles, responsibilities and accountabilities.	Yes
Senior HR staff has appropriate designations (e.g., Certified Human Resource Professional, etc.).	Yes

Monitoring and Communication of Policy

Leading Practices – Human Resource Organization	Evidence of Adoption?
Management monitors HR policy compliance.	Yes
Management provides scheduled HR policy awareness, training, and education sessions.	Yes

Development and Reporting of Annual Goals and Priorities

The HR department has developed a 2007-2008 goals and objectives plan. This is developed by the manager of HR with the assistance of the HR coordinator. The current year's plan sets out a number of projects that are defined and have assigned responsibilities, target completion dates and provision for the periodic update on the status of each project. The plan would be enhanced if there were some specific reference to the board improvement plan.

HR department roles and responsibilities are outlined in a document that is distributed across the system, providing other departments with easy access to the appropriate contact for specific issues. This provides transparency and facilitates collaboration among the team members. A shared HR calendar has been populated with deadlines and key dates such as union contract renewals. If a goal cannot be accomplished within the current year, it is rolled into the following year's plan.

The HR department engages board staff throughout the development of its goals and objectives. Employee surveys have also been used to seek input into the establishment

of the department's annual goals. The department's priorities are facilitated by the assignment of accountabilities tied to specific measures of success. There is evidence of a formal monitoring process through the HR calendar. However, the department does not produce an annual report for senior administration and the Board of Trustees.

Organizational Structure and Accountability

The HR department's organizational structure and management contribute to its accomplishments. The associate director and treasurer is supported by the manager of human resources, two coordinators, two assistants and a dispatcher. The manager and coordinators each have extensive experience and appropriate designations, such as Certified Human Resource Professionals.

The organization chart for the department is not posted on the Board's website, although contact information is provided for the manager of HR.

Monitoring and Communication of Policy

The HR department is responsible for various policies, including hiring, attendance, performance management and health and safety. The detailed policies are posted on the Board's website and the department maintains and updates them. At the time of the operational review, the policies were being reviewed by the policy committee for minor adjustments.

The HR department regularly communicates with stakeholders on policy and procedures through memoranda. Management has established appropriate means of monitoring and communicating Board policies to ensure adherence, through written communications and training for key policies. Policy awareness is tracked by annual sign-off from managers and employees across the Board. New and revised policies are reviewed at the departmental level and at the school level, as required. Accountability rests with managers and principals for proper sign-offs.

HR is also responsible for the professional staff development initiatives. The professional development offered is comprehensive and includes summer institutes and year-round training sessions for staff. These include a new teacher induction program, formalized development for principals and vice principals, team building, management and supervisor retreats, eSIS reporting for secretaries, updates on safe schools, management tools for IT, facility staff training in asbestos awareness, fall protection and operation of small drinking water systems.

Recommendation:

- The HR department should produce an annual report that demonstrates accomplishments relative to its annual plan.

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.

Attendance Management Processes/Programs

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

Labour Relations

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

Staff Recruitment

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

Management of HR and Payroll Data

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

Employee Performance Evaluation Processes

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

Management of Board's Benefit Plans

Leading Practices – Human Resource Management	Evidence of Adoption?
Management periodically conducts independent compliance audits of the Board's insurance carrier to ensure adherence to benefit plan's terms and conditions.	No
Data is automatically synchronized between HR benefits and payroll and external carriers such as TPP and OMERS.	No
Policies and procedures ensure the Board's benefit plans are managed appropriately.	Yes

Monitoring Staff Satisfaction

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

Attendance Management Processes/Programs

An effective attendance management program requires several important elements:

- The development of policies and procedures to manage attendance issues;
- The tracking, reporting, and monitoring of absenteeism with appropriate corrective action;
- The development and deployment of employee support mechanisms to mitigate absenteeism.

The Board's maturity across these elements varies, although it is developing its capabilities and recognizes the importance of the issue. There are formalized processes in place for leaves of absence, which have been distributed to all managers, supervisors, principals, senior administration, union presidents, HR coordinators and assistants. There is also a standardized vacation procedure.

Absenteeism data is tracked each month by departments and schools, which complete a monthly absence report that is entered in the BAS system by the HR assistant. This is an inefficient, manual process that is inherently one month in arrears. A watch list is prepared for individuals who have fewer than 20 days in their sick bank (i.e. one month's worth). Updates are requested from the secretaries weekly for those individuals, to ensure that they do not exceed their banked days. The 20-day threshold is in place because with the one-month delay in reporting, a staff member could technically be absent for all of those 20 days before the Board knows it has a problem.

An attendance support program is in place at the Board. This includes counseling sessions with employees as the first step in addressing attendance issues. To assist in this process, HR tracks personal illness for staff and compares the data with prior years. Due to the Board's commitment to this issue and an aggressive return to work strategy, there has been a significant drop in personal illness reported by unionized employees between 2005-06 and 2006-07.

Moving forward, the next step for the Board is to increase the timeliness of attendance data capture.

Labour Relations

The Board has established a collective bargaining committee composed of the labour relations spokesperson, the associate director and treasurer, the manager of HR, the HR coordinator and, as required, operations and principals. HR management described the existence of good working relations with unions, which is attributable to proactive dispute resolution. The unions are offered a bi-weekly meeting with management to discuss issues prior to grievance filing.

If the issue cannot be resolved through these discussions, grievances are filed with the associate director and treasurer. The manager of HR arranges a meeting with the affected parties to try to reach a resolution, and the Director of Education becomes involved if deemed necessary. The last step is arbitration, where senior administration will work with legal counsel to reach a settlement. The Board is updated on the number and status of grievances quarterly.

Staff Recruitment

The Board has a well-established recruiting process governed by Board policies for the hiring of both academic and support staff. Key elements of the policies include:

- The need to conduct a fair selection process to fill vacancies in academic positions based on Catholicity, qualifications, experience and merit;
- preferential consideration for internal candidates when qualifications, experience and merit are equal;
- preferential consideration for local graduates, or graduates of the Board, when selecting qualified candidates to be interviewed for support staff positions, when qualifications, experience and merit are equal.

An annual recruiting plan is formulated based on expected enrolment and anticipated attrition. If recruitment is required, a teacher recruitment day is held where mini interviews are conducted. The desired applicants are then encouraged to apply through the 'Applyto-Teach' web based system. In addition, principals visit Brock, Western and Niagara universities to distribute pamphlets and answer questions.

The Board conducts official recruitment days, typically in April. The Board deploys teams of principals and vice principals that use the same interview package, scoring and reference questions before making hiring recommendations to the superintendent of education (staffing).

Hiring is sometimes completed through substitute teacher listings. An LTO position longer than one month requires a performance appraisal. These must be provided during the hiring process.

Management of HR and payroll Data

Employee information is maintained by HR in the iSYS system and the relevant pay information is electronically transferred to Ceridian prior to each pay cycle. The department uses a “payroll preview” function whereby the impact of transactions can be validated through a simulation run. After each payroll run, final validation of each transaction is made against the final hard copy printout of the payroll registers.

The Board has experienced challenges in further automating the data synchronization process between Finance and HR / Payroll systems due to the large number of changes that are required to each pay cycle. However, the Board should continue to investigate opportunities in this regard.

The payroll function reports to the associate director and treasurer through the manager of finance. Since this function is separate from HR, the Board has ensured segregation of duties so that updates to personnel records for pay and benefit changes, or other compensation adjustments, are performed by authorized staff only.

At the time of amalgamation, the Board used an evaluation tool to perform pay equity assessments, and the pay grids were adjusted to these rates. The evaluation tool emphasizes people contact, but not technical knowledge or level of responsibility. This has led to challenges in recruiting and retaining qualified accounting personnel. Pay equity maintenance is reviewed periodically. Non-teaching salaries are benchmarked to survey results at the time of bargaining, while non-union salaries are based on Ministry increases.

Teacher qualifications and experience are obtained from the Ontario College of Teachers at the time of hire and imported into iSYS. This information provides the Board with the initial grid placement. The iSYS is automatically configured to reflect annual experience updates through the grid, while HR manually process other updates based on the receipt of course completion information from teachers.

Employee Performance Evaluation Processes

The Board, through the HR department, has established processes for performance appraisals for all staff at the Board. A formal policy exists only for non-academic staff.

