

Ministry of Education

**Operational Review Report
Rainbow District School Board**

February 2011

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Executive Summary

This report details the findings and recommendations of the Operational Review of Rainbow District School Board (the school board) conducted by the Operational Review Team composed of external consultants from Deloitte Inc. and Ministry of Education staff. The Operational Review was conducted over three days beginning September 27, 2010.

Introduction

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

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

The review team found that the school board has implemented many of the leading practices. Noted strengths include a comprehensive policy review schedule, ongoing discussions in process collaboration with coterminous school boards, strong labour relations practices, and efficient energy management. A summary of the findings and recommendations for each of the functional areas reviewed follows. Details can be found in subsequent sections of the report.

Governance and School Board Administration

The school board has adopted many leading practices in governance and school board administration, including:

- The school board develops and communicates a multi-year strategic plan that includes both academic and operational priorities and provides a framework for annual planning.

- The Director of Education (the Director) develops an annual operating plan of the goals/priorities, incorporating both academic and non-academic departments.
- The board of trustees (the Board) and the Director have appropriate processes for the establishment and regular maintenance of policies and administrative procedures for efficient and effective operation.
- The Board and the Director proactively engage diverse stakeholders (both internal and external) on a regular basis and through a variety of communication vehicles.
- Key senior staff from all functional areas are members and participants in sector committees of provincial associations and Ministry workgroups.

The school board's governance model aims to separate accountability for policy from that of operations. This model is supported by a set of by-laws which define the roles of the trustees, the duties of the Board Chairperson and Vice-Chairperson, and protocol for board of trustee meetings. By-laws also include procedures regarding Board meeting agenda development, conflict of interest regulations, and a code of ethics/conduct, as well as protocols for *in-camera* and electronic meetings and committee regulations.

The Board has not fully incorporated the key elements of the *Student Achievement and School Board Governance Act*, Bill 177 into school board policy. Bill 177, which came into force on December 15, 2009, mandates the roles and responsibilities of school boards, trustees, Board chairs and Directors. The school board should review its governance model and update it to reflect Bill 177. The Ministry would provide any additional support in this area at the request of the school board.

The school board is updating its organizational chart to include recent changes in senior administration. Although a contact directory of senior staff is available online, the organization chart is not currently posted. The school board should make it available on the website.

The school board has adopted components of a succession and talent development plan, to build and sustain leadership capacity across multiple staff functions. These include strategic projects related to employee growth and development. The school board should formalize its succession and talent development plans, and expand existing programs. Current initiatives and future improvements should be consolidated and focused in a single succession and talent development plan. This will help build and sustain leadership capacity across the school board.

Recommendations:

- The school board should develop a formal governance policy that clearly delineates the division of duties and responsibilities between the board of trustees and the Director of Education. The school board's governance model should reflect the roles and responsibilities mandated by the Student Achievement and School Board Governance Act, Bill 177.
- Management should post a departmental organization chart on the school board's website.
- The school board should establish a formal succession plan which includes plans for senior staff in both academic and non-academic functions to help build and sustain leadership capacity.

Human Resource Management and School Staffing/Allocation

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

- HR management has processes in place to monitor HR policy compliance by all staff and management.
- Management has established labour/management committees and maintains strong labour relations.
- HR staff have appropriate designations and qualifications and/or experience.
- The school board's attendance support program is documented and includes approved policies and procedures to minimize the cost of absenteeism.
- HR management has implemented an approved pay equity plan, which is reviewed and amended periodically.

Led by the Human Resources Manager, the HR department is supported by eight staff. Management should consider providing contact information for key HR department staff and an organizational chart on the website. The school board is focusing its HR efforts to improve the alignment of its workforce to student populations. The school board's recruitment policies are managed by HR.

The school board's recruitment practices are not documented. However, staff noted that trustees routinely participate in hiring panels. The Director should review the composition of its interview panels, and develop formal hiring policies and procedures to clarify the roles of trustees and school board staff. Trustees should provide strategic

policies to govern staffing and recruitment, but should not sit on hiring panels with the exception of hiring the Director.

The school board has long standing relationships and successful hiring results with local northern colleges and universities, and focuses its teacher recruitment efforts accordingly. HR has recently taken a more direct involvement with recruiting of plant department staff to help ensure consistency in the recruiting and hiring process. The school board should continue to ensure hiring policies and procedures for the respective staff groups are harmonized, and shared with managers throughout the school board.

Trustees are also directly involved and engaged in negotiation of collective agreements. It is recommended that trustees should only provide the school board with a policy and priority framework for bargaining. Trustees should not play a direct role in negotiations.

Performance evaluation processes are in place for all academic and most nonacademic staff. The HR department has yet to develop a formal policy or procedure for all staff groups. The department should expand formal performance evaluation guidelines and processes for all staff, including annual learning plans, minimum training hours, and an in-depth supervisory training program for all managers of administrative functions.

The HR department produces site-based reports on attendance trends, for principals, managers, and senior administration. These reports are not passed on to the Board. The school board should ensure it periodically reports on the effectiveness of its attendance support programs to the Board.

Management has arranged for an independent compliance audit of the board's insurance carrier. This review will take place before the end of the calendar year. To date, the existing practice involves the HR department conducting in-house spot audits of claims. Management should continue with its plans to conduct a compliance audit of the school board's insurance carrier. This will ensure accuracy and validity of claims paid.

HR does not formally survey staff for feedback, or measure general attitudes regarding the level of satisfaction with its services. Management periodically conducts exit interviews for some staff leaving the school board, and agrees that there is value in this practice. Staff surveys and exit interviews can provide management with valuable input for professional development and policies that impact future employee relations. The school board should consider pursuing both practices.

The school board's staffing process is centrally coordinated through an academic superintendent and the manager of HR, without a formal written policy or procedures. The school board should formalize the processes that govern its annual staffing plan and allocation process, reflecting the priorities of the Board and Ministry initiatives.

Recommendations:

- Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the HR department and lines of reporting.
- The Director should review the composition of its interview panels, and develop formal hiring policies and procedures to clarify the roles of trustees and school board staff. Trustees should provide strategic policies to govern staffing and recruitment, but should not sit on hiring panels with the exception of hiring the Director.
- Management should document its current hiring practices and continue to work to harmonize them across departments.
- Trustees should provide the school board with a policy and priority framework for bargaining, and not directly participate in negotiations.
- The HR department should establish a formal employee performance appraisal process for management staff, superintendents and the Director of Education. The formal process should be supported by documented policies and procedures.
- Management should periodically report to the Board and senior management on the effectiveness of its attendance support program.
- Management should continue with its plan to conduct a compliance audit of the school board's insurance carrier to ensure adherence to the benefit plans terms and conditions. This will ensure accuracy and validity of claims paid.
- Management should conduct periodic and confidential staff surveys to improve communication with staff and provide input for professional development plans and HR policy.
- Management should consider conducting exit interviews with all staff leaving the school board to obtain input for HR policy, as well as process and program improvement.
- The school board should implement policies and procedures that outline the annual staffing plan and allocation process and reflect the priorities of the Board and Ministry initiatives.

Financial Management

The department produces a number of positive results, through the implementation of these leading practices:

- The finance department's goals and priorities are documented in an annual department plan that is aligned to the annual board operating plan and accessible to key stakeholders. The plan incorporates measurable targets, specific timelines, and identified accountability.
- Finance staff have appropriate designations and qualifications and/or experience.
- The annual budget development process is documented, transparent, and clearly communicated. It incorporates input from all key stakeholders, including management, principals, board of trustees, and the community, and supports the school board's strategic and operational plans.
- The school board's integrated financial information system provides useful, timely, and accurate information for management and stakeholders.
- Management ensures adequate controls are in place to safeguard schoolbased funds, and coordinates the annual reporting of revenues and expenditures from schools and school councils.
- The school board's finance department performs three-way matching (purchase order, receipt/invoice, and inspection) before invoices are paid.

The school board's website does not list contact information for key finance department staff. Management should provide contact information for key department staff, and post the departmental organization chart on the school board's website.

As part of the budget development process, the finance department monitors key cost pressures. These risks are noted and senior administration members discuss potential risks during the budget process. However, the department does not document the risks associated with budget planning, and does not develop formal strategies to mitigate these risks. The department should consider consolidating key risks and mitigation strategies in a formal risk plan. This risk plan would be documented, and presented to senior management and the Board as part of the budget development process.

The Director receives monthly reports that provide budget updates, including a year-to-date spend analysis of individual budget lines. These reports do not show a comparison to the previous year. The department should consider providing a minimum of three interim financial reports to trustees which would incorporate the recommendations made by the Interim Financial Reporting Committee (IFRC), released September 2009.

Enhancements should include calendarized reporting, with historical expenditures as a benchmark for comparison. Information on the IFRC report and templates is available on the School Business Support Branch website at <https://sbsb.edu.gov.on.ca>. Staff should also ensure interim financial statements are formally approved by senior management, to ensure the integrity of financial reporting.

The school board currently does not have an internal audit function in place. However, the school board is actively participating in the Ministry's regional audit initiative, which provides funding for some dedicated internal audit staff for the eight regions in the province of Ontario. The school board should work with the regional audit team to ensure annual audit plans are clearly documented. Audit report recommendations should be followed up and acted upon by management. Audit plans should also be approved by the audit committee.

At the time of the Operational Review, the Board did not have an audit committee in place but was using the Policy and Finance Committee to discuss financial matters relating to the school board. Management was aware of the new Audit Committee Regulation and was planning to set up a separate audit committee with external members. The school board should continue to become familiar with the new Audit Committee Regulation and the Ministry's internal audit initiative, including the establishment of regional internal audit teams and the development of a risk assessment to establish priority areas for internal audit activities.

The school board's cash management process is efficient, minimizing idle cash by monitoring daily cash flows against forecasts and consolidating school board funds in one account. The school board's investment practices are not reported to the Board. The department is encouraged develop an investment policy and report on its effectiveness. This would ensure clarity and explain why investment opportunities (other than interest earned in the school board's consolidated bank account) are not pursued.

Commitment accounting (through the school board's electronic financial management system) monitors budget utilization. To help improve efficiencies, the school board should make greater use of electronic supplier interfaces for ordering, processing, and payment for goods and services.

The school board currently makes use of Electronic Funds Transfers (EFT) for payments in some frequent contracts with suppliers. EFT is used for nearly 50 per cent of transactions. Management recognizes that additional EFT opportunities should be explored to maximize efficiency within the finance department. They are encouraged to do so.

Recommendations:

- Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the Finance department and lines of reporting.
- Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels.
- The department should consider providing a minimum of three interim financial reports to trustees which would incorporate the recommendations made by the Interim Financial Reporting Committee (IFRC).
- The school board should ensure interim financial statements are formally signed off by senior management to ensure the integrity of financial reporting.
- Management should continue working with the regional audit team on the development of a risk assessment to determine priority areas for internal audit activities.
- Management should work with the regional audit team to ensure annual audit plans are clearly documented. Audit report recommendations should be followed up and acted upon by management. Where management chooses not to implement an audit recommendation and to accept the risks associated with an audit finding, the justification should be clearly documented and agreed to by the audit committee.
- The Board should establish an audit committee and recruit external advisors to sit on the audit committee in accordance with the new Audit Committee regulation.
- The school board should establish an investment policy. Management should periodically report to the Board on the performance of investments and explain its decisions (including not investing), in accordance with the investment policy.
- Management should implement an electronic supplier interface for ordering, processing and payment. This is an opportunity for increased process efficiencies.
- Management should continue to explore additional Electronic Fund Transfer (EFT) opportunities to maximize efficiencies.

School Operations and Facilities Management

The plant department has adopted several of the leading practices in its custodial and maintenance operations, including:

- The plant department's goals and priorities are documented in an annual department plan that is aligned to the annual board operating plan.
- Senior operations and facilities staff have appropriate designations and qualifications and/or experience.
- Management has processes in place to monitor school operations and facilities management policy compliance by all staff and management.
- A monitored annual training plan for facilities staff addresses ongoing skill development and emerging regulatory issues.
- The Board has established an overarching environmental policy that addresses both environmental education and responsible management practices.
- Management uses cost-effective designs, standard footprints, energy conservation, and economical construction practices to minimize construction and future maintenance and operation costs. The school board is guided by the principles outlined in the manual prepared by the Expert Panel on Capital Construction: *From Concept to Classroom – Leading Practices Manual for School Construction in Ontario*.
- An independent cost consultant is retained by the school board to review the design, provide objective costing analysis and advice, and report to the school board on options. This ensures that the proposed capital expenditure is within the approved budget, prior to tendering a project.

The department is reviewing staffing structure and functionalities to best provide services across the wide geographic area of the school board. The department should post the updated organization chart publicly online.

The department maintains cleaning guidelines in the Operations Policies and Procedures Manual for hallways, windows and other facility areas. It does not have a formalized and approved cleaning standard, and school cleanliness is not regularly evaluated. Visual inspections by supervisors are carried out on an *ad hoc* basis, as they must visit each school at least once every two weeks or when there is a concern or complaint. The school board should develop formal cleaning standards to maintain consistency in site cleanliness across the school board. Measureable standards will

also allow the school board to monitor, manage, and report on results to support custodial performance evaluation.

The school board's custodial staffing allocation model is based principally on facility square footage. The department should develop a custodial and maintenance allocation model that considers additional factors. These factors would include the age of facilities, types of spaces, (gyms, portables, etc.) and type of use, among others.

The school board has fully implemented "healthy schools" initiatives, and is working to increase the awareness of healthy lifestyle choices in its schools. Health strategies, however, are undertaken by individual schools in an *ad hoc* fashion. The school board should continue to develop an overarching health strategy reflecting its current and developing health policies and procedures.

