

**Ministry of Education**

**Operational Review Report  
Renfrew County District School  
Board**

**February 2011**

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## **Executive Summary**

This report details the findings and recommendations of the Operational Review of Renfrew County 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 November 2, 2010.

## **Introduction**

The Ministry is in the final stages of performing 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 leading practices. Noted strengths include the school board's policy review schedule, the foundation of an attendance management program for all staff, and strong labour relations and energy management practices. 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 for the entire school board.

- The board of trustees (the Board) and the Director have appropriate processes for the establishment and regular maintenance of policies and administrative procedures for the efficient and effective operation of the school board.
- As part of the Ministry of Education's Ontario Leadership Strategy, the school board has established a formal Succession and Talent Development Plan to build and sustain leadership capacity.
- The Board and the Director proactively engage stakeholders (both internal and external) on a regular basis and through a variety of communication mechanisms.
- Key senior staff from all functional areas are participants in various sector committees of provincial associations and Ministry workgroups.

There is a general understanding among trustees and the school board staff that the Director of Education is responsible for operations, and that the Board sets policies and strategic direction. The school board's governance model aims to separate accountability for policy from that of operations. Recent restructuring and reworking of the school board's policy handbook clarifies the delineation of duties of the Board and the Director of Education. The School Board, however, has not fully incorporated all the key elements of the *Student Achievement and School Board Governance Act, Bill 177* into school board policy, including the development of a trustee code of conduct.

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 of Education. The school board should review its governance model and update it to reflect Bill 177. This would include developing a code of conduct for trustees, and revisiting the role of trustees in labour negotiations and in hiring for positions other than the Director. The Ministry would provide any additional support in this area at the request of the school board.

The school board maintains a multi-year strategic plan, outlining priorities and areas of focus. To complement this plan, the school board should develop a formal annual operating plan to further enhance operational effectiveness and enable the Director of Education to report on specific outcomes. This plan would cover all operations, including human resources, financial management, and facilities management. The operating plan should be aligned to the Board's multi-year strategic plan, and highlight successes and the progress of school board's strategic direction.

The Board receives updates on the strategic and school board-wide work plans through committees. However, presently there is no direct reporting to the Board on the status and outcomes of either plan. Senior administration should report on its progress and the outcomes of both operational and strategic plans annually to the Board.

## Recommendations:

- The school board should develop a formal governance policy that clearly delineates the division of duties and responsibilities of the school board, trustees, Board chair and 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 including a code of conduct for school board trustees.
- The school board should develop a formal annual operational plan aligned with the Board's multi-year strategic goals. This annual operating plan should cover all aspects of its non-academic operations, including human resources, financial management, and facilities management. This will also enable all departments to track and report progress on their defined priorities and goals throughout the year.
- Senior administration should report to the Board of Trustees annually on the status and outcomes of the school board's strategic plan and the annual operational plan, once it is developed.

## Human Resource Management and School Staffing/Allocation

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

- The HR department has processes in place to monitor HR policy compliance by all staff and management.
- The hiring policies and procedures for the respective staff groups are harmonized and shared with managers throughout the school board.
- The HR department actively supports the professional development activities of the school board.
- The school board has a documented attendance support program that includes approved policies and procedures to minimize the cost of absenteeism.
- Systems to establish and track an approved level of staff are accessible by both HR and Finance.

The HR department maintains a departmental calendar outlining transactional items and responsibilities of the department. The department should expand on its departmental calendar by developing an annual department plan, complete with measurable targets,

designated accountabilities, and timelines. A departmental plan would link department priorities with unit and individual performance measures and accountabilities, facilitate clear definition of roles, enable collaboration among team members, and provide a roadmap for the department. The plan should be aligned with the school board's strategic plan and the annual operational plan, once it is developed.

The school board maintains a system to monitor staff attendance. The "PARTNER" attendance program, which to date has been used mostly for the custodian group, is being adapted for use across all employee groups. The school board should continue to expand its attendance management program to all staff groups. Management should also include the formal documentation of processes and procedures that will provide senior management and employee groups with a timely, consistent, and structured approach to improve attendance.

The school board does not employ an external auditor to examine employee benefit plans. Management should engage a third party to conduct compliance audits 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.

Exit interviews are not mandatory, and are completed only on the request of a departing employee or senior administration. The school board should formalize the process for exit interviews, and ensure they are performed for all employee groups. Practices such as staff surveys and exit interviews can provide management with valuable input, for both professional development and to help shape policies impacting employee relations and program improvement.