Teaching staff are evaluated every five years. This is triggered by an automatic notification from the HR system (iSYS), or from specific requests at the discretion of the principal if there are performance issues. Custodial evaluations are conducted every three years by operational coordinators in conjunction with the principal. Managers and supervisors are reviewed annually, and occasional teachers working for more than a month are given condensed performance reviews, which are used when hiring full time teachers.

The performance reviews are stored in paper form in the employee file. System-driven appraisals and retention of data is an opportunity for the Board to help to make the process more accessible, convenient and cost-efficient.

In addition to the background checks that are a mandatory part of the application process, the Board centrally manages the annual offence declaration process. The Board is developing a disciplinary policy along with a disciplinary resource manual. The manual documents a progressive disciplinary structure.

The responsibility for enforcing discipline is jointly shared by HR and the principal/supervisor. HR provides support, coaching and form letters, while the principal/supervisor is the signing authority and point of contact.

Management of the Board's Benefit Plans

The Board's benefits plans are managed under the direction of the manager of human resources and are provided by three carriers, Standard Life, Manulife and OTIP. The HR assistant enters the benefits information in iSYS and enrolls the employee on-line with Manulife. A manual comparison of the HR employee lists and the external carriers is completed annually. The board should consider automated synchronization of this data to support completeness and accuracy.

The use of a third party consultant to review administrative processes and conduct compliance audits supports the Board in its control of costs. It also provides an increased ability to secure the right changes during the periodic fee negotiations with the carrier. As the next step, Board should engage employees and consider soliciting employee input to design benefit plans.

Monitoring Staff Satisfaction

A customer service questionnaire was completed for the corporate services department in 2005. HR used the survey information in its goal setting. However, the Board has not conducted board wide surveys across all staff groups. HR has also established an HR feedback e-mail address for review and response from the manager of HR.

To engage employees and understand their motivation for leaving, HR should also consider setting up exit interviews.

Recommendations:

- The Board should investigate an automated solution that allows schools to enter attendance information directly into iSYS on at least a weekly basis. With more timely and accurate information, the Board should then develop an attendance

management strategy for all staff groups. This would define measurable objectives with the required policy, process and procedures.

- The Board should consider conducting confidential exit interviews with staff. It should also consider conducting periodic staff satisfaction surveys across all staff groups. These practices can provide management with valuable input for HR professional development and contribute to effective employee relations.

3.3 School Staffing/Allocation

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

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

The following table summarizes the leading practices defined for School

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

Planning and Processes for Annual Staffing and Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Established policies and procedures govern the annual staff allocation models or procedures.	Yes

Monitoring and Reporting on Staff Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Systems monitor adherence to key Ministry and/or Board policy parameters such as: class size, prep time and collective agreement requirements.	Yes
Systems report on the actual allocation of staff, compared to the original approved allocation plan and budget (FTEs by function, department and program, actual versus budget).	Yes

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
A mechanism allows for adjustment of staff allocations for school-based staff, if estimates for enrolment and/or funding change after budget approval.	Yes
Plans for student support services and staffing are based on a student-needs analysis.	Yes

Benchmarking Costs with Other Boards and Funding

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

Planning and Processes for Annual Staffing and Allocation

The HR department has established detailed procedures to govern the determination of total staff requirements and their allocation. These are based on enrolment forecasting, student need, class size requirements and alignment to collective agreements. The enrolment forecasting process is developed on a school-by-school basis, and considers Board level data and trend analysis and input from each of the school principals. This process is reviewed annually.

Staff have developed a complex but effective spreadsheet that is aligned with the guidelines for staff allocation. The enrolment forecasting considers both top-down (Board level, trend analysis and environmental scans) and bottom-up (local, school-by-school data based on preliminary enrolment) inputs. This parallel process allows for consistency and reconciliation. The projections are then used as input in the budget development process, with some contingency planning.

The enrolment forecast begins in the winter. For kindergarten, the principals are contacted for the preliminary enrolment numbers, which are then compared to the enrolment projections. For grades 1 to 8, enrolments from the prior year are used to predict the next year. The primary class sizes (i.e. fewer than 20 or 23 for grades 1-3) are applied to determine the number of elementary teachers.

For secondary grades, the total number of student credits is divided by the optimal number of 22 students in a class, then by six, which is a full teacher load. This is adjusted based on historical drops in enrolment, which occur by October 31 and March 31.

The Board then determines the preliminary school staffing projections, which are first discussed with the superintendents and then the principals. After the school staffing projections have been accepted, surplus teachers are declared and the Board looks to place them in other Board schools.

The allocation of education assistants is done by the superintendent of education in charge of special education based on a detailed student needs assessment completed by the schools. Other school-based support staff allocations are based on formulas and collective agreements. The allocations are reviewed on an annual basis taking into account budget constraints and approved grants.

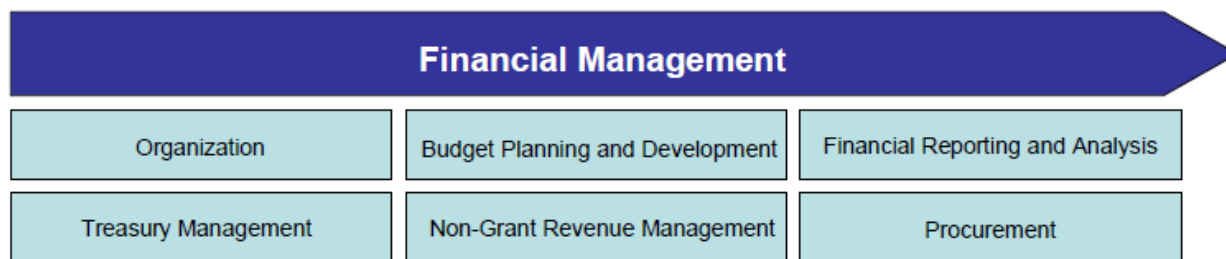
Monitoring and Reporting on Staff Allocation

The associate director and treasurer maintains a spreadsheet to track teaching staff, based on allocations to actual teachers. In addition, all hiring has to be approved by HR. The Board accommodates excess staff at specific schools by reassignment to other schools with similar needs. If required, Long Term Occasional (LTOs) staff can be replaced with full time teachers, to meet the designated school organizations. For secondary teachers, the second semester also allows for the realignment of staff if required.

Benchmarking Costs with Other Boards and Funding

The HR department conducts periodic benchmarking of salary costs. For unionized staff, this occurs prior to negotiations, while non-unionized positions are benchmarked prior to the establishment of new pay rates.

4. Financial Management – Findings and Recommendations



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

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

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

4.1 Finance Organization

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

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

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Finance Organization	Evidence of Adoption?
Departmental goals and priorities are aligned to the Board’s strategic directives and are documented in an annual department plan accessible by key stakeholders.	No

Organization Structure and Accountability

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

Monitoring and Communication of Policy

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

Development and Reporting of Annual Goals and Priorities

The finance department is typically driven by internal and Ministry reporting deadlines. To that end, the associate director has bi-weekly meetings with finance staff to discuss goals, priorities and timelines.

However, the department does not have an operational plan that translates the Board’s strategic directions into target activities with associated timelines and designated leads. Such a plan would enable the department to better allocate accountabilities, facilitate clear definition of roles, establish performance measures, track and report on the

progress of its defined goals, and provide visibility into the overall roadmap of the department throughout the year.

Organizational Structure and Accountability

The Board's finance department is led by the associate director and treasurer, and is supported by the manager of finance and the supervisor of accounting. The organization chart for the department is not currently posted on the Board's website, although contact information is provided for the associate director and the manager of finance.

The department's organization chart indicates clear segregation of duties. Similar to other boards, management indicated that the adoption of new legislative requirements, such as Public Sector Accounting Board (PSAB) accounting standards, has strained the finance department's resources.

Monitoring and Communication of Policy

The Board pursues prudent and fiscally responsible policies. The department maintains a comprehensive set of policies related to purchase cards, corporate credit cards, employee reimbursements, school-generated funds and purchasing of goods and services. These policies have been posted on the Board's website, and are reviewed and updated at the discretion of the policy committee and for housekeeping updates.

The department continually monitors compliance with its key policies, especially in the areas of procurement and accounting. Policy compliance is maintained through manual expense reviews and approvals, while policy training is provided to new principals and vice-principals through the Leadership In-Service program as well as during new employee orientation.