Recommendations:

- Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the plant department and lines of reporting.
- The school board should implement cleaning standards for schools and develop a standard process to monitor, manage and report on results. Once this in place, management should also report to senior administration on the results of the compliance reviews.
- The school board should develop an allocation model for custodial staff, and compare it to other school boards to ensure the optimization staff and consideration of various factors.
- The school board should consider establishing an integrated health plan/strategy, to reflect the existing policies and procedures for students and employee groups and to promote health and wellness across the school board. Management should also consider coordinating the development, implementation and monitoring of the plan centrally.

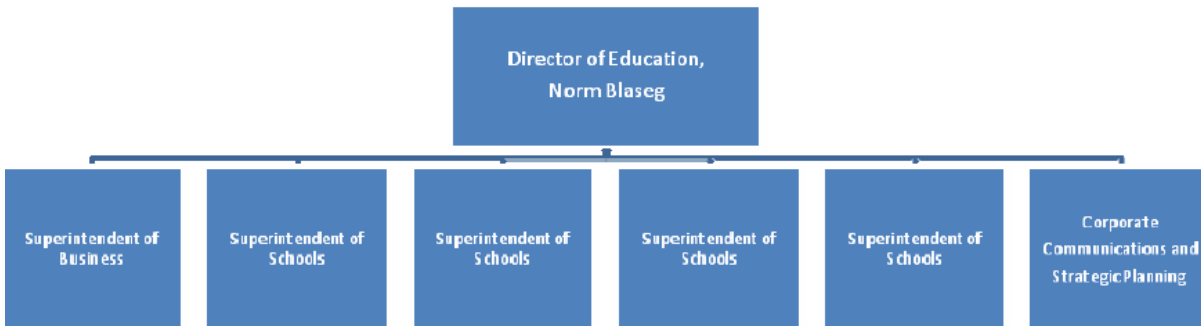
1. Background and Overview

1.1 School Board Profile and Structure

The Rainbow District School Board is committed to one common goal: success for every student. The collective goal of parents, teachers, support staff, administration, and trustees is to support, challenge, and inspire every student to achieve their full potential. Responsible for providing public education to 13,712 students, the school board offers a diverse range of programs in its 54 schools.

Since 2002-03, enrolment has declined by approximately 1,817 students or 11.7 per cent. The school board’s enrolment continues to decline.

The Senior Administration Team at the school board is composed of the Director of Education, supported by senior staff as follows:



1.2 Key Priorities of the School Board

The Rainbow District School Board has developed the following vision statement: *“We are leaders in learning in Sudbury, Espanola and Manitoulin inspiring success for all students.”*

This vision statement is supported by a mission statement, a set of values and priorities adhered to by all staff members. They are as follows:

Mission Statement:

“Rainbow District School Board provides quality programs and character education which enable students in Rainbow Schools to maximize their potential and fulfill their aspirations.”

Values:

- Success for all students

- High quality programs and character education
- Innovation, initiative and creativity
- Student, staff, school and system-wide success
- Strong partnerships between the school, the home and the community
- Safe schools
- Honest and open communication
- The resources in our trust
- Collaborative leadership and principled decision-making
- Diversity
- Continuous improvement and a sense of pride
- Quality of life through life-long learning

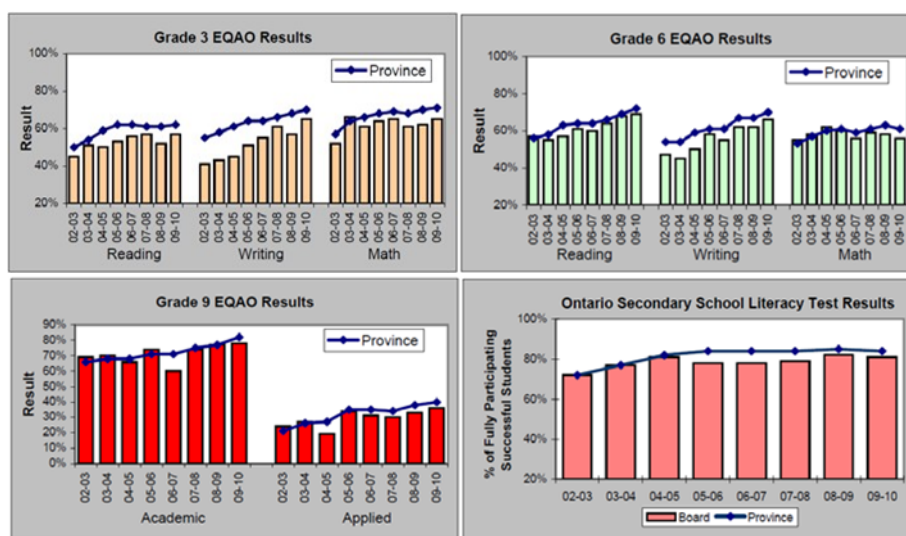
Priorities:

- Ensure success for all students
- Build public confidence
- Provide sound leadership
- Allocate adequate resources
- Maintain safe schools
- Encourage community involvement
- Enhance communications
- Nurture staff
- Maximize the use of technology
- Maintain quality facilities
- Focus on sustainability

1.3 Student Achievement

The EQAO results for the school board show that students' Grade 3 scores are below the provincial average, with one exception in math scores in 2003-04. EQAO scores for Grade 6 in reading and writing have remained below the provincial average, while math scores remained at the provincial average from 2002-06, but have slipped below the average since then.

The school board's Grade 9 EQAO results remain at or just below the provincial average, and it is the same case for the Ontario Secondary School Literacy Results. The following charts show the school board's EQAO results over the last eight years.



1.4 Fiscal Overview

The school board has presented balanced budgets to the Ministry.

The school board has been actively monitoring its ability to finance its capital commitments. The school board has completed its Capital Liquidity template, which demonstrates that its existing capital debt is fully funded.

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

Summary Financial Data (Revenues)

Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Legislative Grants	\$118,344,728	\$122,462,908	\$124,160,149
Local taxation	\$31,827,264	\$31,624,665	\$32,288,261
Board Revenues	\$5,376,452	\$5,373,137	\$4,479,592

Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Other Operating & capital Grants	\$3,714,688	\$4,740,225	\$11,217,108
Total Revenues (Schedule 9)	\$159,263,132	\$164,200,935	\$172,145,110

Summary Financial Data (Expenditure)

Expenditures	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Operating expenditures	\$153,067,110	\$155,688,724	\$161,380,287
Capital expenditures - Before transfers from reserves	\$5,205,183	\$4,950,331	\$13,125,218
Transfer to (from) Reserves	\$990,840	\$3,561,884	-\$2,360,391
Total Expenditures	\$159,263,133	\$164,200,939	\$172,145,114
In-year Surplus (Deficit)	\$0	\$0	\$0

School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Retirement Gratuities	\$1,505,242	\$1,505,242	\$1,505,242
Reserve for Working Funds	\$7,175,721	\$9,820,206	\$6,124,174
Student Success and FNMI	\$263,583	\$241,604	\$43,245
Pupil Accommodation Debt Reserve	\$440,528	\$1,356,406	\$915,878
Total Reserve Funds (Schedule 5)	\$9,385,074	\$12,923,458	\$8,588,539
Reserve for Classroom Expenditures	\$1,832,800	\$1,832,800	\$1,832,800
Special Education Reserve	\$497,362	\$275,258	\$221,331
Proceeds of Dispositions Reserve- School Buildings	\$0	\$141,364	\$141,364
Energy Efficient School - Operating	\$0	\$226,532	\$0
Energy Efficient School - Capital	\$0	\$557,622	\$3,735,740
Total Deferred Revenues (Schedule 5.1)	\$2,330,162	\$3,033,576	\$5,931,235

School Board Reserve and Deferred Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Total Board Reserves and Deferred Revenues	\$11,715,236	\$15,957,034	\$14,519,774

1.5 Key School Board Statistics

The following table highlights key statistics for the school board. It suggests among other things that the school board has been experiencing declining enrolment since 2002-03.

Day School Enrolment

Day School Enrolment	2002-03 Actual	2009-10 Rev. Estimates
Elementary Day School ADE	9,576	8,173
Secondary Day School ADE	5,953	5,539
Total Day School Enrolment	15,529	13,712

Primary Class Size

Primary Class Size	2003-04	2009-10
% of Classes 20 or fewer	54%	95%
% of Classes 23 or fewer	74%	100%
Average Class Size - Jr/Inter	25.37	24.61
% of 3/4 Classes 23 & Under	30%	100%
% of Combined Classes	19%	33%

Staffing

Staffing	2003-04	2009-10
School Based Teachers	951	996
Teacher Assistants	80	129
Other Student Support	97	132
School Administration	56	57
School Clerical	57	72
School Operations	160	176
Other Non-Classroom	35	43
Total Staffing	1,436	1,605

Staffing	2003-04	2009-10
Teacher - Pupil Ratio	1:16	1:14
FTE Staff per 1,000 Pupils (ADE) ¹	92.5	117.1
Total Salary & Benefits as % of Net Operating Expenditures	75.5%	81.4%

Special Education

Special Education	2003-04	2009-10
Special Education Incremental Expenditures	\$12,415,016	\$20,005,903
Special Education Allocation	\$14,054,367	\$19,951,976
Spending above Allocation (Reserve)	-\$1,639,531	\$53,927

School Utilization

School Utilization	2003-04	2009-10
Number of schools	55	48
Total Enrolment (ADE)	15,529	13,712
School Capacity (Spaces)	22,151	19,624
School Utilization	70.1%	69.9%
Board Area (Km ²)	13,390	14,757
Number of Trustees	9	10

¹ Note: Impacted by Class Size and Special Education

2. Governance and School Board Administration – Findings and Recommendations

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

Governance and school board administration processes are reviewed to:

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

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

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

Establishment of an Effective Governance Model

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The school board's governance model clearly delineates the division of duties and responsibilities between the board of trustees and the director of education to support an effective working relationship. The governance model reflects the roles and responsibilities mandated by the <i>Student Achievement and School Board Governance Act</i> , Bill 177.	No

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

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees, using a consultative process, develops and communicates a multi-year strategic plan that includes both academic and operational priorities and provides a framework for annual planning.	Yes
The director of education develops an annual operating plan of the goals/priorities, incorporating both academic and nonacademic departments. The plan is aligned with the Board's multi-year strategic plan and has goals that are specific, measurable, achievable, relevant and timely. Staff are assigned goals for which they are accountable.	Yes
The director of education periodically/annually reports to the board of trustees on the status and outcomes of the board strategic plan and annual operating plan.	Yes

Decision-Making Processes

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees and the director of education have appropriate processes in place for decision making.	Yes
The board of trustees and the director of education have appropriate processes for the establishment and regular maintenance of policies and administrative procedures for the efficient and effective operation of the board.	Yes

Organizational Structure and Accountability

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The organizational structure has clearly defined organizational units that delineate roles and responsibilities, minimize administrative costs and ensure effective and efficient operation.	Yes
A departmental organization chart (supplemented with a directory of key staff contact information) is publicly available on the board's website.	No

Succession and Talent Development

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
As part of the Ministry's Ontario Leadership Strategy, the director of education, with support from HR, has established a formal Succession and Talent Development Plan to build and sustain leadership capacity.	No

Stakeholder Engagement

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

Establishment of an Effective Governance Model

The governance structure of the Rainbow District School Board is supported by nine elected trustees and one student trustee. The Operational Review took place one month before the October 2010 school board elections, which presents the potential for new members of the Board.

At the time of the review, the working relationship between the Chair of the Board (the Chair) and the current board of trustees (the Board) was collegial. The current working relationship between the Director of Education and the Chair was reported by both as being collegial and collaborative.

The school board's governance model aims to separate accountability for policy from that of operations. This model is supported by a set of by-laws which define the roles of

the trustees, the duties of the Board Chairperson and Vice-Chairperson, and Board meeting protocol. By-laws also include procedures regarding Board meeting agenda development, conflict of interest regulations, a code of ethics/conduct, as well as protocols for *in-camera* and electronic meetings and committee regulations.

The Board, however, has not fully incorporated the key elements of the *Student Achievement and School Board Governance Act*, Bill 177 into school board policy. Bill 177, which came into force on December 15, 2009, clarifies in legislation the roles and responsibilities of school boards, trustees, Board chairs and Directors. The school board should review its governance model and update it to reflect the roles and responsibilities mandated by Bill 177. The Ministry would provide any additional support in this area at the request of the school board.

It was noted during the course of the on-site operational review, the Board's current level of involvement in the operational aspects of the school board. There has been long-standing trustee involvement in the hiring of school board staff other than the Director as well as the practice of the Board receiving a report on staffing changes and leaves of absence for trustee discussion and formal Board approval. Trustees also have direct involvement in all labour negotiations.

The school board is scheduling a presentation from a law firm for the trustees. The presentation will focus on the roles and responsibilities of the Board and the Director of Education (as required by Bill 177) to support effective governance. In this regard, the school board should move forward with its planned by-law refresh and third party governance consultation.

The Board works directly with the senior administration team through the committee structure. In addition to the Committee of the Whole, the school board has a number of committees, including:

- Policy and Finance Committee
- Negotiating Committee
- Supervised Alternative Learning for Excused Pupils (SALEP) Committee
- School Year Structure Committee
- Special Education Advisory Committee (SEAC)
- First Nations Advisory Committee
- Parent Involvement Committee

- Accessibility Planning Committee
- Discipline Committee
- Ontario Public School Boards' Association (OPSBA) Representative
- Student Trustee Advisory Committee
- Environmental Education Committee
- Audit Committee

Principally, the main committee used by the Board is the Policy and Finance Committee, which includes all Board members. This committee is used to discuss in detail (and if required *in-camera*) Board policies or details of staff proposals. The detailed work of the Policy and Finance Committee permits focused discussion and deliberation at the Board meeting.

Since the Director is new to his role, no formal performance appraisal has been completed. The Board maintains a process of evaluation for the Director based on the Ontario Leadership Framework that is administered by the Chair, as had been used to evaluate the previous Director.