### **Recommendations:**

- The HR department should consider developing an annual department plan aligned with the school board's operating plan and overall strategic direction. This will enable the department to track and report on the progress of its defined priorities and goals throughout the year.
- Trustees should provide the school board with a policy and priority framework for bargaining. They should not directly participate in labour negotiations.
- Management should continue to develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance across all employee groups.
- Management should 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 consider conducting exit interviews with all staff exiting the school board to obtain input on HR policy, as well as process and program improvement.

## Financial Management

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

- The Finance department has processes in place to monitor finance policy compliance by all staff and management.
- The school board's integrated financial information system provides useful, timely and accurate information for management and stakeholders.
- Cash management activities are consolidated with a single institution, where feasible.
- Management ensures adequate controls are in place to safeguard schoolbased funds and coordinate the annual reporting of revenues and expenditures from schools and school councils.
- In line with the SCG, approved procurement policies clearly outline circumstances under which the school board will use competitive versus noncompetitive procurement methods.

The department reported that their annual goals and priorities are driven by the annual budget timelines and budget objectives, which are approved by the Board, through the strategic plan. Individual projects however can include targets, timelines and accountabilities. These details however are not included in an overall annual departmental plan. Management should develop an annual departmental plan with measurable targets, designated accountabilities, and target timelines that are aligned with the annual operating plan, and are in turn guided by the overall strategic plan.

The school board maintains a centrally led annual budget development process that is consistent year-to-year. The budget development process, however, has not been formally documented. The school board should take the opportunity to document the budget development process to ensure transparency to the Board, and clarify roles and responsibilities of school board staff involved in the process.

While management incorporates aspects of risk mitigation during the budget development process, there is no formalized risk management policy or plan. At the beginning of each budget development cycle, the department should identify key budget

risks and mitigation strategies in a formal risk plan that can then be presented to senior management and the Board, as part of the budget development and approval process.

Management provides the Board's finance committee with year-end financial statements and ensures ongoing cyclical updates. The department should provide a minimum of three interim financial reports to trustees, which would incorporate the recommendations made by the Interim Financial Reporting Committee (IFRC). 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 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. At the time of the Operational Review, the Board reported that it did not have an audit committee in place, but has historically used its Finance Committee to discuss financial matters relating to the school board. Management was aware of the new Audit Committee Regulation and reported that the creation of a separate audit committee and the addition of external advisors to serve on the committee are underway.

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.

Annual internal audit plans should also be clearly documented and audit report recommendations should be followed up and acted upon by management. Audit plans should also be approved by the audit committee once it is established.

The school board maintains investment practices and ensures the Board is updated if required. However, there is no formal reporting on investments to the Board. The department is encouraged to develop an investment policy and report to the Board on the effectiveness of its policy.

The school board does not currently have a PCard program, but management intends to evaluate the potential costs and benefits. The school board is encouraged to move forward in performing an analysis of low-dollar purchase order (PO) spending, to determine whether the cost of adopting PCards would be justified in the reduction of administration, cost and risk associated with low-dollar spending.

The school board uses a process of “negative confirmation” where vendors are paid as invoices are received by Accounts Payable, unless they are notified by receivers that an order is incorrect or incomplete. Although staff who receive goods examine shipments for completeness, receipting documentation is kept at schools, and is not passed on to accounts payable for matching. To increase oversight on the completeness of all purchases, the school board should consider implementing three-way matching.

### **Recommendations:**

- The department should consider developing an annual departmental plan aligned with the school board’s annual operational plan and overall strategic direction. This action will enable the department to track and report the progress of its defined priorities and goals throughout the year.
- Management should document the annual budget development process to enhance transparency for participating superintendents/managers, and encourage internal discussion between departments in the development of the annual budget.
- 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 any investment activity, including when there are no investment activity and the reasons for not investing, in accordance with the approved investment policy.
- Department staff should consider implementing the use of Purchase Cards (PCards) to appropriate school staff. PCard use can reduce the volume of supplier invoices to be processed. Appropriate control policies and procedures would be put in place to support the expanded use of the PCard.
- Management should perform a detailed review of the school board's purchase-to-payment cycle and implement three-way matching.