Recommendation:

- The finance department should adopt a more structured approach to annual departmental planning, including targets, timelines and assigned responsibilities. The plan should use the existing format within the board improvement plan.

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), the Board of Trustees and the community.	Yes
The annual budget presented for approval demonstrates that it is linked to the Board-approved goals and priorities including student achievement targets. It provides useful and understandable information for all stakeholders.	Yes
Budget planning processes account for all required cost and revenue changes.	Yes

Enrolment Forecasting Linked to Budget Development

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

Identification of Risks and Mitigation Strategies

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

Annual Budget Development Process

The annual budget process at the Board is transparent, clearly communicated and incorporates input from all key stakeholders. An annual budget procedures manual is developed and distributed to the principals, superintendents and the department managers in March, to ensure that the deadlines are communicated to all relevant participants. The manual outlines the budget process, along with detailed roles, responsibilities and instructions.

Typically, the budget process starts in March and is finalized with approval from trustees in June. The budget process has recently been guided by goals established by management and approved by administrative council. However there is no formal process to ensure that budget goals are fully aligned with the goals identified in the annual Board Improvement Plan. Review of the budget goals for 2007-2008 revealed some minor inconsistencies with the goals in the 2007-2008 Board Improvement Plan.

The budget process starts with a review and analysis of the prior year's financial statements and budget, to set a baseline for the current year's plan. In addition to the known contractual obligations, departmental expenditure estimates are prepared in consultation with all the superintendents, department managers and school principals. They are responsible for the preparation and collation of budget information in their respective areas of the system.

The finance department summarizes and consolidates all departmental submissions, and prepares preliminary expenditure estimates. In addition, finance staff compile enrolment data for domestic and fee paying students, including students from Native bands and visa students, for inclusion in the budget.

The Budget committee composed of three trustees, the Director of Education, the associate director and the superintendents of education, provides direction and reviews draft budgets presented by the staff. The committee ensures that adequate input from stakeholders is solicited, and presents the final budget document to the Board of Trustees for approval.

The Board also encourages public participation in the budget process, through open forums at budget review meetings of the whole Board. This provides the public with an opportunity to participate in Board investment decisions. In addition, members of each school community are invited to share in the budget setting process at the school level, along with the school administration and the staff. Trustee involvement during the budget development process reduces surprises at the final budget approval stage, and results in a smooth final budget approval process.

The budget document includes description of each major expense item and the previous year's budget estimates for comparison and to help the decision-making

process at the Board. Budget revisions are presented to the trustees in September, in response to changes in the staffing model or funding changes announced by the Ministry.

Enrolment Forecasting Linked to Budget Development

Enrolment forecasting is started early in the budget development process, and enables the finance staff to develop preliminary high-level expectations of the anticipated change in revenue compared to the previous year.

The Board uses a top-down and bottom-up approach in the development of enrolment forecasts. The Board conducts environmental scans in collaboration with an external consultant, to gather information on sub-division/community developments and yields. These projections are then validated by input from the school principals using, initial registration data to get a comprehensive estimate of the enrolment figures.

As the budget development proceeds with input from school level projections, any significant change in the enrolment forecast is incorporated. If there is a significant variance from the forecast, the Board makes in-year adjustments in the second semester and implements staffing changes.

Identification of Risks and Mitigation Strategies

The key risk faced by the Board is the relationship between enrolment forecasts and grant revenue. The department mitigates the risks of spending beyond authorized/budgeted levels by closely monitoring enrolment forecasts versus actual enrolment. It also ensures that the final expenditure budget incorporates all known cost changes and that it is balanced against the Ministry grants. However, the Board does not formally develop a risk management strategy across all Board operations. The formal documentation of budget risks and the development of proposed mitigation strategies is an opportunity for the Board to improve the transparency of the budget process.

The risk of spending beyond authorized/budgeted levels is partially mitigated through the procurement and budgeting controls in the current financial system. Budget holders are expected to monitor their budgets closely throughout the year, and address any potential budget issues as they arise. These procedures help ensure that expenditures are carefully monitored and risks of over spending are minimized.

Recommendation:

- The Board should add a step the budget planning process to ensure alignment between specific budget goals, the annual Board Improvement Plan and the long term strategic direction of the Board.

4.3 Financial Reporting and Analysis

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

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

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

Integrated System for Variance Analysis and Financial Reporting

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

Interim Financial Reporting Accountability

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Interim financial reports provide sufficient detail and appropriate explanations for a clear understanding of the current year’s budget and the outlook for the year.	No
Senior management is accountable for the integrity of financial reporting, through formal sign-off and approval procedures.	Yes

Internal Audit

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Management maintains an independent internal audit function where appropriate.	No

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Internal and external audit plans are clearly documented. Audit report recommendations are acted upon by management.	No

Integrated System for Variance Analysis and Financial Reporting

The Board has recently upgraded to an integrated financial information system (BAS 2000). At the time of the operational review, only the G/L and A/P modules had been implemented. The system allows for management reporting, but currently only the finance staff has the ability to customize the reports.

At this point, schools have not been given access to record and track their expenditures. This deployment of self-service reporting capabilities is an opportunity for the Board to achieve efficiencies.

Interim Financial Reporting Accountability

The finance department prepares monthly reports that are sent to schools and departments for an informal review. Monthly reports are prepared by the manager of finance for the associate director to report any variances relative to budget on a line-by-line basis. This report also includes some commentary explaining the variance.

Quarterly reports are submitted to the Board to monitor expenditure throughout the school year. These reports present high level updates and track year-to-date expenditures against budget, and express actual expenditure as a percentage of budget. The report includes an overall commentary explaining the variance between the year-to-date position and budget. However, unlike the report to the associate director, it does not include line-by-line commentary on variances. There is no narrative reference to assist the reader in determining whether the percentage spent to date is above or below historical spending. This is particularly relevant where the year-to-date results for specific revenues and/or expenditures are significantly above or below what would normally be expected at a given point of reporting.

The format of monthly or quarterly financial reporting varies significantly among boards. A more informative format would include:

1. Comparison of the annual approved budget with the actual spending to date and the spending to date, expressed as a percentage of the budget.
2. A comparative percentage for each expenditure/revenue category to reflect what the "expected spending to date" should be, relative to either historical averages, prior year's experience or, in the case of salaries and benefits, the number of staff and pays processed to date.

3. Written explanations to explain any significant variations from the normally expected percentage spent to date. Management must define what is “significant” for the reporting of variances.

The level of detailed expenditure and revenue presented will depend on the preferences of management and the Board. At the least, it should include a summary of the major expenditure and revenue categories similar to that reported in Ministry financial reports. The reports should also confirm that the projected fiscal outlook is in a balanced position for the year, or provide appropriate explanation of an anticipated variance.

Audited financial statements are provided to the Board annually along with a commentary from the associate director, explaining the reason for deficit/surplus. The associate director validates all financial reports that are submitted to the Ministry and is the signing authority along with the Director on all submissions.

Internal Audit

The Board does not have an internal audit function. Although management recognizes the importance of the function, they believe that the resources are not currently available to support the additional cost to establish the function. The schools perform an annual selfassessment for policy compliance on school-generated funds. Additionally, the external auditors audit three schools each year, as part of their annual audit of the Board’s financial statements. In the last auditor’s report, it was noted that adequate documentation was not in place throughout the year to obtain satisfactory audit verification on school generated funds.

The establishment of a formal internal audit function would contribute to assisting administrative council and the Board of Trustees in exercising their overall governance and accountability roles. The primary function of internal audit would be to provide added assurance that internal controls established by management are operating effectively and in compliance with the policies and procedures. The internal audit function can also assist in the development of performance measures and indicators to determine whether programs and services are meeting their overall objectives. The function should report to an audit committee of the Board. The annual internal audit plan would be presented and approved by the committee, and all reports would be presented to the committee.

Audit Committee

The Board has a budget committee, the primary role of which is to guide the budget planning development process. Recently though, the mandate was expanded to include reviews of the financial statements as the management letter provided by the external auditors.