Development of the Board's Strategic Directions/Plan

The school board is currently operating under its strategic plan developed for the current school year. The strategic plan was originally developed in consultation with principals, managers and SOs, and focused on the three priorities highlighted below. Under each of the school board's three strategic priorities are a number of goals which are both academic and non-academic in nature are updated on an annual basis. An outline of the strategic plan is as follows:

PRIORITY 1: Ensure Success for All Students

- Literacy
- Numeracy
- Pathways
- Community, Culture and Caring

PRIORITY 2: Ensure Efficient Business Management

- Governance and School Board Administration

- Human Resources Management and School Staffing/Allocation
- Financial Management
- School Operations and Facilities Management

PRIORITY 3: Promote Succession Planning and Talent Development

- Talent Development Strategy
- Professional Learning for Aspiring Leaders
- Selection Process
- Professional Learning for New Principals/Vice-Principals
- Professional Learning for Experienced Principals/Vice-Principals

The strategic plan includes both academic and non-academic goals and action plans. As a result, the school board's annual operating plan is not only drawn from the strategic plan, but included in the same document. During the development of the annual operating plan, input is sought through budget proposals, and priorities are determined by consensus through the senior administrative team, which vets submissions. In-year progress is tracked against the strategic and operating plans by senior members of school board administration. The Director is responsible for oversight of all academic activities, while senior operational managers oversee their day-to-day activities ensuring alignment to the operational plan.

The annual operating plan is shared and reported to the public, stakeholder groups and the Board in general terms. When operating plans (including key school board initiatives) are finalized by senior administration, they are posted to the school board's website, shared directly with the unions, and distributed to all Board members and committees. Measurement is done through a school board report card which shows those initiatives that have been achieved and those which may need to be re-examined. Some of these results are shared publicly through school board newsletters.

The school board's current strategic plan identifies high-level priorities, and provides tactical details regarding annual operational goals. Operational goals are reassessed and re-established on an annual timeline that mirrors the budget development schedule. Both the high-level strategic and the detailed operational aspects of the current strategic plan support the school board planning process. However, the school board should separate the two levels of detail into a high-level multi-year strategic plan that can be refreshed on a multi-year cycle, and a detailed operational plan (supported by departmental operations plans) that can be maintained on an annual basis. Additionally,

the development of the multi-year strategic plan should more formally include trustee participation.

The review also noted that although each goal in the current strategic plan is well articulated and responsibility has been clearly assigned to key staff members, the school board has not associated the timelines for completion or the indicators of success for all of the goals in the plan. This information currently resides in an online portfolio management tool that all operational departments use to track and report on annual goals and priorities. The school board should ensure that the addition of this combination of timelines and outcome measures are reflected in the plan, to support the board's effort to ensure accountability in achieving and reporting results.

At the time of the review, the school board noted it will refresh the strategic plan and planning process beginning in January 2011.

Decision-Making Process

The Board's process for agenda-setting and decision-making is formalized, and incorporates both student achievement and operational performance topics. Agenda items are considered at an agenda-setting meeting two weeks prior to the Board meeting. The Chair, Vice-Chair, Director and SBO prepare and review the draft agenda. Managers are aware of the reporting schedule of supporting documents of issues being considered at Board meetings, so that material is prepared in advance. Most topics advanced to the Board agenda originate from the Policy and Finance Committee. The Policy and Finance Committee considers and discusses issues in detail prior to transmittal to the Board. The committee's membership includes the Director, SBO and all trustees.

As previously noted, some items brought before the Board for formal approval are not aligned with the school board's governance model or the requirements of Bill 177. In some cases, formal Board approval is not required (nor is it practical) because the changes have already been implemented by senior staff. This is especially true in the example of Board approval of the staffing changes report. Although these reports are presented to the Board for formal approval, often the staffing changes have already taken place the month previous to the meeting. In this regard, the school board should examine, as part of a governance policy review, those items currently presented for approval which can be removed from the Board's agenda.

Trustees receive a meeting agenda and related information in advance of Board meetings, with sufficient time for its review. Regulations concerning procedures and protocol for agenda setting are included in *Board Governance By-Law 6: Agendas*.

The school board has appropriate processes in place for the establishment and regular maintenance of policies and administrative procedures. Policy review and supporting

operational guideline review processes are documented and scheduled. Staff are assigned the responsibility for the maintenance of policy or procedures. This process is coordinated by the Director's office, which has responsibility for the central policy review schedule. Staff who have responsibility for policy/procedural review and refresh are ultimately accountable to the Director. Policy review is part of the mandate of the Policy and Finance Committee, and is a standing item on its agenda each month.

Organizational Structure and Accountability

The school board's administrative functions are divided among the SBO, four Superintendents of Schools, and a Corporate Communications and Strategic Planning Advisor. These staff report to the Director of Education, and maintain separate and distinct portfolios. The SBO oversees all operational functions, including HR, finance, plant and Information Services (IS). The Superintendents of Schools each manage academic programming, as well as elementary and secondary school portfolios.

The school board is working to update its organizational chart to include recent changes in senior administration. The chart should be posted on the school board's website. The school board's website currently provides a directory of senior administration, including general contact information.

Succession and Talent Development

The school board has adopted components of a succession and talent development plan, to build and sustain leadership capacity across multiple staff functions. These include multiple strategic projects related to employee growth and development. The school board maintains a two year future leaders training program which is open to staff from both academic and non-academic functions.

The school board has created informal SO mentoring programs for principals and vice-principals. Mentorship is provided on an academic project-basis, where interested principals and vice-principals are able to support school board-wide programs led by superintendents. This approach encourages knowledge transfer and provides principals and vice-principals with hands-on exposure to senior level experiences and responsibilities. Succession and talent development at the operations administration level is monitored closely. The school board has deliberately created assistant manager positions for each of the business functions, to support day-to-day management. This also enables informal knowledge transfer and skills development for those assistants interested in progressing to more senior roles.

The school board should formalize its succession and talent development plans, and expand existing programs. Current initiatives and future improvements should be consolidated and focused in a single succession and talent development plan. This will help build and sustain leadership capacity across the school board.

Stakeholder Engagement

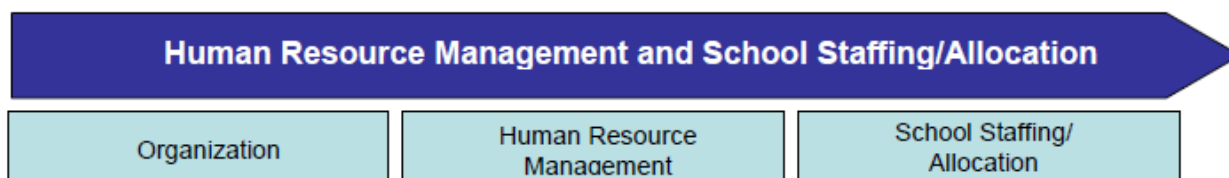
As per Board by-laws, the Chair is the official spokesperson for the school board. The school board's Corporate Communications and Strategic Planning Advisor reports to the Director, and is ultimately responsible for school board communication with internal and external stakeholders. The Board's Policy and Finance Committee communicates all new policies and changes to existing policies publicly for comment, one month prior to the changes being presented as a notice of motion to the Board. Some stakeholder groups receive communications regarding new or changes to policy, including parent involvement committees, First Nations, Special Education Advisory Committees (SEAC), school councils and unions. These communications opportunities permit direct public input into any proposed policy changes at the school board.

Members of the senior administrative team and the Board are actively involved at various provincial forums, including membership in the Ontario Association of School Business Officials (OASBO), Ontario School Boards Insurance Exchange (OSBIE), Council of Directors of Education (CODE), Ontario Public Supervisory Officers Association (OPSOA), Ontario Public School Boards' Association (OPSBA), and mentoring through the Ontario Principals' Council, among many others. Participation in these associations helps ensure that the school board can incorporate best practices from across the sector.

Recommendations:

- The school board should develop a formal governance policy that clearly delineates the division of duties and responsibilities between the board of trustees and the Director of Education. The school board's governance model should reflect the roles and responsibilities mandated by the *Student Achievement and School Board Governance Act*, Bill 177.
- Management should post a departmental organization chart on the school board's website.
- The school board should establish a formal succession plan which includes plans for senior staff in both academic and non-academic functions to help build and sustain leadership capacity.

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



Effective management of human resources ensures an adequate number of qualified staff throughout the organization can perform their prescribed duties. Policies and procedures to develop staff are in place, through performance appraisals, professional development and support services. Staff allocations to schools and classrooms meet the Ministry's class size requirements, and are congruent with the board's collective agreements and allocation models.

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

3.1 Human Resource Organization

The review of the organization of the HR department assesses:

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

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

Development and Reporting of Annual Goals and Priorities

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

Organizational Structure and Accountability

Leading Practices – Human Resource Organization	Evidence of Adoption?
The HR department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available to the public.	No
Senior HR staff have appropriate designations (e.g., Certified Human Resource Professional) and/or experience.	Yes

Monitoring and Communication of Policies

Leading Practices – Human Resource Organization	Evidence of Adoption?
HR management has processes in place to monitor HR policy compliance by all staff and management.	Yes
HR management builds staff capacity in understanding of HR policies and administrative procedures.	Yes

Development and Reporting of Annual Goals and Priorities

The HR department develops an annual operating plan that aligns with the school board’s overarching strategic plan. Through the use of web-based data management software, the departmental plan includes deliverable actions, team lead, timelines, resources/budget assignment, and the status of each action. The goals and priorities are developed by staff and senior administration, with consideration given to new Ministry initiatives and timelines.

Supplementing its operational plans, the department maintains calendars outlining yearly and monthly departmental processes. Many processes undertaken in the department are transactional in nature, and require similar steps year to year. Departmental calendars allow clarity in those yearly processes, and provide steps to accomplish associated goals.

When the HR department undertakes one-off, non-transactional projects, they are included in the department's annual operating plan, and have specific implementation and project timelines associated with each project. For example, the department successfully implemented an attendance management system in 2007. It is planning to follow up with a wellness strategy for the school board and a new pay evaluation system for non-union employees. For these initiatives, the school board uses detailed project management processes, tied to the overall school board strategic plan and departmental operating plan. The department reports to senior administration on these projects, but not to the Board.

HR duties are managed internally, with no functions outsourced. The department maintains strong knowledge of systems and processes used across the school board, as department employees in many cases have experience working in other areas of the school board.

Organizational Structure and Accountability

Led by the Human Resources Manager, the HR department is supported by eight staff. The HR department is composed of an assistant manager, benefits clerk, HR clerks, HR administrators and a HR assistant. The HR department's job descriptions are accurate and up-to-date. The current structure of the HR department is detailed in an internal organizational chart. It is not included on the school board's website, and the website does not list contact information for key HR staff. Departmental staff are qualified through a combination of professional designations and certifications, including the Canadian Human Resources Professional (CHRP) and work experience. Management should post contact information for key HR department staff, as well as a related organizational chart, on the website.

Monitoring and Communication of Policies

The HR department centrally administers the school board's staff recruitment and staff allocation. The department is also responsible for the monitoring and maintenance of policies, including: Leaves of Absence, Lunchroom Supervision, Principal Absences, Travel Allowance for Interviews, and Employee Assistance Program, among others. New policies and procedures are communicated to staff through various means, including regularly scheduled principals meetings and memos from the Director's office. The department has implemented innovative technologies, through the direction of the Information Services department, and procedures to facilitate the delivery of HR and

other services across the school board. An example of this is the use of digital technologies to facilitate professional development for specific staff groups.

Recommendation:

- Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the HR department and lines of reporting.

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 and hiring of the appropriate number of qualified staff to support the board’s goals;
- Appropriate processes are in place to promote the personal and professional growth of all staff;
- Adequate systems and procedures are in place to manage employee compensation plans, labour relations, employee performance and attendance, and other support services to foster employee satisfaction;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes can be identified.

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

Staff Recruitment/Hiring

Leading Practices – Human Resource Management	Evidence of Adoption?
Recruitment policies and administrative procedures are reviewed annually, and are aligned with staff planning to support student achievement. Trustees do not sit on hiring panels (exception: hiring the director of education) but provide policies to govern staffing and recruitment.	No
Processes are in place to identify and remove discriminatory biases and systemic barriers in staff recruitment, selection, hiring, mentoring, promotion and succession planning processes. The school board conducts employment system reviews and works towards broadening the diversity of recruitment pools.	Yes

Leading Practices – Human Resource Management	Evidence of Adoption?
The hiring policies and procedures for the respective staff groups are harmonized and shared with managers throughout the school board.	No

Labour Relations

Leading Practices – Human Resource Management	Evidence of Adoption?
The director of education and the board of trustees have established labour/management committees.	Yes
Trustees provide the school board's policy and priority framework within which bargaining takes place.	No
HR management has established policies and procedures to minimize grievances.	Yes

Employee Performance Evaluation Processes

Leading Practices – Human Resource Management	Evidence of Adoption?
HR management has policies and procedures for an employee evaluation/performance system for all staff.	No
HR management maintains and communicates formal disciplinary policies and procedures for all staff.	Yes
The HR department actively supports the professional development activities of the school board.	Yes

Attendance Support Processes/Programs

Leading Practices – Human Resource Management	Evidence of Adoption?
The school board maintains appropriate processes and systems to monitor staff attendance on a timely basis.	Yes
The school board has an attendance support program that is documented and includes approved policies and procedures for minimizing the cost of absenteeism.	Yes
Management periodically reports on the effectiveness of attendance support processes/programs to senior management and the board.	No

Management of HR and Payroll Data

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

Management of School Board's Benefit Plans

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

Monitoring Staff Satisfaction

Leading Practices – Human Resource Management	Evidence of Adoption?
Confidential staff satisfaction surveys are performed periodically.	No
Confidential exit interviews are performed for all staff who resign, take early retirement or transfer.	No

Staff Recruitment/Hiring

The school board has begun to focus its HR efforts on ensuring a clearer alignment of its workforce to the student populations it serves. As such, the school board is now concentrating on increasing the number of First Nations staff, in both academic and non-academic areas. The school board's recruitment procedures are managed by HR.