## **School Operations and Facilities Management**

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

- The School Operations and Facilities department has clearly defined organizational units and delineates respective roles and responsibilities. A current organization chart is available to the public.
- 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.
- 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.
- Using a consultative process, senior administration develops and communicates a multi-year plan for major maintenance and renewal projects. The plan addresses the board's preventative and deferred maintenance priorities and optimizes the use of available funding. The plan is approved by the Board and accessible to the public.
- Management uses an inventory system to track and control major cleaning and maintenance equipment.

- A comprehensive system exists to budget expenditures, track and regulate consumption and identify opportunities for further savings.
- The Board has established an overarching environmental policy that addresses both environmental education and responsible management practices.

The plant department sets goals based on the school board's strategic plan and maintains a file on a shared drive to help organize projects and track internal goals. The departmental planning documents do not, however, incorporate measurable targets with specific timelines or designated accountabilities. Management should consider developing an annual departmental plan, complete with measurable targets, designated accountabilities, and timelines. This plan should align with the school board's strategic direction and the annual operational plan, once it is developed.

The school board has begun using green cleaning products, systems and procedures, such as floor scrubbers and hand dryers at a number of sites. However, it has not implemented a formal green clean program. The school board is working towards full implementation of green products, and should consider using the Ministry of Education's Green Clean Resource Guide to help develop a formal green clean program as part of its overarching Education Environmental Policy.

The school board's has incorporated energy management elements into facilities plans. Energy management target have been included in the custodian handbook and the Director's Advisory Committee on Energy Conservation. However, it has not developed a formal energy management plan. The school board should continue with current initiatives and plans to establish a multi-year energy management plan inline with the Ontario Green Energy Act, 2009 that incorporates measures to be implemented and the tools to monitor and manage the plan.

Occupational Health and Safety (OH&S) is the responsibility of the manager of health, safety and wellness who reports to the Superintendent of Employee Services. The school board has implemented a number of practices to ensure OH&S requirements are met, but there is currently no occupational health and safety plan in effect at the school board. The school board should go beyond its current practices and develop, implement, and monitor an occupational health and safety plan that reflects its policies and administrative procedures. This will ensure the school board complies with associated occupational health and safety statutory requirements.

Overall responsibility for employee safety procedures falls under the responsibility of the plant department, and involves significant input from the manager of health, safety and wellness. Through this collaboration, the school board maintains detailed safety and fire procedures. Management is encouraged to consolidate all existing emergency plans in one policy document which includes a detailed emergency and crisis response plan.

The school board focuses health awareness on three pillars, and has one staff member assigned to manage the healthy schools initiative. Although many healthy schools initiatives exist, there is currently no clearly articulated health strategy which can be applied consistently across the system. The school board should continue to develop an overarching health strategy reflecting the school board's policies and procedures, to promote overall health and wellness of students and all employee groups.

### **Recommendations:**

- The department should consider developing an annual departmental plan aligned with the school board's operational plan and overall strategic direction. This plan will enable the department to track and report the progress of its defined priorities and goals throughout the year.
- The school board should review the Ministry's Green Clean Program Resource Guide and use it to develop a formal green clean program as part of its overarching Education Environmental Policy.
- Using energy consumption data, the school board should establish a multiyear energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the Green Energy Act, 2009, energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities, with milestones, roles, responsibilities and budgets with a process for ensuring community support.
- The school board should develop an occupational health and safety plan, to ensure compliance with associated health and safety statutory requirements for both students and all employee groups.
- The school board should develop a security strategy reflecting the security and student safety policies and ensuring compliance with associated statutory security requirements for both students and all employee groups.
- The school board should consider establishing an integrated health plan/strategy that would reflect the existing policies and procedures regarding the health of both students and employee groups and aim to promote health and wellness across the school board. Management should also consider coordinating the development, implementation and monitoring of the plan centrally.