Many school boards have established or are now establishing discrete audit committees. A typical audit committee acts on the Board's behalf to:

- Review the annual audited financial statements.
- Review and understand the accounting complexities inherent in their preparation.
- Gain a more detailed understanding and appreciation of the significance of maintaining a sound system of internal control in the relevant areas of the Board's operations.
- Review the annual external auditor's appointment, the annual audit plan, the management letter and other matters related to the annual audit of the financial statements.
- Review the quarterly treasurer's report.
- Manage other corporate matters.

Along with significant changes in accounting in recent years, the complexity of the annual financial statements is increasing. A special committee can, with the assistance of the Board's senior financial official and other advisors, gain an appreciation of the contents of the statements. They can also appreciate the related complex accounting issues and the new accounting rules that are to be implemented in the coming year. Audit committee members must understand what constitutes sound internal accounting and operational control processes.

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

Recommendations:

- Finance staff should consider providing an expanded level of interim reporting, as in the format suggested in section 4.3 of this report. This would improve understanding of the financial reporting of the year-to-date results.
- Management and the Board should consider the establishing an internal audit function. Management could start by identifying options for its mandate and

scope and the estimated annual cost for each option. Management's proactive assessment of need and cost would be a useful first step.

- Management and the Board should establish an audit committee. The Board and management should consider including at least two external members to act as advisors and contribute to the committee's accountability.

4.4 Treasury Management

The purpose of reviewing treasury management processes is to assess:

- Whether processes are in place to ensure the optimal use of cash, investments and borrowings within school boards;
- Whether sufficient internal controls exist to support cash management, investments and borrowings;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Cash and Investment Management

Leading Practices – Treasury Management	Evidence of Adoption?
There is an efficient cash management process to maximize interest income, using short-term investments where appropriate.	Yes
Cash management activities consolidated with a single financial institution.	Yes
Staff and management periodically review the Board's investment policy and investment performance reports.	No
Staff and management periodically compare the Board's banking terms and conditions to those of similar school boards.	Yes
Management monitors financial risk related to cash/investment management and has a plan to mitigate associated risks.	Yes

Cash and Investment Management

The Board has consolidated its cash management activities with a single institution. The current contract for the banking services was tendered for a period of five years, and has been extended for an additional two years. The terms negotiated with the bank are

also extended to the individual school accounts, which allow them to benefit from the Board's terms. As the Board prepares for its next round of negotiations with the banking institutions, finance staff should scan industry standards to benchmark the key financial terms and ensure the best possible arrangement.

The Board does not invest in standalone short-term investments, but earns interest income from its bank deposits (at a rate of prime – 1.75%), which amounted to \$183,000 in the prior fiscal year. At the time of the review, the Board did not have an approved investment policy.

The Board had a cash flow plan a few years ago, which involved the movement of surplus cash to daily, monthly, and quarterly deposits to earn a higher interest rate. However, this process was stopped with the negotiation of the prime minus 1.75% rate for surplus funds. The Board should investigate whether a more focused approach to cash management might yield higher level of investment income, through more regular cash forecasting.

The Board has developed a detailed policy for schools to manage school-generated funds. Schools maintain their own bank accounts, and bank reconciliation is monitored by principals. The policy requires the school to keep accurate and up-to-date accounting records with appropriate supporting documentation, such as invoices, sales slips, returned cheques, or other documents as appropriate, for each bank account.

The manager of finance receives an annual report from each school, which includes the following:

- The August 31 bank reconciliation, including a copy of the bank statement.
- List of the balance of each activity, including total deposits for the year (revenues) and total bank interest received in the year (revenue), withdrawals and bank charges (expenses) for the year.
- Summary of revenues and expenditures on a form prescribed by the manager of finance.

Recommendations:

- Management should establish an investment policy for approval by the Board. A formal cash management plan and appropriate procedures to manage surplus cash to optimize investment income should be developed.
- The finance department should develop a formal cash flow model to forecast and monitor the Board's cash flow activities. The model will allow the Board to identify opportunities to optimize investment income and/or minimize interest costs.

4.5 Non-Grant Revenue Management

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

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

Non-grant revenue management is a smaller functional area for the Board, as revenue generated outside of grants makes up less than 1% of the Boards overall budget, or about \$750,000, excluding interest income and “other grants”. The Board receives Education Programs –Other (EPO) funding from the Ministry for specific initiatives, which requires the Board to focus on the non-grant revenue line.

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

Policies to Support Non Grant Revenues

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

Technology to Support Registration and Collection of Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
Electronic registration and payment system are used where appropriate (e.g., ConEd, permitting of facilities, leasing, etc.).	No

Monitoring Procedures for all Non-Grant Revenues

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

Managing Education Programs – Other (EPO) Grants

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

Policies to Support Non-Grant Revenues

The Board has established a policy for the community use of schools that is available on the Board's website. The policy serves as a guideline for renting facilities, levying of permits and the application of the fee structure. The rules and regulations governing the use of facilities for community use of schools are appended to the application package, along with the fees schedule and are also available on the Board's website.

The Board also provides continuing education programs (mostly credit courses) through some of its school sites. Other non-grant revenue sources include tuition fees from Native students and non-resident students on visas.

Technology to Support Registration and Collection of Revenue

The community use of schools program is managed locally at the school-level. Rental payments for the community use of schools are currently tracked in spreadsheets at the school level.

At the time of the review, the Board was developing an electronic scheduling system to allow community stakeholders to complete an online application for the community use of schools. Such an application will also allow the Board to track the associated revenue accurately.

Monitoring Procedures for all Non-Grant Revenue

Since the community use of schools program is administered at the school-level, the finance department does not have visibility into the process to ensure the completeness of revenue. Rental invoices are currently tracked in a spreadsheet, and are not recorded

until year end, when a single journal entry is made to recognize the revenue. The implementation of an online booking system will enhance controls over this revenue stream.

Managing Education Programs – Other (EPO) Grants

Finance staff have established appropriate procedures for the recording and tracking of the various EPO grants received. They also track the required accountability associated with the majority of the individual grants. This ensures that the funds are spent for the purposes intended and that financial reporting is completed on time.

The Board establishes a discrete cost center in its financial system for each EPO grant received. The budget and expense report for each EPO grant is produced by the designated grant user and sent to the finance department for review. The associated superintendent ensures that the grant is used for the intended purposes. Non-grant revenue is reported to trustees annually through budget and financial statements.

Recommendation:

- The Board should continue with the development of the electronic scheduling system for its community use of schools program. This would increase the accessibility and efficiency of the registration process and strengthen the Board's controls over this revenue stream.

4.6 Procurement

The purpose of reviewing procurement processes is to assess:

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

The following table summarizes the leading practices defined for Procurement, and identifies where evidence was found to indicate that the practice was adopted in full.

Where the evidence was not present or the practice was not completely adopted at the time of the review, a “No” indicates that an improvement opportunity exists.

Procurement Policies and Procedures

Leading Practices – Procurement	Evidence of Adoption?
Approved procurement policies and practices are clearly communicated to staff with purchasing authority, and are periodically reviewed and updated.	Yes

Participation in Buying Consortia to Reduce Acquisition Costs

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

Purchasing Levels of Authority

Leading Practices – Procurement	Evidence of Adoption?
Procurement authorization levels are commensurate to job title/role, and are monitored by the department head.	Yes

Policies and Procedures for Pcard/Corporate Card Use

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

Accounting for Completeness of Purchase/Payment Cycle

Leading Practices – Procurement	Evidence of Adoption?
Automated three-way matching (purchase order, receipt/invoice and inspection) is used.	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 use of electronic funds transfers (EFT) for payments.	No

Procurement Policies and Procedures

The Board has an approved procurement policy, which is available on its website and has been clearly communicated to all authorized staff. The policy was last revised in 2003 and was being reviewed at the time of the operational review.

The purchasing policy established by the Board incorporates the following elements:

- Goods and services must be purchased with the lowest total cost of ownership. The lowest total cost of ownership includes price, quality, service, delivery, operating, maintenance and disposal costs.
- Goods and services must be purchased, rented or leased in an efficient and cost effective manner, to ensure transparency, accountability and protection of the Board's financial interest.
- Promotion of open competition between suppliers where appropriate
- The Board will make every reasonable effort to promote purchasing decisions with the environment and sustainability as primary considerations.
- The Board will standardize goods and services wherever possible, in an effort to ensure an acceptable level of quality as well as to increase cost and service efficiencies.