Although recruitment policies and procedures are not documented, the school board has focused its recruitment activities on specific areas, rather than pursuing a broad

approach to recruitment as it had done in the past. Teacher recruitment efforts take advantage of long-standing relationships with colleges and universities in the region.

HR has also recently taken on a more direct role in the recruitment of plant department staff, to ensure consistency in the recruiting process. The school board should ensure hiring and recruitment policies and procedures for the respective staff groups are harmonized, and shared with managers throughout the school board. This will help ensure transparency and consistency in the recruitment process. These practices would cover organizational objectives, personnel policies of the organization, preferred sources of recruitment, the needs of the organization, recruitment costs and financial implications.

The school board maintains processes to identify and remove discriminatory biases and systemic barriers in staff recruitment, selection, hiring, mentoring and promotion. Teacher hiring is done through a randomly selected team of principals, which minimizes the ability of one individual to influence the process. Vacant principal, viceprincipal and teaching positions are documented and made public. They are also published in a brochure and advertised in local newspapers. Processes for hiring long-term occasional teachers and adding teachers to the school board's occasional teaching list are outlined in collective agreements. Regional and demographic challenges faced by the school board result in the use of retired teachers, although principals are encouraged to hire new teachers to provide them with experience.

The school board maintains a process to ensure appropriate individuals are chosen for principal positions, including screening of applications by academic superintendents, site visits, and a second screening of resumes by senior administration. A short list is submitted to interviews teams, which include trustees. Principal interview teams consist of the Director, two SOs and all trustees who wish to take part. As a result, upwards of 11 people can be part of interview panels.

The Director should review the composition of its interview panels, and develop formal hiring policies and procedures to clarify the roles of trustees and school board staff. Trustees should provide strategic policies to govern staffing and recruitment, but should not sit on hiring panels with the exception of hiring the Director.

Labour Relations

HR management and senior administration have established a number of labourmanagement committees that meet regularly with terms of reference outlined in collective agreements. These committees are composed of members including, but not limited to, HR department employees, the manager of plant, senior administrative team members, union representatives and trustees. The labour-management committees represent the collective bargaining units of the school board. They are:

- Elementary Teachers' Federation of Ontario (ETFO) Rainbow Teachers' Local Joint Committees
- ETFO Rainbow Occasional Teachers' Local Labour Management Committees
- Ontario Secondary School Teachers' Federation (OSSTF) District 3, Secondary Teachers Management Liaison Committee
- OSSTF District 3, Occasional Secondary Teachers Management Liaison Committee
- OPSEU Local 614, Educational Assistants and Communicative Disorder Assts Employee Relations Committee
- OSSTF District 3, ESSU (Office, Clerical and Technical Staff) Employee Relations Committee
- OSSTF District 3, Professional Services Services Personnel (PSSP) Employee Relations Committee
- Canadian Union of Public Employees (CUPE) Local 895 (Custodial and Maintenance Staff Joint Consultation Committee)

The school board maintains a strong, open relationship with its unions. In the first few months in his role, the Director has focused on establishing relationships with unions through meetings and discussion with union representatives. The school board should continue with its collaborative and collegial approach to labour relations. The school board's collective agreements lay out processes to be followed in the case of grievances. HR management has established procedures to help minimize grievances although attempts are always made to informally settle the dispute.

The HR manager is the co-lead (along with a member of the Administrative Council) in all labour negotiations. Trustees are also directly involved and engaged in negotiation of collective agreements. It is recommended that trustees provide the school board with a policy and priority framework for bargaining, and not play a direct role in negotiations.

Employee Performance Evaluation Processes

Performance evaluation processes are in place for all academic and most nonacademic staff, although the HR department has yet to develop a formal policy or procedure for all staff groups. Office clerical staff, for example, are evaluated once within the first year of employment, and once every three years thereafter. Specific job descriptions exist for all managerial staff. Meetings are held with the SBO every two weeks, and there is no formal performance evaluation process in place to evaluate managers. Similarly, there

are no formal job performance processes in place within the business departments for most positions.

Existing evaluations are tracked through the school board's electronic employee management system and new notations are reported to the Ontario College of Teachers on a timely basis by the Director. Superintendents are informed if an employee is receiving an unsatisfactory job performance evaluation, and will help coach the employee. The department should expand formal performance evaluation guidelines and processes for all staff, including annual learning plans, minimum training hours, and an in-depth supervisory training program for all managers of administrative functions.

The school board uses progressive discipline processes for all employees, a process that has historically been centralized in the Director's office. The school board is now moving to delegate some of the responsibilities of progressive discipline to the SOs. In the case of dismissals, the Director is always informed and consulted prior to action being taken.

Professional development (PD) planning and delivery is not centralized in one department, but is managed by a number of departments and superintendents. PD is provided for most employee groups and is tied to school board priorities. Superintendents help principals manage academic staff PD schedules by providing monthly snapshots of training and required PD milestones, while HR coordinates support staff PD. The business departments manage their own PD internally.

Since there are challenges providing consistent PD plans to a diverse staff, the school board uses a template to help plan staff PD on an annual basis, and uses surveys to evaluate some PD activities. The school board works with local service providers to help provide PD programs to some staff. Staff are involved in planning PD activities and take part in offering PD to fellow staff. Staff travel to conferences is supported through the Director's office, and some staff are permitted to participate in PD at conferences and external events.

Attendance Support Processes/Programs

The school board maintains a system to monitor staff attendance on a timely basis. An electronic system is used to keep track of attendance, and secretarial staff are responsible for inputting attendance information for individual schools. This is done at the school level daily or weekly, and board attendance statistics are uploaded into the system monthly. The business departments are responsible for inputting attendance management data into the electronic system. Occasional teacher attendance is recorded using time sheets. This information is entered into the electronic attendance management system by payroll clerks. The school board has minimized the number of absence codes to ensure the integrity of the reporting system.

The school board minimizes absence costs using a number of processes, including personal sick day call-ins, and return-to-work programs. Employees must call their principal personally when they will be absent. The principals are then responsible to find a replacement teacher from a list of qualified candidates. The school board has considered automation of its attendance callout systems, although staff find the flexibility and the personal connection of the present system very efficient.

Principals are responsible for managing staff absenteeism at their school, and HR is only involved at a principal's request. Staff absent for five days require a doctor's note, and after one month a second doctor's note is required. Once the second doctor's note is received, HR contacts the staff member with the assistance of the Ontario Teachers Insurance Plan (OTIP) to attempt an "early intervention" to try and determine how to facilitate their return to work. After two months absence, a standard functional capabilities form, completed by a doctor, is required from the staff member. This form helps identify potential opportunities for the staff member to return to work, including explicitly stating whether they are able to return on a modified work schedule for one or more days per week.

The school board is also taking preemptive measures to help minimize workplace absences with a report being developed by a physiotherapist who treats injuries sustained by plant department employees. The physiotherapist suggested to management that he was seeing very similar injuries, often caused by repetitive strain, and will include in the report ways to avoid such injuries by helping employees change work practices.

While the HR department produces site-based reports on attendance trends for principals, managers and senior administration, these reports are not shared with the Board. The school board should ensure it periodically reports on the effectiveness of its attendance support programs to the Board, to ensure transparency and awareness of the results of the programs.

Management of HR and Payroll Data

The school board's payroll processing is segregated from its employees' data records. The systems are separated by department and program login function, and as such the separation of the systems is adequately controlled. All full-time school board and part-time staff are enrolled in a direct deposit system.

The HR manager is responsible for position classification. New hires to the school board are required to produce necessary employment certification for classification. The department synchronizes these teacher qualifications in February with the Ontario College of Teachers database. The HR department administers a pay equity plan for all employees, and there are presently no outstanding grievances related to pay equity.

Management of the School Board's Benefit Plans

The school board has developed procedures to ensure its benefit plans are managed appropriately. Benefit plans and rates are virtually the same across all groups, although each agreement is negotiated separately. The SBO and Director are provided with yearly updates regarding costs associated with benefits plans. Benefits costs are measured against other school boards to ensure cost effectiveness. Steps are taken to mitigate and contain benefits costs, including working with a vocational return-to-work coordinator that helps manage return-to-work and WSIB cases, capping benefit dispensing fees and adding a cost ceiling for some services.

Management has arranged for an independent compliance audit of the board's insurance carrier before the end of the calendar year. Until recently the board's HR department has conducted in-house spot audits of claims. Management should continue with its plans to conduct a third-party audit of the school board's insurance claims. This will ensure accuracy and validity of claims paid.

The HR system transmits employee and employer contributions to the Ontario Teachers' Pension Plan (OTPP) and the Ontario Municipal Employees Retirement Systems (OMERS), ensuring accurate and timely enrolment of all eligible employees.

Monitoring Staff Satisfaction

HR does not formally survey staff for feedback, or measure general attitudes regarding the level of satisfaction with the services of the HR department. The department has been offered results of surveys conducted on the topic by the unions. Management periodically conducts exit interviews for some departing staff and agrees that they have value. While the school board has a low turnover rate, practices such as staff surveys and exit interviews can provide management with valuable input for PD and policies that impact future employee relations. The school board should consider pursuing both practices.

Recommendations:

- The Director should review the composition of its interview panels, and develop formal hiring policies and procedures to clarify the roles of trustees and school board staff. Trustees should provide strategic policies to govern staffing and recruitment, but should not sit on hiring panels with the exception of hiring the Director.
- Management should document its current hiring practices and continue to work to harmonize them across departments.

- Trustees should provide the school board with a policy and priority framework for bargaining, and not directly participate in negotiations.
- The HR department should establish a formal employee performance appraisal process for management staff, superintendents and the Director of Education. The formal process should be supported by documented policies and procedures.
- Management should periodically report to the Board and senior management on the effectiveness of its attendance support program.
- Management should continue with its plan to conduct a compliance audit of the school board's insurance carrier to ensure adherence to the benefit plans terms and conditions. This will ensure accuracy and validity of claims paid.
- Management should conduct periodic and confidential staff surveys to improve communication with staff and provide input for professional development plans and HR policy.
- Management should consider conducting exit interviews with all staff leaving the school board to obtain input for HR policy, as well as process and program improvement.

3.3 School Staffing/Allocation

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

- Assess whether accurate and efficient processes are in place to forecast and plan for staffing needs to support student achievement target strategies;
- Ensure that staff optimization allocation processes are in place, supported by an effective attendance support 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.

Processes for Annual Staff Planning and Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
The school board's policies and procedures govern the development of an annual staffing plan and allocation process that reflects the priorities of the Board and Ministry initiatives.	No
The staff allocation process monitors adherence to key Ministry and board policy parameters, such as: class size, prep time, collective agreement requirements and other board directions.	Yes

Monitoring and Reporting on Staff Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Systems are in place and accessible by both HR and Finance staff to establish and track an approved level of staff.	Yes
Management periodically reports on the actual allocation of staff, compared to the original approved allocation plan and budget (FTEs by function, department and program, actual versus budget).	Yes
Procedures are in place to enable adjustment of staff allocations for school based staff, if estimates for enrolment and funding change after budget approval.	Yes
Management's plan for providing student support services and staffing is based on student-needs analysis.	Yes

Processes for Annual Staff Planning and Allocation

The school board's staff allocation is governed by collective agreements and relevant provincial legislation. The process is based on a number of factors, including enrolment projections, student need, class size caps, alignment with collective agreements, and resource and program needs.

The school board's staffing process is centrally coordinated through an academic superintendent and the manager of HR, although no formal written policy or procedures exist. Staffing levels for different staff groups are authorized by different departments and members of senior administration. The process begins with principals' enrollment predictions, which are entered into a web-based program by secretaries. This system allows immediate review by the finance and HR departments. The Manager of Finance reviews the projections and compares them to past year enrollment numbers. The projections are sent to superintendents for further scrutiny if required. Any major changes to projections will first involve consultations with the principal.

This bottom-up process has proven to be accurate in past, as most principal projections have been accurate within five to 10 students from the final enrollment numbers at the end of September. Once enrollment projections are finalized, the manager of HR determines teacher allocations and passes them on to principals to make arrangements to organize their schools.

The school board uses different processes to customized staffing allocations per group. The following details specific staff allocation processes for particular staff groups:

Academic Staff

Classroom teacher requirements are forecast based on enrolment projections, primary class size measures, and collective agreement parameters (e.g. prep time).

Principal and Vice-Principal Staffing

Principal and vice-principal staffing is based on school enrolment and operational needs. These allocations are reviewed annually.

Educational Assistants (EAs)

Allocations are based on special education funding and identified student need. Educational assistant allocations are reviewed by the Director in consultation with the superintendent of special education. HR tracks the allocation and deployment of EAs carefully throughout the year.

Secretarial Staffing

Secretarial staffing is based on Ministry funding, school enrolment, and school needs. The allocation is reviewed by HR.

Custodial Staffing

The allocation of custodial staff is based on square footage, and is not included in collective agreements.

Para-Professional Staff

Staffing allocation is based on the amount of available funding and needs of each department or system.

Non-union Board Staff

Staffing allocation is based on available funding and needs of each department.

The school board should formalize the processes that govern the development of its annual staffing plan and allocation process, to reflect the priorities of the Board and Ministry initiatives. Components of such policies and procedures exist, and they should be formally documented.

Monitoring and Reporting on Staff Allocation

Staffing levels are consistently monitored by the school board, and processes are in place to ensure appropriate allocations. Early in-year checks are completed in the beginning of September, as teachers must submit class size reports and principals submit teacher allocation details. The information is reviewed centrally and corrections to allocations are made by the end of the month. Reports regarding teacher allocation at the secondary level indicate all class size piercings (when class sizes supersede collective bargaining maximums), which require reduction in class sizes if possible. Unions are included when resolving situations where class size piercings cannot be adjusted.