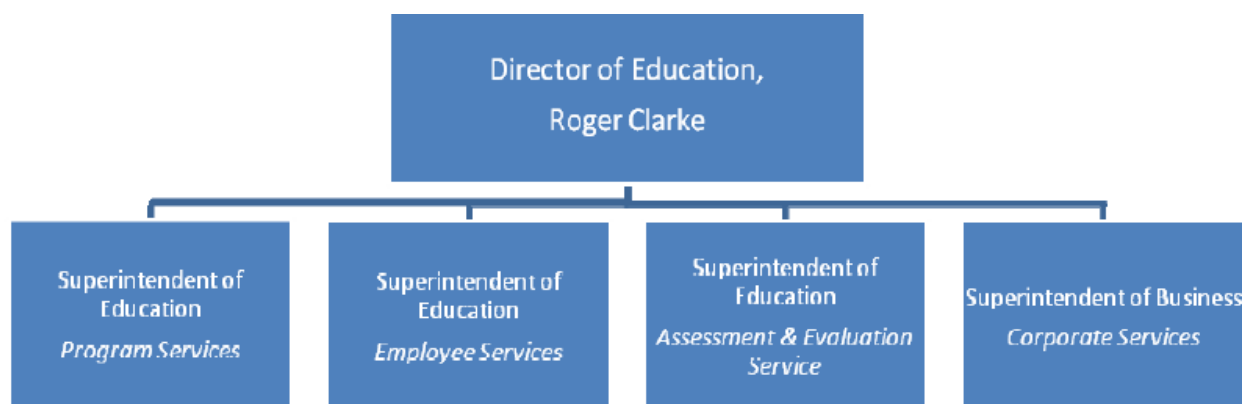
## 1. Background and Overview

### 1.1 School Board Profile and Structure

The Renfrew County Catholic 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 9,570 students, the school board offers a diverse range of programs in its 34 schools.

Since 2002-03, enrolment has declined by approximately 1,788 students or 15.75 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

#### Vision Statement:

The Renfrew County District School Board has developed the following Vision statement:

*“The Renfrew County District School Board celebrates the unique contributions of each individual and cultivates an environment that values imagination and innovation. We guide and support our students as they consider the evolving opportunities of the 21<sup>st</sup> century and discover their own pathways to success.”*

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:

*“Renfrew County District School Board works together to create outstanding educational experiences that honour the uniqueness of each individual.”*

**Values:**

- Caring
- Respect
- Responsibility
- Honesty
- Initiative
- Optimism
- Courage
- Perseverance

**Motto:**

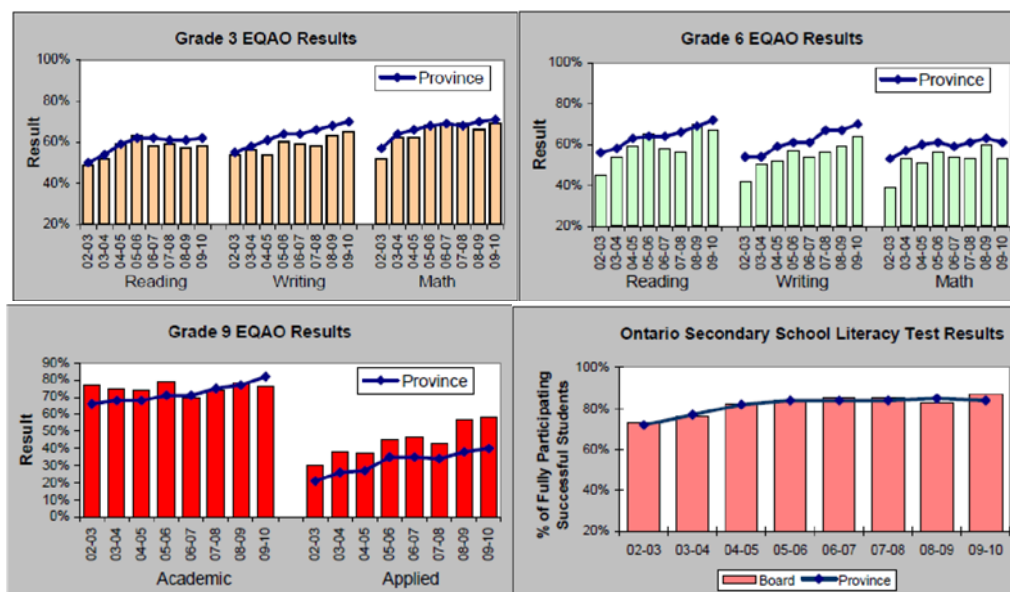
*Character: Learn it, Live it!*

### **1.3 Student Achievement**

The EQAO results for the school board show that Grade 3 scores in Reading, Writing and Math are at or below the provincial average. EQAO scores for Grade 6 aside from two years in Reading are below the provincial average.

The school board’s grade nine EQAO results have consistently stayed above the provincial average, with the exception being the 2009-2010 Academic results being lower than the provincial average. The school board has met or slightly exceeded the provincial average of the Ontario Secondary School Literacy Results.