- If all factors (quality, service, price, delivery, etc.) are equal, the Board will purchase/rent/lease goods and services from suppliers who maintain a business office or manufacturing plant within the Brant, Haldimand and/or Norfolk counties.

The purchasing policy clearly outlines the purchasing thresholds and the responsibilities of the requisitioner, the approving manager, the buyer, accounting clerks and the supervisor of accounting.

The purchasing policy is supplemented by a reimbursement policy for Board employees and the trustees, and a policy on credit cards and purchasing cards.

Participation in Buying Consortia to Reduce Acquisition Costs

The Board actively participates in cooperative purchasing ventures with other local school boards and broader public sector agencies to enhance its buying power.

The Board is a member of OEBA (Ontario Education Buyers' Association) and the Brant Haldimand Norfolk Purchasing Cooperative for the purchase of electricity and gas. It also collaborates with other boards when appropriate. For example, the Board was able to obtain lower costs for its last contract for photocopiers by pooling volumes with another board. In addition, the Board has also formed a transportation consortium with its coterminous board.

Purchasing Levels of Authority

The purchasing policy requires appropriate authorization levels commensurate with job titles and roles. These are monitored for compliance by the accounting clerks, the supervisor of accounting and the manager of finance.

In accordance with the purchasing policy, goods and services are purchased using the following guidelines -

- Purchases under \$1500 may be requisitioned or purchased without quotation at the discretion of the individual with budget authority.
- \$1501 - \$25,000, requires a minimum of three vendor quotes (fax, email, or written) whenever possible
- \$25,001 or greater requires formal quotation, RFP or a tender procedure

Where the unit cost of an item is less than \$1501, but the combined volume exceeds the total value of \$1501, the acquisition requires three vendor quotes as described above.

Furthermore, the following approvals levels are subject to funds available in an approved budget:

- Less than \$2000 – Director of Education/superintendent/manager/consultant
- \$2001 to \$10,000 – manager of finance
- \$10,000 - \$50,000 – associate director, corporate services and treasurer
- Over \$50,0000 – Board of Trustees

The Board's procurement policy outlines the need to advertise all public tenders. It is becoming more of a common practice that school boards and other public sector organizations will place notices of tenders and/or RFP's on electronic bulletin boards to reach as many suppliers as possible.

Policies and Procedures for Purchase Card/Corporate Card Use

The Board has established a clearly communicated policy for corporate credit and purchase cards that is available on the Board's website.

The issue of a purchase card (PCard) requires the approval of the associate director, while the corporate card also requires the approval of the Board of Trustees. All employees holding a PCard or corporate credit card are also required to sign an agreement with the Board.

The Board currently has a limited number of PCards in use, issued to select employees in the food services and maintenance department and the main Board office. These have small transaction limits, and are limited to select retail outlets. The schools are encouraged to use petty cash for small purchases instead of school PCards.

PCard and/or credit card statements (along with receipts) are approved monthly by immediate supervisor, before coding and processing by the finance department.

At present, no formal analysis is conducted on PCard usage and purchase orders to optimize threshold values/spending and reduce invoice processing volumes. Moving forward, the Board should perform an analysis of PCard usage by user, by department, by transaction value and by merchant category code. A similar analysis for purchase orders would allow the Board to develop an optimal PCard program to maximize purchasing efficiency and ensuring budgetary control.

Accounting for Completeness of Purchase/Payment Cycle

The Board policy requires the issuance of purchase orders for all purchases of equipment, supplies and services over \$100. The Board encourages staff to use petty cash or PCards for purchases under \$100.

Purchase requisitions are created on numbered forms that are assigned in batches to schools by the superintendents. A purchase order under \$2,000 that has been approved by the principal may be submitted directly to the vendor from the school, and a copy is forwarded to the Board office. Once the goods are received at the school, a receiving report (pink copy of the 4-part PO form) is completed, signed and forwarded to the Board office.

POs over \$2,000 are sent to the Board office for approval before being sent to the vendor. After approval, the receiving report is returned to the school pending receipt of goods. All goods and services are typically delivered to the originator's location. When goods are delivered to a location, the receiver is responsible for ensuring that the quantity delivered agrees with the packing slip. A copy of the packing slip and cartage bill is forwarded to the Board office, along with the receiving report of the purchase order. The receiving report along with the packing slip and the cartage bill serve as authority for payment of the invoice.

Three-way manual matching between the invoice, receiving report and the purchase order is performed at the Board office by clerical staff, followed by payment of invoices. If significant differences are noted, approval is required to process the invoice. Given the significant manual component of the procure-to-pay process, the Board should investigate the cost-benefit of automation within its financial system.

The Board has a commitment accounting process, where the requisition is encumbered to the general ledger after the purchase order is received by the finance department. Open purchase orders are monitored by the finance department for exceptions and compliance with policy, and reviewed by the manager of finance and the associate director on a monthly basis. In addition, a quarterly analysis of open purchase orders is conducted by the finance department to ensure that ordered goods are received and paid for.

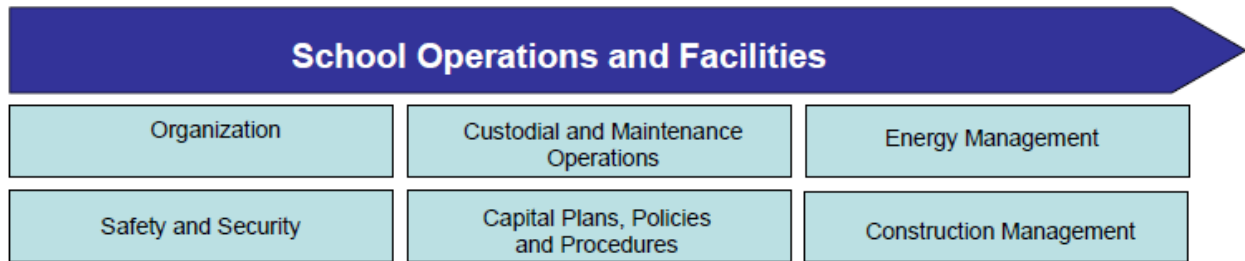
Use of Electronic Funds Transfer for Greater Efficiency

The Board's use of electronic funds transfer (EFT) is low, with payments largely limited to banking transactions. Employee reimbursement is made through manual cheques. The Board recognizes that EFT is an important initiative to help it achieve efficiencies and reduce manual processes.

Recommendations:

- As part of an overall assessment of its financial system needs, the Board should examine the procurement functionality within its financial system to determine if a more efficient opportunity exists for electronic purchase orders, school level receipting and automated three-way matching capabilities (purchase order, receipt and invoice).
- The Board should perform a transaction/spend analysis of PCard usage relative to issued purchase orders. This would identify opportunities to increase purchase order threshold limits and promote increased use of PCards through an expansion of the existing program.
- Finance staff should implement EFT payments to the majority of their 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



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

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

5.1 Organization

The purpose of reviewing the organization of operations and facilities is to assess:

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

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

Development and Reporting of Annual goals and Priorities

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
Departmental goals and priorities are aligned to the Board’s strategic directives and are documented in an annual department plan accessible by key stakeholders.	No

Organizational Structure and Accountability

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

Monitoring and Communication of Policy

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

Organizational Structure and Accountability

The operations and facilities function is led by a manager of facilities and construction projects, who reports directly to the associate director.

The facilities organization is split by elementary and secondary schools for maintenance, with a supervisor for each. There is a lead hand at each of the secondary schools for custodial staff and a dedicated maintenance person. Energy is managed centrally under the direction of the building systems project coordinator. There is also a

plant coordinator and a facilities secretary supporting the department. Organizational charts are not currently on the website but contact information is provided for the manager.

At the time of the operational review, the Board was contemplating a review of this organizational structure, to determine the cost-benefit of moving to a geographical structure.

Key department staff have appropriate professional designations and/or related field experience, and are involved in various provincial committees to keep abreast with best practices and new directives.

Development and Reporting of Annual Goals and Priorities

The department develops its annual priorities through an informal process of consultation with school principals and other senior staff within the Board, and ongoing monitoring and inspection of facilities by staff. The manager of facilities and construction projects seeks input on desired projects. From this feedback, a list is created which details the projects and the estimated costs. In collaboration with the finance department, the manager and supervisors assess which projects can be completed in the current year, based on available resources. If required, projects are rolled over to the following year.