The allocation continues to be monitored throughout the school year by an academic superintendent and the HR manager, particularly in secondary schools at the beginning of second term. Any material differences in actual versus predicted allocations are reported to senior management. The school board does have procedures to correct inconsistencies if material issues present themselves, and will often adjust teacher numbers using early retirement or staff transfers.

Management's plan for providing student support services and staffing is based on student-needs analysis with the help of student success teachers. The school board also uses the rate of early reading interventions to help predict longer term student support requirements.

Recommendation:

- The school board should implement policies and procedures that outline the annual staffing plan and allocation process and reflect the priorities of the Board and Ministry initiatives.

4. Financial Management – Findings and Recommendations



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

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

4.1 Finance Organization

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

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

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

Development and Reporting of Annual Goals and Priorities

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

Organization Structure and Accountability

Leading Practices – Finance Organization	Evidence of Adoption?
The finance department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available.	No
Finance department staff have the appropriate finance/accounting designations and/or experience.	Yes

Monitoring and Communication of Policies

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

Development and Reporting of Annual Goals and Priorities

The department develops an annual departmental plan, with clear goals and priorities aligned to the school board’s strategic goals. The plan includes detailed actions, accountabilities, timelines, and is managed through the school board’s electronic project management system. Progress against the department goals is managed and monitored in monthly or bi-weekly departmental meetings. Progress against the plan is reported through the SBO to the Director. Some of the projects in the plan are reported to the Policy and Finance Committee by senior administration.

The department's goals and priorities are developed annually by the SBO and Manager of Finance. Goals and priorities are discussed with all principals at the annual leadership conference in August. Much of the department's work is driven by Ministry reporting cycles; this creates a predictable annual cycle for the department to follow.

Organizational Structure and Accountability

The finance department reports to the SBO. The department has clearly defined job roles and responsibilities, including required qualifications. The school board's website provides contact information for the SBO, but does not list contact information for other key finance department staff. Management should consider providing contact information for key department staff, as well as post the departmental organization chart on the school board's website.

Monitoring and Communication of Policies

The department is responsible for developing finance and administrative practices, including: transfer of funds, receipt request, petty cash, mileage claims, and HST rebates, among others. The department builds an understanding of finance policies and procedures, training new employees on financial systems and policies at the time of hire through the school board's two-day new staff training program. Principals are updated on changes in policy at regularly-scheduled principals' meetings. The department does not have a standing agenda item on the principal meeting agenda but departmental priorities are added when needed. Principals are crucial to ensuring compliance, and work with the department to provide oversight and monitoring of policy compliance.

Recommendation:

- Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the Finance department and lines of reporting.

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 documented, transparent, clearly communicated and incorporates input from all key stakeholders including management (with principals), board of trustees and the community, and supports the school board’s strategic and operational plans.	Yes
Management has adopted an integrated (at school board and school levels) approach to enrolment forecasting that drives the budget process.	Yes
Budget development processes account for all required cost and revenue changes.	Yes
Staffing costs are compared with similar school boards and the funding model to ensure efficient use of resources.	Yes

Risk Mitigation and Board Approval

Leading Practices – Budget Planning and Development	Evidence of Adoption?
Management identifies and documents all significant risks during the budget planning process and develops strategies to mitigate the risks of spending beyond authorized/budgeted levels.	No
The annual budget presented for approval demonstrates that it is linked to the board-approved goals and priorities including student achievement targets. It provides useful and understandable information for all stakeholders.	Yes

Annual Budget Development Process

The school board maintains an annual budget development process that is transparent, clearly communicated, and incorporates input from key stakeholders. The budget development process is submitted to the Policy and Finance Committee for approval in November. The process begins with a request for budget proposals in January that is sent to all departments and stakeholders, including unions and school councils. Completed budget proposals are due to be submitted to the SBO by the end of January.

Management has adopted an integrated approach to enrolment forecasting that plays a central role in the budget process. Principals are required to prepare enrollment forecasts, which feed into and inform the budget development process. This allows senior administration to make accurate projections regarding Ministry funding for the coming year. One-year and 10-year enrolment projections are developed annually. Projections have historically been accurate. Senior Administration is working with principals to project enrolment in a declining enrolment environment.

Senior administration maintains awareness of all external factors or trends that might affect the budget development process, and discusses these factors in budget planning meetings. Budget proposals must demonstrate how they align with school board priorities before they are considered. All budget proposals are presented to senior administration for discussion and to decide which requests will be included in the draft budget. The draft budget is created using the finance department's financial management system.

The school board compares staffing costs with other school boards through Ontario Association of School Board Officers (OASBO) reports, as well as accounts for all cost and revenue changes year-over-year. When calculating budget estimates, management compares performance to past year estimates, as well as awareness of changing external factors affecting the school boards costs. Energy prices and consumption are very closely monitored and tracked for this reason.

A draft budget is presented to the Policy and Finance Committee for discussion in two meetings: one at the end of May and one at the beginning of June. At these meetings, trustees are given an overview of the draft budget and the status of various funding envelopes. They consider input from their respective communities, and will confirm a final recommendation to the Board. Meetings are attended by all managers who serve as resources and to provide details to the committee. The process of using the Policy and Finance Committee to discuss details of the budget ensures that the review and approval of the budget is straightforward and expedient. The presentation of the final budget to the Board is made near the end of June, to meet Ministry deadlines.

Risk Mitigation and Board Approval

As part of the budget development process, the department monitors key cost pressures. While these risks are noted and senior administration members discuss potential risks during the budget process, the department does not document the risks associated with budget planning, and does not develop formal strategies to mitigate these risks. Departments are not allowed to run deficits. Schools that are in a deficit position must provide the SBO with a deficit recovery plan for approval. These practices are not formalized in a single risk management policy or document. The department should consider consolidating key risks and mitigation strategies in a formal risk plan.

This risk plan would be documented, and presented to senior management and the Board as part of the budget development process.

Suggested enhancements to the budget risks reporting process:

The process of reporting on risk mitigation strategies varies significantly among school boards. An enhanced process would include formal documentation of the following elements:

At the beginning of the budget cycle:

- Identification of significant expenditures not explicitly included in the budget, but which may arise due to unforeseen circumstances.
- Assessment of the probability of occurrence for each budget risk, as well as a quantification of the impact to the budget, should the risk materialize.
- Proposed mitigation strategies to minimize the probability of occurrence for each risk, as well as contingency measures should the risk materialize.

Throughout the budget cycle:

- Periodic reporting of material budget variances that may negatively impact the financial outcome of the board (this may be communicated through the interim financial reports).
- An update on the probability of occurrence, quantification, and impact of each budget risk, identified formally at the beginning of the budget cycle.
- Any new budget risks.

The level of detail of the budget risk mitigation plan would depend on the preferences of management and the Board. At a minimum, it should include a summary outlining the above elements in table format. The periodic documentation of such information would give reviewers a better understanding of the school board's budget risks.

Recommendation:

- Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels.

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 receive 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 and Annual Financial Reporting

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Interim financial reports provide sufficient detail (including a comparison of actual to budget and year-to-date comparisons from previous years) for a clear understanding of the status of the current year’s budget and the outlook for the year.	No
Senior management is held accountable for the integrity of financial reporting through formal sign-off and approval procedures.	No
Management completes and files all financial reports in accordance with established timelines.	Yes

Audit

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

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

Integrated System for Variance Analysis and Financial Reporting

The school board uses an integrated financial and management system to record, track, and report financial data. General ledger, procurement, accounts payable, accounts receivable and payroll functions are part of the financial management system that is managed and serviced internally. New accounts in the system are managed by the department’s financial analyst with Manager of Finance approval. SOs are assigned and manage their individual cost centres.

Interim and Annual Financial Reporting

The school board completes and files all financial reports with the Ministry in accordance with established timelines, and does monitor financial reports on a regular basis. Year-end financial statements are approved by the Board. The Chair of the Board signs the Statement of Financial Position. The SBO and Director review and sign the financial statements prior to publishing.

The Director receives monthly reports that provide budget updates, including a yearto-date spend analysis of individual budget lines. These reports do not show a comparison to the previous year. The department should consider providing a minimum of three interim financial reports to trustees which would incorporate the recommendations made by the Interim Financial Reporting Committee (IFRC), released September 2009. Enhancements should include calendarized reporting, with historical expenditures as a benchmark for comparison. Ensuring financial reports provide detail over same period of the previous year will allow the school board to benchmark against itself. This benchmarking will ensure a clearer picture as to the school board’s financial performance year-over-year. Information on the IFRC report and templates is available on the School Business Support Branch website at <https://sbsb.edu.gov.on.ca>. Staff should also ensure interim financial statements are formally approved by senior management, to ensure the integrity of financial reporting.

Audit

The school board currently does not have an internal audit function in place. However, the finance department randomly audits its school-generated funds as well as

enrollment, to ensure transparent accounting from schools. A report of these findings is presented to the Board.

The school board is actively participating in the Ministry's regional audit initiative, which provides funding for some dedicated internal audit staff for the eight regions in the province of Ontario. The regional audit team will provide independent, objective assurance and consulting services designed to add value and improve the school board's operations. This internal audit initiative will help the school board accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

As part of this initiative, the regional internal audit manager will submit a summary of the audit plan (current year work schedule and multi-year plan), staffing plan and budget for the following fiscal year to the Director of Education, senior business official and audit committee of the Board. The school board should work with the regional audit team to ensure annual audit plans are clearly documented. Audit report recommendations should be followed up and acted upon by management. Audit plans should also be approved by the audit committee.

At the time of the Operational Review, the Board did not have an audit committee in place but was using the Policy and Finance Committee to discuss financial matters relating to the school board. Management was aware of the new Audit Committee Regulation and was planning to set up a separate audit committee with external members. The Audit Committee Regulation came into effect in September 2010 and requires the establishment of audit committees in school boards by January 31, 2011, following the fall trustee elections. The regulation sets out the following major aspects:

- appointment process for members
- requirement for external member participation
- term of appointment
- duties and powers of the committee
- reporting requirements
- deadline for the first audit committee meeting (March 31, 2011)

The school board should continue to become familiar with the new Audit Committee Regulation and the Ministry's internal audit initiative, including the establishment of regional internal audit teams and the development of a risk assessment to establish priority areas for internal audit activities.

The year-end audit findings report is presented directly to the Board by the external auditor. These presentations are supported by the SBO and manager of finance who are responsible for the response to the auditor's management letter. The Board should consider having the auditor present its findings to the audit committee, once it is established. The committee would then be responsible for presenting findings to the Board.

Recommendations:

- The department should consider providing a minimum of three interim financial reports to trustees which would incorporate the recommendations made by the Interim Financial Reporting Committee (IFRC).
- The school board should ensure interim financial statements are formally signed off by senior management to ensure the integrity of financial reporting.
- Management should continue working with the regional audit team on the development of a risk assessment to determine priority areas for internal audit activities.
- Management should work with the regional audit team to ensure annual audit plans are clearly documented. Audit report recommendations should be followed up and acted upon by management. Where management chooses not to implement an audit recommendation and to accept the risks associated with an audit finding, the justification should be clearly documented and agreed to by the audit committee.
- The Board should establish an audit committee and recruit external advisors to sit on the audit committee in accordance with the new Audit Committee regulation.

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 board;
- 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?
Existence of an efficient cash management process to maximize interest income, using short-term investments where appropriate and to ensure that the board’s debt service costs can be met to maturity.	Yes
Cash management activities are consolidated with a single financial institution where feasible.	Yes
Management periodically reports to the board on the performance of the investment activity and any board-approved investment policy.	No
Management periodically compares the school board’s banking terms and conditions to those of similar school boards.	Yes
Management monitors financial risk related to cash/investment management and has a plan to mitigate associated risks.	Yes

Cash and Investment Management

The school board’s cash management process is efficient, minimizing idle cash by monitoring daily cash flows against forecasts, and consolidating school board funds in one account. In the past, when there was more movement in market rates and levels of risk, the finance department made use of diverse investments.

The school board’s investment practices are not reported to the Board. The department is encouraged to develop an investment policy and report to the Board on the effectiveness of its policy. Under the current circumstances, this would help to demonstrate why investment opportunities (other than interest earned in the school board’s consolidated bank account) are not being pursued. Despite the absence of a formal investment policy and board reporting schedule, management actively monitors financial risk related to cash/investment management, and has a plan to mitigate associated risks in accordance with the limits set out in the Education Act.

The school board’s sinking fund (which predates the school board’s amalgamation) is fully funded. Transactional tasks such as bank reconciliations are prepared by a school board financial analyst, and cash flow is monitored by the manager of finance. The department rarely uses manual cheques, although a small supply of them is stored in a vault at the school board office.

Management has consolidated cash management activities for the school board with a single institution, and compares banking terms and conditions to those of similar school boards. While the school board encourages the use of its central banking institution, the lack of proximity to branches for some rural schools leads them to use different banks.

Recommendation:

- The school board should establish an investment policy. Management should periodically report to the Board on the performance of investments and explain its decisions (including not investing), in accordance with the investment policy.

4.5 School-Based Funds and Non-Grant Revenue Management

The purpose of reviewing school-based funds and 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 school-based funds and non-grant revenue;
- Assess whether internal controls exist to support appropriate cash handling and cash management;
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

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

The following table summarizes the leading practices defined for school-based funds and 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.

Management of School-Based Funds

Leading Practices – School-Based Funds and Non-Grant Revenue Management	Evidence of Adoption?
Management ensures adequate controls are in place to safeguard school-based funds and coordinate the annual reporting of revenues and expenditures from schools and school councils.	Yes

Management of Non-Grant Revenue

Leading Practices – School-Based Funds and Non-Grant Revenue Management	Evidence of Adoption?
Management ensures adequate controls are in place to safeguard non-grant revenue and coordinate the annual reporting of revenues and expenditures from all sources.	Yes
Board budget identifies revenue for each EPO program. Management monitors expenditures to ensure compliance with terms and conditions.	Yes

Management of School-Based Funds

Management ensures adequate controls are in place to safeguard school-based funds, and coordinates the annual reporting of revenues and expenditures from schools. The school board has implemented a web-based cash management system that facilitates online booking at individual schools. The program is controlled and monitored centrally and produces reports for the finance department. All schoolbased fundraising activities receive approval by school councils and superintendents. Principals are responsible to ensure funds are used for their intended purpose.