The following charts show the school board’s elementary student EQAO results over the last eight years:



## 1.4 Fiscal Overview

The school board has presented balanced budgets to the Ministry since 2007-2008, with a planned deficit in the 2009-2010 period.

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	\$72,909,478	\$76,633,806	\$79,573,193
Local taxation	\$22,163,367	\$22,350,577	\$22,764,499
Board Revenues	\$1,651,570	\$1,366,448.00	\$984,265
Other Operating & capital Grants	\$2,676,183	\$2,960,582	\$2,961,077
<b>Total Revenues (Schedule 9)</b>	<b>\$99,400,598</b>	<b>\$103,311,413</b>	<b>\$106,283,034</b>

## Summary Financial Data (Expenditure)

<b>Expenditures:</b>	<b>2007-08 Financial Statements</b>	<b>2008-09 Financial Statements</b>	<b>2009-10 Revised Estimates</b>
Operating expenditures	\$95,883,318	\$101,294,407	\$103,035,621
Capital expenditures - Before transfers from reserves	\$2,636,270	\$1,956,864	\$4,513,079
Transfer to (from) Reserves	\$326,997	-\$7,770	\$0
<b>Total Expenditures</b>	<b>\$98,846,585</b>	<b>\$103,243,501</b>	<b>\$107,548,700</b>
<b>In-year Surplus (Deficit)</b>	<b>\$554,013</b>	<b>\$67,912</b>	<b>-\$1,265,666</b>

## School Board Reserves and Deferred Revenues

<b>School Board Reserve and Deferred Revenues:</b>	<b>2007-08 Financial Statements</b>	<b>2008-09 Financial Statements</b>	<b>2009-10 Revised Estimates</b>
Retirement Gratuities	\$5,910,374	\$5,982,875	\$5,982,875
Reserve for Working Funds	\$152,117	\$152,117	\$152,117
WSIB	\$1,015,881	\$1,015,881	\$1,015,881
Miscellaneous	\$1,285,760	\$1,293,667	\$1,293,667
GPL Reserve	\$1,209,880	\$1,224,718	\$1,224,718
<b>Total Reserve Funds (Schedule 5)</b>	<b>\$9,574,012</b>	<b>\$9,669,258</b>	<b>\$9,669,258</b>
Reserve for Classroom Expenditures	\$2,592,310	\$2,624,109	\$2,606,129
Pupil Accommodation Allocation Reserve	\$4,125,246	\$5,052,554	\$5,052,554
Proceeds of Dispositions Reserve- School Buildings	\$412,712	\$503,776	\$503,776
Energy Efficient School - Operating	\$0	\$145,156	\$0
Energy Efficient School - Capital	\$0	\$701,627	\$487,659
<b>Total Deferred Revenues (Schedule 5.1)</b>	<b>\$7,130,268</b>	<b>\$9,027,222</b>	<b>\$8,650,118</b>
<b>Total Board Reserves and Deferred Revenues</b>	<b>\$16,704,280</b>	<b>\$18,696,480</b>	<b>\$18,319,376</b>

## 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	6,877	5,573
Secondary Day School ADE	4,481	3,998
<b>Total Day School Enrolment</b>	<b>11,358</b>	<b>9,570</b>

### Primary Class Size

Primary Class Size	2003-04	2009-10
% of Classes 20 or fewer	30%	91%
% of Classes 23 or fewer	62%	100%
Average Class Size - Jr/Inter	25.11	24.1
% of 3/4 Classes 23 & Under	38%	100%
% of Combined Classes	43%	67%

### Staffing

Staffing	2003-04	2009-10
School Based Teachers	667	628
Teacher Assistants	107	119
Other Student Support	55	79
School Administration	40	40
School Clerical	58	59
School Operations	114	117
Other Non-Classroom	37	41
<b>Total Staffing</b>	<b>1,078</b>	<b>1,083</b>
<b>Teacher - Pupil Ratio</b>	<b>1:17</b>	<b>1:15</b>
<b>FTE Staff per 1,000 Pupils (ADE)<sup>1</sup></b>	<b>94.9</b>	<b>113.2</b>

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

<b>Staffing</b>	<b>2003-04</b>	<b>2009-10</b>
<b>Total Salary &amp; Benefits as % of Net Operating Expenditures</b>	<b>77.3%</b>	<b>79.5%</b>