The department does not currently have an operational plan to translate the Board's strategic plan to actions for groups within the department. This would enable the department to better allocate accountabilities, establish performance measures and track and report the progress of its defined priorities and goals throughout the year. This would also provide senior management and the Board of Trustees with information on the priorities of the department, and demonstrate how the department activities are aligned with the Board's priorities.

Monitoring and Communication of Policy

The department maintains a comprehensive set of policies and procedures covering all pertinent aspects of operations and facilities management. These policies and procedures have been posted on the Board's website and are being reviewed by the policy committee for updates.

Through the support of the HR department, appropriate training is provided to custodial and maintenance staff, addressing policy issues and the need for compliance with the various regulatory requirements.

Recommendation:

- The facilities department should adopt a more structured approach to annual departmental planning, including targets, timelines and assigned responsibilities. The plan should use the existing format within the board improvement plan.

5.2 Custodial and Maintenance Operations

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

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

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

Staffing Model Supports the Board’s Cleaning and Maintenance Standards

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The school board has set cleaning/maintenance standards for schools and reports annually on results.	No
Management’s custodial/maintenance allocation model optimizes use of staff.	Yes

Development of Annual/Multi-Year Maintenance Plan

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

Training to Support Skills Development and Safety

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

Standardization of Cleaning and Maintenance Supplies

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
An inventory system tracks and controls major cleaning and maintenance equipment.	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 that records, monitors, and evaluates projects ensuring the effective use of resources.	No
Management regularly evaluates the overall effectiveness and efficiency of its maintenance and custodial service practices.	Yes

Staffing Model Supports the Board's Cleaning and Maintenance Standards

The Board's custodial allocation model provides for the optimal use of resources in support of the Board's cleaning practices. A detailed staffing formula for custodial work calculates the average productivity factor, based on the current custodial hours per week. This is distinct for caretakers and cleaners. The average productivity factor is then combined with a factored time study (which considers area, task, frequency, priority) and the number of portables to arrive at the required level of custodians. This

number is adjusted with a load factor, which is then further adjusted to match the school's footprint.

The Board's current staffing model yields 17,000 square feet per custodial staff. This is lower than the provincial average, due to the number of small schools that exist in this Board.

The Board maintains a custodial manual that contains high level guidelines on the expectations for cleanliness. However, these do not constitute system-wide cleaning standards across its facilities. The Board should establish cleaning standards for schools to ensure consistency in service levels and monitoring across all sites.

Development of Annual and Multi-Year Maintenance Plan

Management develops an annual plan that addresses its preventative, critical and deferred maintenance, in accordance with the Board's standards. As noted, the Board's maintenance and renewal activities are assessed annually through individual school assessment. Priorities are then incorporated into the annual plan, based on the availability of funding. The Board does not frequently update ReCAPP to help inform this process.

At present, the Board does not expand its planning to a multi-year framework. The development of a multi-year maintenance and renewal plan (e.g. three to five years) would give the Board and its stakeholders a better understanding of the system's needs over an extended period. The annual assessment could be expanded to provide the multiyear perspective of the needs of both planned (regular) and urgent maintenance and renewal requirements. This plan could also be supported by the funding sources available for related costs, which include annual operations, renewal grants and the Good Places to Learn allocation. This would provide management and the Board with a better planning perspective.

Training to Support Skills Development and Safety

The Board has established a comprehensive training program for custodial staff which is managed by HR. Examples of this training include asbestos, mould awareness, WHMIS, electrical awareness, floor care, fall arrest and the testing of the operation of drinking water systems.

In addition, the Board uses a *Safe Work Practices for Custodians* publication from the British Columbia School Safety Association, which provides comprehensive guidance to custodians on accident and injury prevention.

Standardization of Cleaning and Maintenance Supplies

The department operates primarily on a just-in-time basis, and maintains minimal levels of supplies within schools. Custodial supplies are procured through two vendors and shipped directly to the schools monthly. Custodial staff use an online purchasing system to order supplies on an as-needed basis using e-Base. All purchases are reviewed and approved centrally by the operations supervisor. For maintenance supplies, materials are typically ordered to fulfil work orders. Management has also implemented a ready-to-dispense system to ensure the correct mixing of chemicals.

The Board does not maintain a formal inventory of major cleaning and maintenance equipment, since a lot of the equipment is moved among schools. Equipment stays in place until it is required at another school. However, there is a spreadsheet that lists all of the scrubbers for warranty purposes.

Project Management and Supporting Systems

Principals or custodial staff initiate work orders in e-Base. The order is reviewed by the maintenance supervisor in the Board office, who determines if the work can be performed by board maintenance staff or if it must be outsourced. E-base includes e-mail to provides status updates to the initiator of the work order. E-base does not provide the Board with a capability to record and track the costs associated with work orders. This is an opportunity area for the Board.

As mentioned previously, the Board does not frequently update ReCAPP to help inform maintenance planning, although an update to SFIS was conducted in 2006.

Recommendations:

- The Board should continue with its initiative to establish cleaning standards for schools to ensure consistency in service levels and monitoring across all sites.
- Management should consider establishing a multi-year maintenance and renewal plan, including the funding available to support it. This would provide a clear forecast of the Board's critical needs over the next several years.
- The Board should investigate the cost-benefit of enhancing its work order system to streamline the management, dispatch, tracking, costing and reporting of facility renewal and general maintenance work orders.

5.3 Energy Management

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

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

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

Energy Management Plan

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

Tracking and Reporting Energy Conservation

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

Energy Management Plan

The Board has leveraged Good Places to Learn and school renewal funds to upgrade its building management systems. These have been installed in approximately 75% of the schools and are managed centrally. The installation of centralized technology allows the Board to automate energy efficient practices and to remotely manage and control energy consuming equipment (i.e. heating, air conditioning) on a facility-by-facility level (in some cases, on a room-by-room level). In addition, the information technology department ensures that all of the computers are turned off centrally at a specified time each night.

The Board participates in consortia for the purchase of electricity and natural gas. This enables the Board to gain from the pooling of the technical and purchasing expertise of the consortia, the pooling of the volumes required to be purchased, and better pricing for the Board's requirements. It has also implemented efficient lighting and boilers at schools, and has instituted a recycling program for lights.

While the Board has demonstrated progress with energy management, it has not developed a formal energy management plan with appropriate consumption reduction targets and reporting to the Board. The Board has also not adopted the Eco Schools program.

Tracking and Reporting Energy Conservation

The Board tracks consumption by location, and receives consolidated bills from some companies. Consumption by location is tracked in a spreadsheet, but reporting is not formalized either to senior management or the Board of Trustees. However, site-specific consumption data has allowed the staff to monitor abnormal energy usage patterns (i.e. spikes in water use at a particular school), and take corrective action to remedy any unusual incidents.

Recommendation:

- The Board should continue to expand its existing energy management initiatives and develop a system-wide, multi-year energy management plan with appropriate consumption reduction targets. In addition, the Board should ensure that it has tracking and reporting mechanisms to monitor consumption and energy costs for reporting to the individual schools, senior administration and the Board of Trustees.

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 plans and policies ensures compliance with statutory health, safety and security requirements.	Yes
The security code policy includes alert codes that reflect the situation and threat level, and identify departmental responsibilities.	Yes
Security incidents are tracked by type of incident (e.g. property damage, intrusion, etc.).	Yes
Safe school teams responsible for school safety (e.g. PPM 144) are implemented in every school.	Yes
Water and air quality standards are monitored and issues are reported for corrective action.	Yes

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

In 2003, health, safety and security was placed under HR’s direction. HR developed a health and safety training schedule for each academic year, targeted at principals, viceprincipals, managers, plant support staff, caretakers, new site reports and new department heads. The policies for health and safety and security (in the form of emergency response, and security of schools, building and grounds) are posted on the website.

A joint health and safety committee has been established with four worker representatives, four management representatives, area representatives and a site representative. The site representatives have part one certification to handle health and safety issues within the schools. Management indicated that this has been a successful initiative, and has led to the reduction of more serious incidents. Additional measures, such as removing high-risk activities from caretakers when working alone, and introducing a buddy system when teachers work on the weekends, increase the health and safety of the Board's employees.