The school board provides oversight of school-based funds by completing random annual audits of school generated funds. As part of the audit, Financial Analysts review reconciliations which have been approved by principals. Schools are required to hold no more than \$300 on site. These funds must be kept in a locked and safe location with limited access, and all funds above \$300 must be deposited in the board’s bank account. These procedures are included in the school board’s “SchoolGenerated Funds and Cash Handling Procedures”, updated August 2010. The procedures document which staff are responsible for the management of funds, and mandate requirements for collection and storage of funds in a locked and safe location with limited access.

Management of Non-Grant Revenue

Non-grant revenue is received through international student’s tuition fees, First Nations tuition fees, interest revenues and facility rental. The school board is working to facilitate and safeguard non-grant revenue in a number of ways, including engaging its First

Nations trustee to help facilitate tuition payment plans for First Nations groups, as well using an online permitting system for facility rentals. The school board is also exploring the consolidation of fee collection for Early Learning Before and After school programs with its coterminous school boards.

EPO grant information is received through Ministry memos and reviewed by senior administration. Senior administration designates responsibility to budget holders, who are then able to begin planning for the year. EPO accounts are created once transfer payment agreements have been signed, and are included as part of monthly finance department reports which show EPO grant revenues spent to date. With the assistance of a financial analyst, SOs and budget holders are responsible for the management of their assigned grants. Through these and other controls, the school board is able to coordinate the annual reporting of revenues and expenditures from all sources.

4.6 Supply Chain/Procurement

The purpose of reviewing supply chain/procurement processes is to assess:

- Whether supply chain/procurement policies and practices comply with the Supply Chain Guideline (SCG) v.1.0 to ensure that the school board acquires goods and services through an open, fair and transparent process;
- Whether appropriate internal controls support the procurement and related payment process;
- Whether school board processes ensure 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 supply chain/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.

Policies and Procedures

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

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
In line with the SCG, approved procurement policies clearly outline circumstances under which the school board will use competitive versus non-competitive procurement methods.	Yes
Contract award criteria include elements other than the lowest cost, such as total cost of ownership, value, quality, vendor performance, etc.	Yes
Purchasing managers monitor purchasing activities for compliance with the Board's procurement policies and procedures, and the SCG.	Yes

Participation in Group Purchasing Initiatives

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
Management evaluate and develop strategies to increase purchasing power and minimize the cost of goods and services procured.	Yes
The school board actively participates in purchasing consortia/cooperatives and/or group buying initiatives.	Yes

Purchasing Levels of Authority

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
In line with the SCG, purchasing authorization levels are commensurate to job roles and responsibilities, and are monitored for compliance by a supervisor or department head.	Yes

Policies and Procedures for PCard/Corporate Card Use

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

Accounting for Completeness of Purchase/Payment Cycle

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
The school board's finance department performs three-way matching (purchase order, receipt/invoice and inspection) before invoices are paid.	Yes

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
Commitment accounting is in place to monitor budget utilization.	Yes
Management has implemented electronic supplier interface for ordering, processing and payment.	No

Use of Electronic Funds Transfer

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

Policies and Procedures

The school board has developed procurement guidelines, including a code of ethics that is aligned with the mandatory elements of the Supply Chain Secretariat's Supply Chain Guideline (SCG) 1.0. These processes were communicated through a formal roll-out to staff at a principal's leadership conference which included mandatory staff training.

In addition to lowest price, the school board considers its history with service providers, among other things. It does not, however, favour northern firms in awarding contracts. The school board ensures that vendor or bid evaluation and weighting criteria are clearly explained in all tendering documentation. A standard RFP template is used, with each RFP is tailored for particular services. The plant department coordinates with legal council to ensure appropriate contract language.

The school board suggests that sole sourcing can only be used in emergency situations, or when there is only one provider, as is the case with its financial management software. There are continuing efforts to expand the school boards VOR processes to ensure the efficient use of procurement resources. The internal financial system offers codes for products available under VORs. These codes are refreshed annually as new VORs established.

The school board has established its own policy on travel, separate from hospitality policies. These policies are standard for both staff and trustees. The assistant manager of finance monitors purchasing activities for compliance with the school board's procurement guidelines, and receives each requisition personally for approval. When exceptions occur, he follows up with individual employees who submitted the requisitions, and if further follow up is required he will consult with the manager of finance. The assistant manager completes monthly reviews of blanket purchase orders (POs), ensuring that they are all within cost.

Participation in Group Purchasing Initiatives

Management uses partnerships to increase purchasing power and minimize the costs of goods and services procured. The school board uses various purchasing cooperatives and consortia with its coterminous school boards for the purchase of internet access, and pupil, first aid, and phys-ed supplies. The Sudbury Regional Buying Group is used for fine paper, and the Educational Computing Network of Ontario for software, among others. The finance department also ensures bulk purchases are made when appropriate to take advantage of economies of scale and to help ensure the use of standard products across the school board.

Purchasing Levels of Authority

The school board maintains a supply chain management procedures manual which provides clear guidelines for all areas of purchasing, including competitive procurement and purchasing authority. The policy suggests that all budget holders must comply with a standard set of rules regarding purchasing. These are as follows:

All employees that are in a position of responsibility for a budget will:

- a) *Purchase at a fair price, any product or service with a value of less than \$5,000 before taxes.*
- b) *Obtain a minimum of three written quotations for a product or service with a value of \$5,000 and up to \$75,000.*
- c) *Advertise required products or services with a value above \$75,000 by public tender or proposal.*
- d) *Advertise through a nationally accessible electronic bulletin board such as MERX, products or services with a value of \$100,000 or more.*

The school board's financial management system allows limits to be placed on individual budgets so that accounts are flagged when they are nearing or exceeding budgeted limits. The system ensures employee expenses require supervisor approval.

Policies and Procedures for PCard/Corporate Card Use

PCards are used at all schools and in all departments, with roughly 250 in use at the school board. PCards are used for low value purchases, and may only be used to a maximum of \$1,000. Management reports that they account for roughly \$1 million in transactions per year, and that no corporate credit cards are used for travel expenses at the school board. Records of PCard transactions from the bank are forwarded to the PCard holder for review and confirmation, once complete records are loaded to the finance department's electronic financial management program for review by

management. Overall, PCard procedures and processes are efficient and well managed. However, the school board should consider performing a transaction/spend analysis of PCard and PO purchases. This would identify optimum purchasing threshold limits to maintain budgetary control, while efficiently managing PCard and PO use.

Accounting for Completeness of Purchase/Payment Cycle

Cheque requisitions and POs are used for the majority of purchases at the school board. The finance department makes use of a financial management system to ensure efficiency of its three-way matching process.

The process begins when a requisition is submitted electronically by an employee to their supervisor. Once a supervisor approves the requisition, it is forwarded to the assistant manager of finance for verification and approval. Once approved, the assistant manager of finance creates a PO in the department's financial management system. POs are dispatched automatically by fax to the supplier, emailed to originating schools/departments, and sent electronically to and printed by accounts payable. If applicable, often with school supplies, orders are consolidated by the assistant manager into bulk purchasing orders to make use of economies of scale.

Goods are drop-shipped to schools. Once received, orders are manually confirmed by the requester, matching the e-mailed copy of the PO sent to the school to the paper sign-off receipt received with the delivery. Confirmed receipts are sent to accounts payable for final matching against the invoice. Once matched, the electronic system is updated and payments are made to suppliers. Finance has tested completing three-way matching within the electronic financial management system although the process proved too cumbersome, and reports it will continue with its current manual process. The financial management system permits management to produce reports analysing variances and identifying POs that have not been matched.

Commitment accounting is in place to monitor budget utilization and is done through the school board's electronic financial management system. The system will send warnings when transactions may cause an over budget situation, but it will not stop the transaction. The SBO keeps careful watch over situations that may result in parent budgets exceeding their limits. To help improve efficiencies, the school board should implement and make greater use of electronic supplier interfaces for ordering, processing, and payment of goods and services.

Use of Electronic Funds Transfer for Greater Efficiency

The school board currently makes use of Electronic Funds Transfers (EFT) for payments in some frequent contracts with suppliers. It is reported that nearly 50 per cent of transactions use EFT. Management recognizes that additional EFT opportunities

should be explored to maximize efficiency within the finance department; they are encouraged to do so.

Recommendations:

- Management should implement an electronic supplier interface for ordering, processing and payment. This is an opportunity for increased process efficiencies.
- Management should continue to explore additional Electronic Fund Transfer (EFT) opportunities to maximize efficiencies.

5. School Operations and Facilities Management – Findings and Recommendations



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

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

5.1 Operations and Facilities Organization

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

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

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
The School Operations and Facilities Management department’s goals and priorities are documented in an annual department plan. They are aligned to the annual board operating plan accessible by key stakeholders. The plan incorporates measurable targets, specific timelines, and identified accountability.	Yes

Organizational Structure and Accountability

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
The School Operations and Facilities department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available to the public.	No
Senior operations and facilities staff have appropriate designations (e.g. P.Eng.) and qualifications and/or experience.	Yes

Monitoring and Communication of Policies

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
Management has processes in place to monitor school operations and facilities management policy compliance by all staff and management.	Yes
Management builds staff capacity in understanding of school operations and facilities policies and administrative procedures.	Yes
Processes exist to monitor new legislation and regulations and implement necessary changes.	Yes

Development and Reporting of Annual Goals and Priorities

The plant department has an annual plan that is directly linked to the school board’s overarching strategic goals. The departmental plan is managed through the school

board's electronic project management systems, and includes measurable targets, designated responsibilities and status updates on projects and initiatives. This plan provides a yearly guide for the department while linking of department priorities to performance measures and accountabilities.

Departmental planning begins in September, principally focusing on major projects, often construction, and is usually completed the following summer. Planning is aligned with Ministry cycles. Feedback and input mechanisms are used by the department to develop the annual plan, including facility renewal reviews with school principals and ReCAPP. Issues related to the departmental plan are reported to the Policy and Finance Committee by senior administration as necessary.

Organizational Structure and Accountability

The manager of plant department reports directly to the SBO. The manager of plant supervises two assistant managers. The department's structure has remained relatively constant since amalgamation and is currently under review. The department is reviewing staffing structure and functionalities so to best provide services across the wide geographic area of the school board.

The structure of the department and lines of reporting are reflected in the school board's organization chart. There are job descriptions for all positions in the plant department. Maintenance and operations supervisors are separate roles except for a supervisor who oversees both areas in a geographically remote (island) area of the school board. The management and staff of the plant department are qualified as per job specifications and have relevant professional experience. The organization chart is not posted on the school board's website, and the department should ensure that it is.

Monitoring and Communication of Policies

The department is responsible for a number of procedures, including water testing, line flushing, and tendering, among others. The department ensures staff understanding of plant policies and procedures through communication with principals, as well as ongoing and new-hire training within the department for custodial and maintenance staff. Training is standard year-to-year, with the exception of new Ministry requirements and funding (e.g. pandemic planning). The manager receives all Ministry and OASBO memos regarding newly legislated requirements and procedures directly and disseminates the information to staff as required.

Recommendation:

- Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the plant department and lines of reporting.

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

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

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

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The school board has adopted cleaning standards for schools and has developed a standard set of processes and tools to monitor, manage, and report on results. The school board has developed a guideline/manual for custodial and maintenance services to support these cleaning standards.	No
The school board has implemented a formal green clean program as part of its overarching Education Environmental Policy. The green clean program incorporates principles from the Ministry’s Green Clean Program Resource Guide.	Yes
Management’s custodial/maintenance allocation model optimizes the use of staff and considers various factors (e.g. square footage, portables, gyms, etc).	No

Development of Annual/Multi-Year Maintenance Plan

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Using a consultative process, senior administration develops and communicates a multi-year (three to five years) plan for major maintenance and renewal projects.	Yes

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The Plan addresses the board’s preventative and deferred maintenance priorities, optimizes the use of available funding (Annual Renewal Grant and Good Places to Learn funding). The plan is approved by the Board and accessible by the public.	

Training to Support Skills Development and Safety

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

Standardization of Cleaning and Maintenance Supplies

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Management uses an inventory system to track and control major cleaning and maintenance equipment.	Yes
Management has defined common standards to ensure efficient procurement of supplies in order to minimize costs, promote energy and operating efficiency, and environmental sustainability.	Yes

Project Management, Monitoring and Support Systems

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
An automated (computerized) work-order system and process records, monitors, and evaluates projects ensuring the effective use of resources.	Yes
Senior administration regularly evaluates the overall effectiveness and efficiency of its maintenance and custodial service delivery model.	Yes

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

Management reported that plant department employs both cleaners and custodians in schools. Custodians are responsible for a mix of minor maintenance, facility and grounds upkeep, as well as a small amount of cleaning. Cleaners are employed strictly to clean facilities after students have left for the day. Although cleaning guidelines exist, the department does not have a formalized and approved cleaning standard, nor do they regularly measure school cleanliness.

Visual inspections by supervisors are carried out on an *ad hoc* basis, as they must visit each school at least once every two weeks or where there is a concern or complaint. There is no annual report on cleaning standards. The school board should develop and enforce cleaning standards to maintain consistency in site cleanliness across the school board. Measureable standards will also allow the school board to monitor, manage and report on results that would support custodial performance evaluation.

The school board has implemented a green clean program as a part of its overall environmental policy. Management reports a high degree of buy-in, because of the long-term adoption of environmental policy initiatives throughout the school board by both staff and students. It is reported that most products used by staff, particularly the products with the highest instance of use, (e.g. glass and floor cleaners), are certified green products. The department is currently determining the best possible green alternative for the remaining non-green products in use.