The site representatives also conduct a monthly site inspection, with the results sent to HR. HR establishes deadlines for sending the reports and monitors adherence to these deadlines. The reports are tracked in a spreadsheet and the HR coordinator follows up with the principals to ensure that actions are taken on the findings from the monthly site inspections.

An emergency response plan is in place for all types of security related situations. All of the secondary schools have monitoring systems, as do many of the elementary schools. These depend on the community in which the school resides. In addition, a security check is completed nightly to ensure that all of the buildings are alarmed. Management tracks vandalism and security incidents through custodial logbooks and health and safety reporting forms.

At the time of the review, management was preparing for the safe school legislation that came into effect on February 1, 2008. The Board has assigned a superintendent the safe schools portfolio. Currently, each school is required to have a team with clear roles and responsibilities and protocols in the event of an emergency.

Five of the Board's rural schools are use wells, which require daily testing. All schools have the water flushed daily. The e-Base program contains floor plans for each school and the details of all flushing locations. The results are entered into e-Base and the supervisor is notified of any issues. An engineering analysis is conducted on the wells every five years.

5.5 Capital Plans, Policies and Procedures

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

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

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

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

Development of Annual and Multi-Year Capital Plans

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

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

Leading Practices – Capital Plans, Policies and Procedures	Evidence of Adoption?
The school board maintains accurate and up-to-date inventories of school capacity and utilization.	Yes
Capital forecasts and related funding plans are assessed annually and adjusted to meet current needs and changes to original assumptions such as enrolment projections and capital grants.	Yes
An accurate and up-to-date assessment of facility conditions is maintained, based on industry standards (using RECAPP methodology).	No
Funding allocations are analyzed to determine if they meet the current and forecasted needs of the school board’s capital requirements.	Yes
Management tracks compliance and monitors new legislation or changes to existing legislation.	Yes

Development of Annual and Multi-Year Capital Plans

The last formal capital plan developed by the Board was in 2000, which covered a period of five years. Since then, the Board has been updating its plans, and submitted an update to the Ministry in 2006. The Board is currently developing a new capital plan, with the assistance of consultants Watson and Associates, to develop updated enrolment projections. This plan is expected to be ready in the summer of 2008.

From a funding perspective, the Board has been actively monitoring its ability to fund its capital commitments. Prior to the issuance of the Ministry's Capital Liquidity template, the associate director maintained a spreadsheet that essentially tracked the same funding elements. The Board has subsequently completed the Capital Liquidity template, which demonstrates that the existing capital debt is fully funded. However, planned projects, none of which are approved at this stage, would require additional sources of funding.

The board has an approved pupil accommodation review policy that implements the Pupil Accommodation Review Guideline, released by the ministry in 2006. There is an accommodations committee that includes three trustees, the manager of facilities and construction projects and the associate director and treasurer.

Ongoing Monitoring and Maintenance of Data to Support Capital Plans

The monitoring and planning of school capacity is reported within the framework of the Student Facilities Inventory System ("SFIS"). The Board maintains accurate and up-to-date inventories of school capacity and utilization.

Facility staff do not use ReCAPP as a tracking tool for projects funded by the Renewal Grant and the Good Places to Learn (GPTL) funding.

Management tracks compliance and monitors new legislation or changes to existing legislation through ministry memos, participation in committees and organizations such as OASBO.

Recommendation:

- The Board should continue to develop a more comprehensive 10-year capital plan to provide a better understanding of short and long term facility requirements and a related funding plan. The ReCAPP database should also be updated, as it will contribute to the analysis of the renewal requirements over the 10-year period. The plan would also incorporate the impact of declining enrolment, and present options to address ongoing facility needs.

5.6 Construction Management

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

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

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

Cost Effective Practices in the Design and Construction of Facilities

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

Monitoring and Reporting on Progress of Construction Projects

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

Maintaining Current Approved Professional Service Providers

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

Cost-Effective Practices in the Design and Construction of Facilities

Given its size, the Board's construction activities are relatively low. Over the past two years, the Board completed two school addition projects. It is opening a new elementary school in January 2009.

Due to the low frequency of new school construction, the Board does not maintain its own inventory of school design blueprints, relying on the consulting architect to provide economical design options. During the design stage, the Board compares its design and construction costs on a per square footage basis, to ensure that overall construction costs are reasonable. Standard footprints cannot be used, since the same land must often be used for the new school. This has also limited the effectiveness and rationale for benchmarking construction costs with other schools in the region.

Monitoring and Reporting of Progress on Construction Projects

The Board hires an architect who becomes the project manager and reports to the manager of facilities and construction projects. If a change is required, a change order is submitted for review. If the value is within the approved allowance or contingencies and warranted, the manager of facilities and construction projects can approve the change. If the change is material or there are no remaining contingencies, it must be approved by the Board.

The Board evaluates and updates its approved list of contractors prior to every RFP issuance, to ensure that quality and contractor competency is maintained.

Appendices

Appendix A: Overview of the Operational Review

Operational Review Objectives

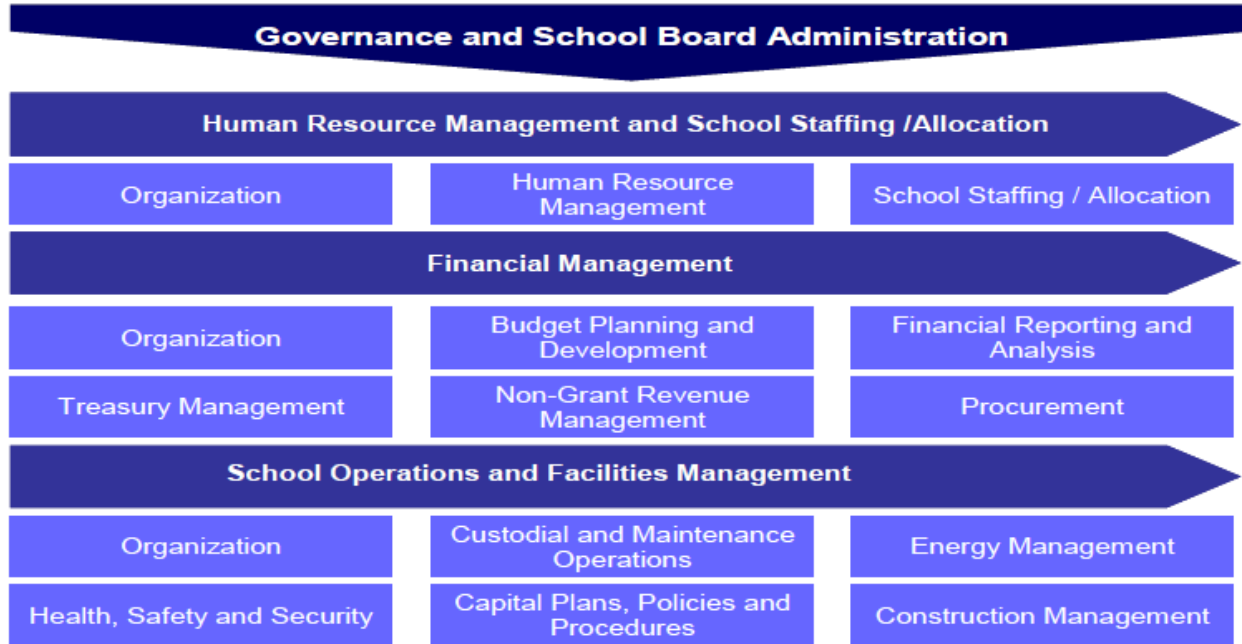
In order to perform an effective and consistent operational review the Ministry has worked with independent consultants to develop a Sector Guide that defines consistent standards and leading practices against which the operational reviews and analysis will be based.