The custodial staffing allocation model is based principally on facility square footage. The staffing allocation is agreed upon with unions through ongoing and open dialogue, although is not included in the collective agreements. The department has focused efforts through its staffing structure to lower overtime custodial costs through the use of designated cleaners. Although the plant department does base its staff allocations on square footage, it should develop a custodial and maintenance allocation model that considers other factors. These factors would include the age of the facilities, types of spaces (gyms, portables, etc.) and type of use for the spaces, as well as square footage.

Development of Annual and Multi-Year Maintenance Plan

Annual maintenance plans centralize the school board's maintenance initiatives and costs in one document, which is updated and maintained by departmental management annually. The annual maintenance plan is linked to the school board's strategic plan through the annual review process. Through this same process, the maintenance plan is also aligned with the five and 10 year school board capital plans. For major projects, planning is done with the manager of plant and superintendent of business, as well as a future or current end user of the proposed initiative. Any maintenance projects that are not completed or selected for completion for the current year are kept on file, and are rolled over to the next year. The department plans to update its electronic maintenance plan to interact with and tie into the maintenance department's work order system, to provide an electronic onestop maintenance management shop for the department.

The ReCAPP database is used in the development and monitoring of maintenance projects. The ReCAPP system is kept up-to-date internally by one plant staff member, supported by an external consultant. The school board's ongoing construction program ensures there is ongoing work updating the ReCAPP system. In addition to the

ReCAPP system, the department completes facility audits every three years to ensure there are no gaps in ReCAPP records. Every five years, principal requests and procurement records are examined to ensure no major maintenance pieces have been missed. The department also uses design technologies that permit staff to visually represent all systems within a computer modeled representation any school board facility. This system, which is still under development, gives staff and contractors overall knowledge of exact system locations within particular buildings, and their intended purposes.

Training to Support Skills Development and Safety

The school board's training programs for custodial and maintenance staff consider input from supervisors and staff. Training takes place over four professional development days per year, including mandatory courses such as WHMIS and fall arrest training. Vendors help train employees on product or system specific requirements. At the end of each training module, staff complete and sign training record forms.

Standardization of Cleaning and Maintenance Supplies

The school board maintains inventories at each school for tracking major maintenance equipment such as floor scrubbers. All seasonal equipment maintenance and up-keep is performed externally by local service providers.

Efficient procurement of supplies is ensured as supervisors are required to scrutinize custodial orders. Once approved, bulk supply requests are submitted to the manager of plant for review and approval. Management reports that they conduct inventories of school stocks if questions are raised by the department concerning particular orders. Once bulk orders are approved, they are then placed with the vendor through the school board office. The school board does not hold major inventories or maintain a warehouse.

Project Management, Monitoring and Supporting Systems

The school board uses a computerized program to track work orders by location and type of work performed. This system provides instant information to supervisors and staff once work orders are entered, and lets staff prioritize work orders to achieve maximum efficiencies. The system allows calculation and reporting of project total completion times. The department plans to tie the work order system into the school board's project management system.

Management ensures that appropriate staffing of positions and evaluations are carried out regularly, ensuring overall effectiveness and efficiency in maintenance and custodial service. The department works directly with HR to manage absenteeism and

attendance management issues, including actively encouraging return-to-work programs.

Recommendations:

- The school board should implement cleaning standards for schools and develop a standard process to monitor, manage and report on results. Once this in place, management should also report to senior administration on the results of the compliance reviews.
- The school board should develop an allocation model for custodial staff, and compare it to other school boards to ensure the optimization staff and consideration of various factors.

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?
In reference to the <i>Ontario Green Energy Act, 2009</i> , senior administration has established a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.	Yes
Procurement practices support the objectives and targets of the energy management plan.	Yes
Successful conservation initiatives are communicated across all schools and with other school boards.	Yes

Tracking and Reporting Energy Conservation

Leading Practices – Energy Management	Evidence of Adoption?
Management provides formal annual reporting on the conservation savings achieved against the plan.	Yes
A comprehensive system exists to budget expenditures, track and regulate consumption and identify opportunities for further savings.	Yes
Billing for all board facilities is consolidated from each utility.	Yes
The Board has established an overarching environmental policy that addresses both environmental education and responsible management practices.	Yes

Energy Management Plan

The school board’s energy management plan was initially developed in 2003. The plan was developed internally, led by the plant department in collaboration with the school board’s academic and other business functions. The school board has worked with external third parties to help build a base of information to measure progress. The work included completing energy audits of school board buildings. It is reported the plan grew naturally to include more and more energy management programs. These plans included classroom-based and student focused programs (such as turning off lights) to more complex programs that involve the central control of environmental systems in certain schools, or computer programs that turn off idle machines.

The school board, through the plant department, performs ongoing energy efficiency studies to measure energy efficiency of systems and buildings. Recent construction has included wind turbines and geothermal components, and a planned construction project will include solar panels. Procurement practices support the objectives and targets of the energy management plan, as green and energy-efficient products are preferred by the school board. In addition, the school board belongs to a buying consortium for bulk energy.

Public communication and education regarding environmental and energy management goals is done by the school board. The school board maintains a website that documents energy consumption data per school board facility. Students have also been encouraged and given materials to complete home energy audits, in turn communicating the school board’s energy management plan throughout the community.

Tracking and Reporting Energy Conservation

As part of the energy management plan, energy conservation savings are reported to the SBO annually. While progress (and savings) derived from the energy management

plan have been reported to the Board, this is not done regularly. The plant department monitors this information monthly.

The school board is participating in the Ministry-sponsored Utilities Consumption Database. The school board has systems to set targets, track and regulate consumption, and identify further opportunities for savings, using an electronic tracking system. Consumption targets differ, depending on the type or use of a building. Billing for all board facilities is consolidated from each facility and received electronically where possible. Where this is not possible, accounts payable clerks enter the information for bills manually. Electronic billing is facilitated by newly installed smart meters in all schools.

5.4 Health, Safety and Security

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

- Whether planning and communication exist to support the provision of a safe and healthy 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.

Health, Safety and Security Management

Leading Practices – Health, Safety and Security	Evidence of Adoption?
Develop, implement and monitor an occupational health and safety strategy/plan that reflects the board’s occupational health and safety policies and administrative procedures and ensures the school board is in compliance with associated occupational health and safety statutory requirements.	Yes
Develop, implement and monitor a security strategy/plan that reflects the board’s security and student safety policies and administrative procedures and ensures the board is in compliance with statutory/policy security requirements.	Yes

Leading Practices – Health, Safety and Security	Evidence of Adoption?
Develop, implement and monitor a health strategy/plan that reflects the board's health policies, procedures and programs and ensures the school board is in compliance with statutory health requirements.	No

Health, Safety and Security Management

The school board maintains an occupational health and safety policy as well as the integral components of an overall school board security plan. The school board's original Health and Safety Management Program was developed in September 2009, and refreshed in May 2010. The document presents a complete and comprehensive list of occupational and safety policies and administrative procedures, to ensure the school board is in compliance with associated statutory requirements. The Director has overall responsibility for health and safety although the policy is managed by a designated plant employee. The school board is currently in the process of developing a three-year training matrix to be used to keep staff current with its occupational health and safety plan and associated updates.

The school board's Joint Health & Safety Committee was established in with the following purpose:

- To promote the Internal Responsibility System (IRS).
- To encourage all workers to discuss occupational health and safety concerns with their Principal/Supervisor before bringing them to the attention of the JHSC.
- To promote occupational health and safety in the workplace per the Board's Health & Safety Management Program made under OHSA.
- To carry out their functions and duties as prescribed.

The Joint Health & Safety Committee is jointly chaired by management and unions, and is composed of mostly union representatives. Safety and prevention initiatives, which traditionally had been confined to plant staff, are applied to all school board staff as directed by the school board program document. The committee also oversees results from Health and Safety Audits and inspections in all school board facilities. Findings are reported to senior administration. If determined necessary, reports are made to the Policy & Finance Committee.

The school board maintains detailed safety and fire procedures including an Emergency and Crisis Response Plan (The RED binder) for every site. Safety policies are the responsibility of a superintendant of schools, and updates to safety and security plans are made by the SO in conjunction with the plant department. Staff are kept up-to-date

on new and emerging safety training through new staff orientation and training, as well as on-going professional development and in-services. This training includes practicing drills with the local police and fire departments. Safe school teams and official reporting requirements of dangerous or violent incidences are included in school board policies. Reported safety situations are reviewed by the Board on an *ad hoc* basis, and only when deemed necessary by senior administration.

The school board has fully implemented healthy schools initiatives, and is working to increase the awareness of healthy lifestyle choices in its schools. All schools have replaced deep fryers in school cafeterias with steam ovens. Health strategies, however, are undertaken by individual schools in an *ad hoc* fashion. The school board should continue to develop an overarching health strategy reflecting its policies and procedures to promote overall health and wellness of students and all employee groups.

Recommendation:

- The school board should consider establishing an integrated health plan/strategy, to reflect the existing policies and procedures for students and employee groups and to promote health and wellness across the school board. Management should also consider coordinating the development, implementation and monitoring of the plan centrally.

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

The following table summarizes the leading practices defined for capital plans, policies and procedures, and identifies where evidence was found to indicate that the practice

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

Development of Annual and Multi-Year Capital Plans

Leading Practices – Capital Plans, Policies and Procedures	Evidence of Adoption?
The school board has an approved annual and multi-year capital plan that includes the related funding plan as reflected in the school board’s Capital Wrap-Up Template.	Yes
The school board has an approved pupil accommodation review policy.	Yes
The school board has an approved facility partnership policy.	Yes

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

Leading Practices – Capital Plans, Policies and Procedures	Evidence of Adoption?
The school board maintains accurate and up-to-date inventories of school capacity and inventories using SFIS.	Yes
An accurate and current assessment of facility conditions is maintained, based on industry standards (using RECAPP methodology).	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 including the impact of the Full-Day Early Learning Kindergarten Program and capital grants.	Yes

Development of Annual and Multi-Year Capital Plans

The plant department maintains a three-to-five year capital plan that is refreshed annually. The foundation of the current multi-year plan was developed in 2005. Changes to the multi-year capital plans are vetted and discussed through the Construction Committee, which consists of the SBO, the manager of finance, and representatives from the plant department. Each year the Construction Committee re-examines all funding envelopes, and explores new capital projects, using information from ReCAPP, principal reports, accommodation review committee (ARC) reports and site inspections. The multi-year plan is not presented to the Board for approval. The school board’s Capital Wrap-Up Template has been completed in full.

The school board is facing under-capacity situations in a number of facilities, which is impacting multi-year capital plans. Management reports an ARC process is underway

for nine schools. ARC processes have been used, most recently in 2007, when the school board's first new school in 40 years was built. Throughout the ARC process, communities were consulted, and challenges were met through an open communication process with stakeholders. The pupil accommodation review guidelines have been incorporated into school board policy. Procedures include a set of public meetings that take place when an ARC is approved. A special meeting of the Board is held every November, when the senior administration presents accommodation recommendations to the trustees. The school board also has a new Board-approved facilities partnership policy.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

To maintain the accuracy of capital needs forecasts, the school board keeps accurate and timely inventories of school capacity and utilization through SFIS and ReCAPP. These systems are overseen by the assistant Manager of plant with the help of plant supervisors who complete annual facility inspections, a clerk and an external consultant who enter system data. The school board completed an internal audit of ReCAPP this year. It plans to hire an external consultant to complete a complete external audit of the ReCAPP data to ensure that it is current. The school board uses Ministry guidelines to identify Prohibitive To Repair (PTR) schools, using ReCAPP. Capital plans are done yearly, for one and five-year timelines. Capital estimates are made yearly as one and 10-year estimates.

5.6 Construction Management

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

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

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

Cost Effective Practices in the Design and Construction of Facilities

Leading Practices – Construction Management	Evidence of Adoption?
Management gives full consideration to the use of all available school space in their local communities before proceeding to build, purchase or lease other spaces.	Yes
Management uses cost-effective designs, standard footprints, energy conservation and economical construction practices to minimize construction and future maintenance and operation costs. The school board is guided by the principles outlined in the manual prepared by the Expert Panel on Capital Construction: <i>From Concept to Classroom – Leading Practices Manual for School Construction in Ontario</i> .	Yes
In constructing, acquiring, operating and managing school facilities, the school board is guided by the principles outlined in the <i>Ontario Green Energy Act, 2009</i> .	Yes
Senior administration maintains standard policy and/or 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?
A Project Manager is appointed to oversee all aspects of the project including monitoring the budget and project timelines and ensuring management processes are in place for issues such as change orders and other internal approvals. This includes periodic project status updates and post-construction project evaluation.	Yes
An independent Cost Consultant is retained by the school board to review the design, provide objective costing analysis and advice, and report to the school board on options to ensure that the proposed capital expenditure is within the approved budget, prior to tendering a project.	Yes

Maintaining Current Approved Professional Service Providers

Leading Practices – Construction Management	Evidence of Adoption?
Senior administration periodically evaluates and updates the approved list of contractors, architects and related professionals no less than once every five years.	Yes

Cost-Effective Practices in the Design and Construction of Facilities

Management gives full consideration to the use of available school space in local communities before proceeding with the construction, purchase or lease of other spaces. The school board updates their facility inventory record to reflect changes made to school facilities when those changes to building envelopes take place. The assistant manager of plant maintains and uses SFIS data to keep an accurate inventory of available school space.

Although the school board does not use standard footprint designs, it still makes use of cost-effective designs, energy conservation principles and economical construction practices. The school board uses a phased approach and tailored consultation processes in construction, because of previous challenges with sites and northern environments. In this way budgets are released by phase and projects protected against over budget situations. The school board also minimizes cost by hiring a cost consultant from outside the Sudbury area and ensuring that architects and engineers on a given project are not from the same firm. This separation helps ensure that projects are constructed to school board requirements, and are not built using prepackaged designs.

Physical updates to school facilities consider energy conservation and economical construction practices. New construction, along with facility and equipment upgrades, includes the use of renewable energy sources, such as solar, wind and geo-thermal. The school board is aware of and has made appropriate responses to the *Green Energy Act, 2009*. The school board also reported it used Ministry benchmarks to compare its costs per square foot to other boards. This comparison allows the school board to compare procedures against industry best practices.

Monitoring and Reporting of Progress on Construction Projects

Management has an effective process in place to monitor and control construction projects and their costs. The school board manages projects internally, with supervision from the assistant manager of plant, who works closely with the department of finance to ensure monitoring of project timelines and budget. Payments are issued once the assistant manager and architect sign off on progress reports. The change order process is outlined in the project construction guidelines. Progress reports are provided to the Board, and trustees often tour project sites.

An independent cost consultant is used on each major project. The school board seeks the services of cost consultants not affiliated with the architectural firms engaged on projects, to minimize potential conflicts.

Maintaining Current Approved Professional Service Providers

The school board out-sources roughly 50 per cent of all maintenance work to external trades people, while the other 50 per cent is managed internally by school board trades people. Consultant contracts are tendered every two years, and architectural services are tendered as needed for specific contracts.

The school board employs a standard Canadian Construction Documents Committee (CCDC) contract for construction projects. This includes documentation of due diligence, comprising proof of compliance with Occupational Health and Safety legislation and Workplace Safety and Insurance, bonding status, and verification of required qualifications for the design and construction of electrical and mechanical systems.

Appendices

Appendix A: Overview of the Operational Review

Operational Review Objectives

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.

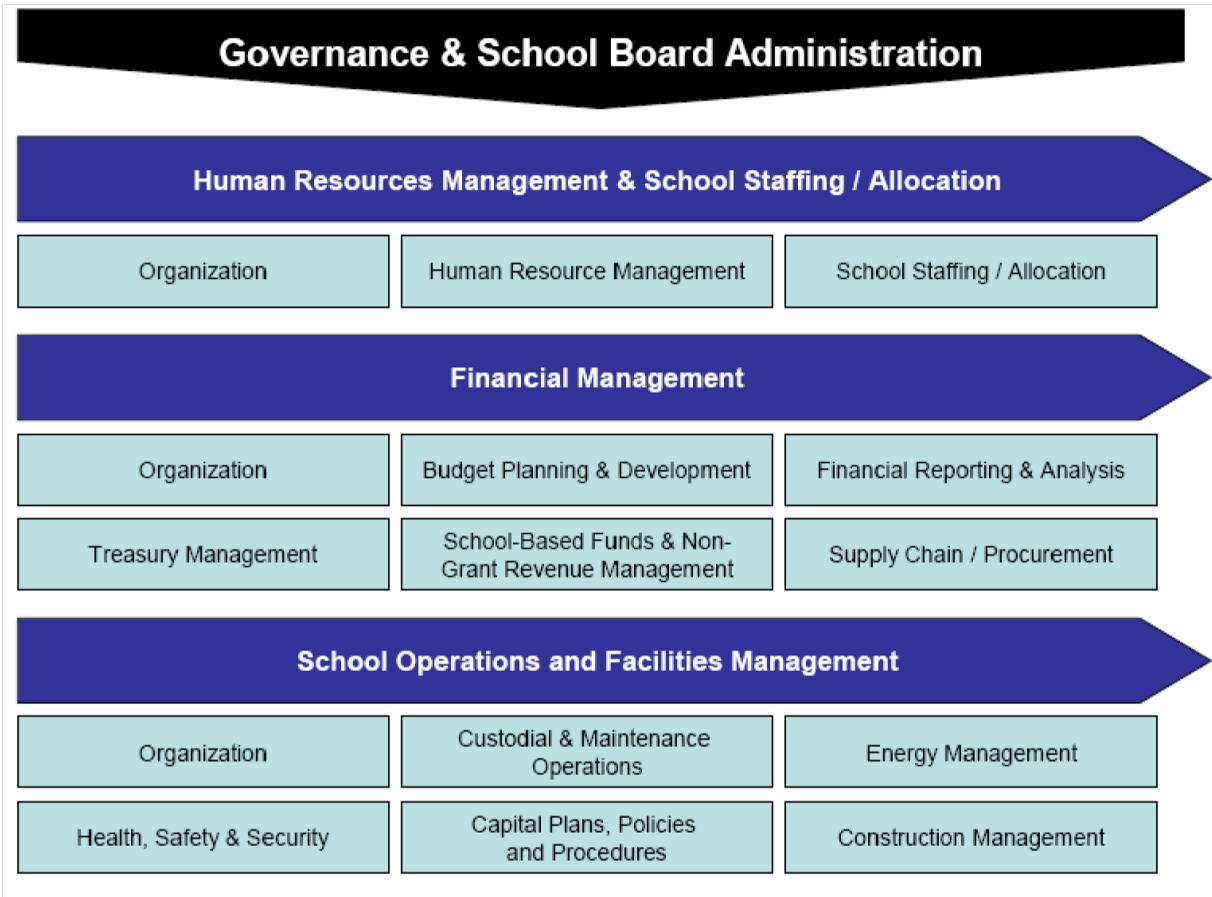
Recognizing the unique characteristics of each DSB, the specific purpose of the Operational Reviews is to:

- Strengthen management capacity in boards, with recommendations that support improvement in non-academic operations;
- Highlight existing successful business practices used by boards, to the sector and to school board communities;
- Leverage “best practices” across the education sector;
- Provide support and assistance to ensure that boards are financially healthy, well managed, and positioned to direct optimum levels of resources to support student success;
- Provide the Ministry with important input on board capacity and capabilities for 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.

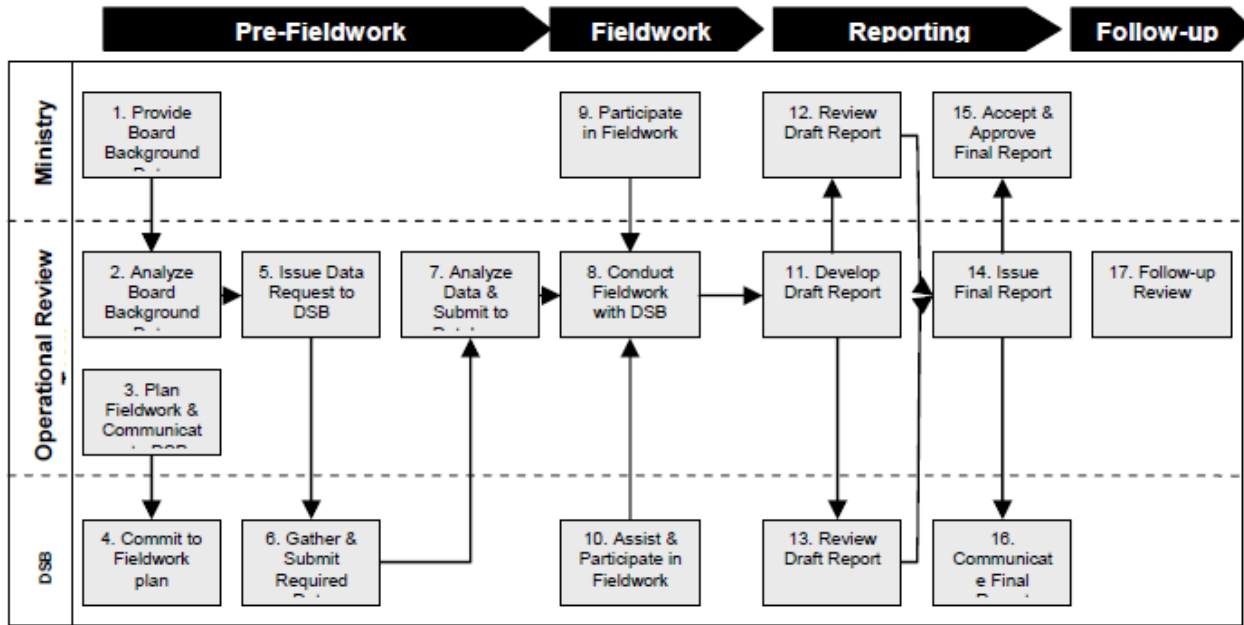
Each of the processes was examined based on its activities and its adoption of sector agreed leading practices, including alignment and support of student achievement strategies.



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 school board size and complexity.

Observations and assessments are made by the Operational Review Team based on a set of agreed upon leading practices designed for each functional area. The onsite reviews allow the team to validate Ministry and board data, provide a better understanding of the environmental conditions and allow the team to review materials that support the existence of leading practices.



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

Phase: Pre-Fieldwork

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

Key Activity	Description
Analyze Data and Submit to Database	The review team analyzes the data provided by each board and adds the results to a sector-wide database to compare the results for each board.

Phase: Fieldwork

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

Phase: Reporting

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

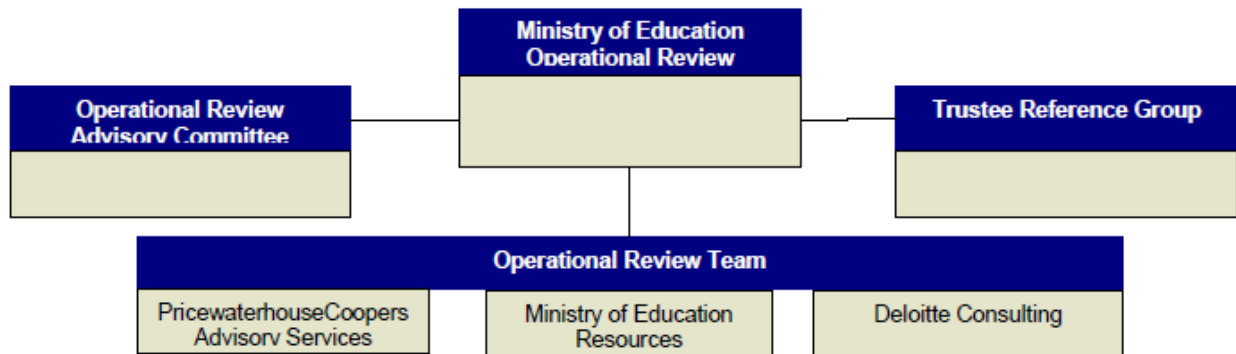
Phase: Follow-up

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

The Operational Review Team

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

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



Limitations of this Review

The purpose of this report is to document the results of the Operational Review of the Rainbow 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 school board should develop a formal governance policy that clearly delineates the division of duties and responsibilities between the board of trustees and the Director of Education. The school board's governance model should reflect the roles and responsibilities mandated by the <i>Student Achievement and School Board Governance Act</i> , Bill 177.
2.	Management should post a departmental organization chart on the school board's website.
3.	The school board should establish a formal succession plan which includes plans for senior staff in both academic and non-academic functions to help build and sustain leadership capacity.

Human Resources Management and School Staffing/Allocation

No.	Recommendation
4.	Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the HR department and lines of reporting.
5.	The Director should review the composition of its interview panels, and develop formal hiring policies and procedures to clarify the roles of trustees and school board staff. Trustees should provide strategic policies to govern staffing and recruitment, but should not sit on hiring panels with the exception of hiring the Director.
6.	Management should document its current hiring practices and continue to work to harmonize them across departments.
7.	Trustees should provide the school board with a policy and priority framework for bargaining, and not directly participate in negotiations.
8.	The HR department should establish a formal employee performance appraisal process for management staff, superintendents and the Director of Education. The formal process should be supported by documented policies and procedures.
9.	Management should periodically report to the Board and senior management on the effectiveness of its attendance support program.
10.	Management should continue with its plan to conduct a compliance audit of the school board's insurance carrier to ensure adherence to the benefit plans terms and conditions. This will ensure accuracy and validity of claims paid.
11.	Management should conduct periodic and confidential staff surveys to improve communication with staff and provide input for professional development plans and HR policy.
12.	Management should consider conducting exit interviews with all staff leaving the school board to obtain input for HR policy, as well as process and program improvement.
13.	The school board should implement policies and procedures that outline the annual staffing plan and allocation process and reflect the priorities of the Board and Ministry initiatives.

Financial Management

No.	Recommendation
14.	Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the Finance department and lines of reporting.
15.	Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels.
16.	The department should consider providing a minimum of three interim financial reports to trustees which would incorporate the recommendations made by the Interim Financial Reporting Committee (IFRC).
17.	The school board should ensure interim financial statements are formally signed off by senior management to ensure the integrity of financial reporting.
18.	Management should continue working with the regional audit team on the development of a risk assessment to determine priority areas for internal audit activities.
19.	Management should work with the regional audit team to ensure annual audit plans are clearly documented. Audit report recommendations should be followed up and acted upon by management. Where management chooses not to implement an audit recommendation and to accept the risks associated with an audit finding, the justification should be clearly documented and agreed to by the audit committee.
20.	The Board should establish an audit committee and recruit external advisors to sit on the audit committee in accordance with the new Audit Committee regulation.
21.	The school board should establish an investment policy. Management should periodically report to the Board on the performance of investments and explain its decisions (including not investing), in accordance with the investment policy.
22.	Management should implement an electronic supplier interface for ordering, processing and payment. This is an opportunity for increased process efficiencies.
23.	Management should continue to explore additional Electronic Fund Transfer (EFT) opportunities to maximize efficiencies.

School Operations and Facilities Management

No.	Recommendation
24.	Management should post the detailed organization chart of the school board administration on the website. The organization chart should clearly indicate the structure of the plant department and lines of reporting.
25.	The school board should implement cleaning standards for schools and develop a standard process to monitor, manage and report on results. Once this in place, management should also report to senior administration on the results of the compliance reviews.
26.	The school board should develop an allocation model for custodial staff, and compare it to other school boards to ensure the optimization staff and consideration of various factors.

No.	Recommendation
27.	The school board should consider establishing an integrated health plan/strategy, to reflect the existing policies and procedures for students and employee groups and to promote health and wellness across the school board. Management should also consider coordinating the development, implementation and monitoring of the plan centrally.