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

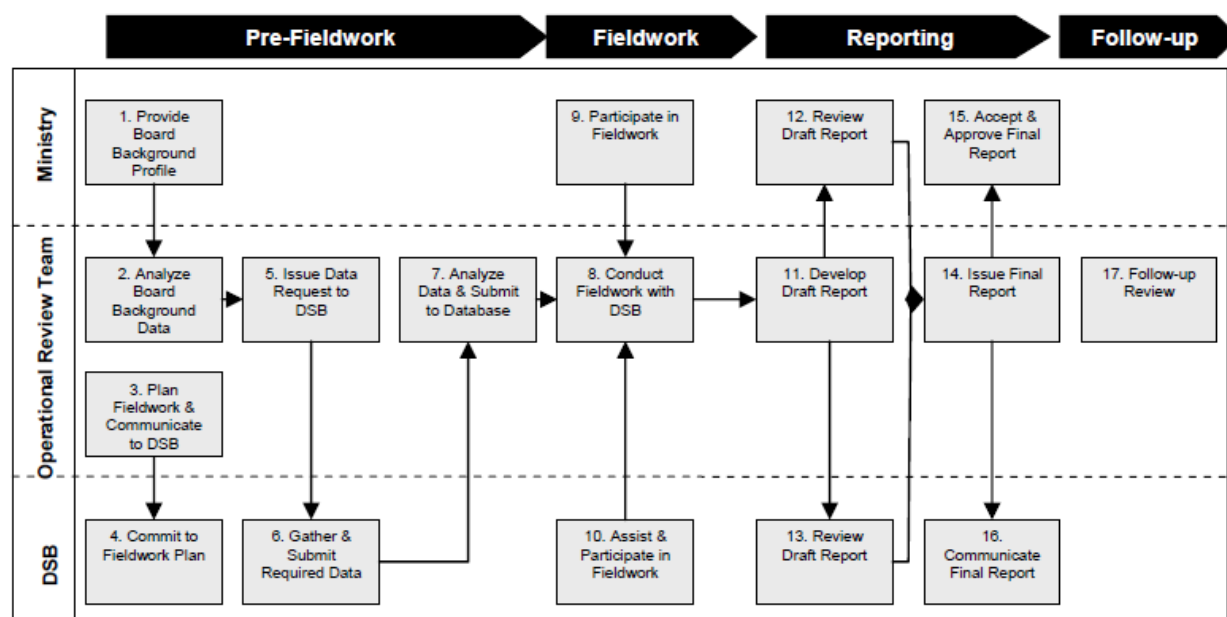
The scope of the Operational Review consists of the following functional areas which have been divided into key processes as shown below. The processes represent the end-to-end lifecycle of activities performed by Boards under each functional area. Each of the processes was examined based on its activities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



Operational Review Summary Approach

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

Observations and assessments are made by the Operational Review Team based on a set of agreed upon leading practices designed for each functional area. The onsite reviews allow the team to validate ministry and board data; 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: Initial Planning and Analysis

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

Key Activity	Description
	sector-wide database that will be used to compare the results for each Board.

Phase: On Site View

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

Phase: Develop Final Report

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

Phase: Board Report Review

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

Phase: Final Report

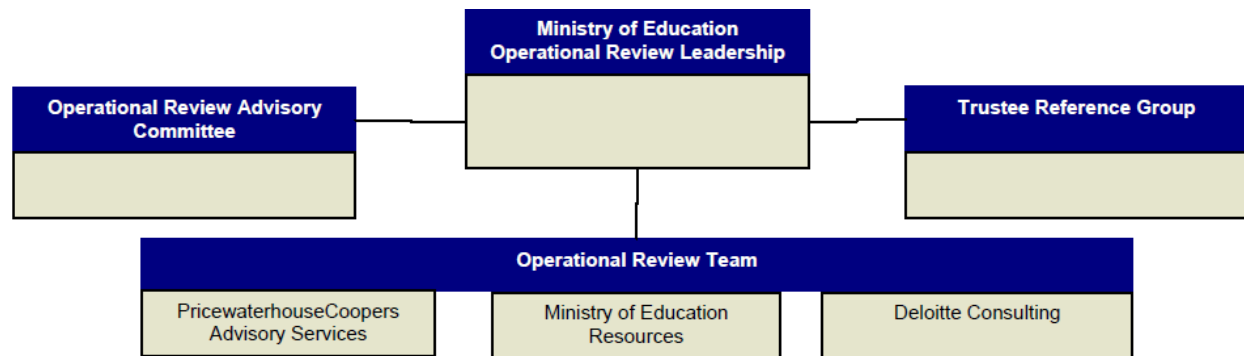
Key Activity	Description
Issue Final Report	The review team will incorporate the feedback from the both the Ministry and the Board and prepare a final report.
Accept and Approve Final Report	The final report will be issued to the Ministry for approval and release.
Communicate Final Report	The Ministry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

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

The Operational Review Team

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

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



Limitations of this Review

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

Appendix B: Summary of Recommendations

Governance and School Board Administration

No.	Recommendation
1.	The Board should develop a multi-year strategic planning document that defines key objectives, timelines and performance metrics for the entire system. This would provide an over-arching framework for the Board to which all annual plans should align.
2	On an annual basis, the Board should develop an operating plan that expands the scope of the Board Improvement Plan to cover all aspects of Board operations. This plan should define in-year initiatives that contribute to the achievement of the longer term goals and demonstrate the alignment of nonacademic departments.

HR Management and School Staffing/Allocation

No.	Recommendation
3.	The HR department should produce an annual report that demonstrates accomplishments relative to its annual plan.
4.	The Board should investigate an automated solution that allows schools to enter attendance information directly into iSYS on at least a weekly basis. With more timely and accurate information, the Board should then develop an attendance management strategy for all staff groups. This would define measurable objectives with the required policy, process and procedures.
5.	The HR department should investigate automating the processes that currently synchronize data between finance, HR/payroll and benefit provider systems. This would minimize inefficiencies and the potential for human error.
6	The Board should consider conducting confidential exit interviews with staff. It should also consider conducting periodic staff satisfaction surveys across all staff groups. These practices can provide management with valuable input for HR professional development and effective employee relations.

Financial Management

No.	Recommendation
7.	The finance department should adopt a more structured approach to annual departmental planning, including targets, timelines and assigned responsibilities. The plan should link to the Board's strategic direction and priorities.
8.	The Board should add a step the budget planning process to ensure alignment between specific budget goals, the annual Board Improvement Plan and the long term strategic direction of the Board.
9	Finance staff should consider providing an expanded level of interim reporting, as in the format suggested in section 4.3 of this report. This would improve understanding of the financial reporting of the year-to-date results.

No.	Recommendation
10	Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost for each option. Management's proactive assessment of need and cost would be a useful first step.
11.	Management and the Board should establish an audit committee. The Board and management should consider including at least two external members to act as advisors and contribute to the committee's accountability.
12.	Management should establish an investment policy for approval by the Board. A formal cash management plan and appropriate procedures to manage surplus cash to optimize investment income should be developed.
13.	The finance department should develop a formal cash flow model to forecast and monitor the Board's cash flow activities. The model will allow the Board to identify opportunities to optimize investment income and/or minimize interest costs.
14.	The Board should continue with the development of the electronic scheduling system for its community use of schools program. This would increase the accessibility and efficiency of the registration process and strengthen the Board's controls over this revenue stream.
15.	The Board should perform a cost-benefit analysis to determine the feasibility of adding more automated functions to its existing financial system.
16	The Board should perform a transaction/spend analysis of PCard usage relative to issued purchase orders. This would identify opportunities to increase purchase order threshold limits and promote increased use of PCards through an expansion of the existing program.
17	Finance staff should implement EFT payments to the majority of their 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
18.	The facilities department should adopt a more structured approach to annual departmental planning, including targets, timelines and assigned responsibilities. The plan should link to the Board's strategic direction and priorities.
19.	The Board should continue to develop a custodian manual that includes Board-wide cleaning standards.
20.	Management should consider establishing a multi-year maintenance and renewal plan, including the funding available to support it. This would provide a clear forecast of the Board's critical needs over the next several years.
21.	The Board should investigate the cost-benefit of enhancing its work order system to streamline the management, dispatch, tracking, costing and reporting of facility renewal and general maintenance work orders.
22	The Board should continue to expand its existing energy management initiatives and develop a system-wide, multi-year energy management plan with appropriate consumption reduction targets. In addition, the Board should ensure that it has tracking and reporting mechanisms to monitor consumption and energy costs for reporting to the individual schools, senior administration and the Board of Trustees.

No.	Recommendation
23.	<p>The Board should continue to develop a more comprehensive 10-year capital plan to provide a better understanding of short and long term facility requirements and a related funding plan. The ReCAPP database should also be updated, as it will contribute to the analysis of the renewal requirements over the 10-year period. The plan would also incorporate the impact of declining enrolment, and present options to address ongoing facility needs.</p>