## Special Education

<b>Special Education</b>	<b>2003-04</b>	<b>2009-10</b>
Special Education Incremental Expenditures	\$9,019,408	\$11,838,337
Special Education Allocation	\$7,550,573	\$9,825,556
<b>Spending above Allocation (Reserve)</b>	<b>\$1,468,835</b>	<b>\$2,012,781</b>

## School Utilization

<b>School Utilization</b>	<b>2003-04</b>	<b>2009-10</b>
Number of schools	36	34
Total Enrolment (ADE)	11,358	9,570
School Capacity (Spaces)	16,811	14,101
<b>School Utilization</b>	<b>67.6%</b>	<b>67.9%</b>
<b>Board Area (Km²)</b>	<b>8,042</b>	<b>8,740</b>
<b>Number of Trustees</b>	<b>8</b>	<b>8</b>

## 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.	No
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.	No

## 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.	Yes

## 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.	Yes

## 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 Renfrew County District School Board is supported by eight elected trustees and one student trustee. The Operational Review took place one week after the October 2010 school board elections, which resulted in some changes in the Board membership.

At the time of the review, the Board was in the process of electing a new Chair. The working relationship between senior administration, the former Chair and the Board of Trustees was reported as collegial and personal communication takes place regularly. Management anticipates no change in this working relationship with the new Board and Chair. New trustees receive orientation and training for their new roles with support from senior administration and informal mentoring from experienced Board members.

The school board's governance model aims to separate accountability for policy from that of operations. There is a general understanding among trustees and the school board staff that the Director of Education is responsible for operations and that the Board of Trustees sets policies and strategic direction. A recent restructuring and reworking of the Board's policy handbook (which contains 15 policies and 50-60 operating procedures) helps to clarify the delineation of duties of the Board and the Director of Education. In addition to strengthening role clarity, the board recently performed an organizational restructuring at the senior administrative level.

Management notes that as a result of this consultative process, the school board is now better aligned to deliver the support services needed to achieve operational and student achievement goals. The school board's senior administration (executive council) now comprises the Director and Superintendents of Education, who are responsible for setting high level priorities and objectives. The executive council delegates responsibility to the Operations Steering Committee, (which includes principals and managers) which through its sub-committees, examines and researches the details of issues and reports back to the executive council. The Operations Steering Committee maintains an ongoing cycle of administrative procedure and policy review.

Despite making recent changes to the policy handbook, the board has not fully incorporated all 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 the roles and responsibilities of school boards, trustees, Board chairs and Directors of Education. The school board should review its governance model and update it to reflect the roles and responsibilities mandated by Bill 177. This would include developing a code of conduct for trustees and revisiting their role in labour negotiations and in hiring for positions other than that of the Director. The Ministry would provide any additional support in this area at the request of the school board.

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

- Character Education and Community
- Communications and Technology
- Director's Advisory on Aboriginal Education
- Director's Review
- Finance

- Human Resources
- Negotiations
- Program
- Property and Transportation
- Renfrew County Joint Transportation Consortium Governance Committee
- Special Education Advisory (SEAC)
- Ontario Public School Boards' Association (OPSBA) Delegate and Alternate

The Director has been in office for two years, and is subject to a standardized annual performance appraisal process. Performance reviews are administered by the Chair, Vice-Chair, past chair and Chair of the Human Resources Committee.

### **Development of the Board's Strategic Directions/Plan**

The school board is operating under its 2007-2011 multi-year strategic plan. Prior to the current plan, the school board maintained the same three guiding principles that drive the plan today. At the time of the review, the current Board-approved strategic plan had been formalized, and was in the final stages of rollout, which included the development of a new school board logo and communication of the final plan to the community of stakeholders. Supporting goals under each of the three strategic priorities (academic and non-academic) are updated annually. An outline of the strategic plan is as follows:

Guiding principles and their associated goals:

- Excellence in teaching and learning – Improving individual achievement and student engagement by implementing educational best practices.
  - Develop, communicate, and implement a Board Improvement Plan that sets high standards of achievement for all students.
  - Expand and enhance student engagement through innovative programming and use of technology
  - Develop and promote 21<sup>st</sup> century skills.
- Safe, caring and respectful learning environments
  - Promote character development.

- Implement “green” environmental practices.
- Promote school and departmental programs that improve the health, safety and well-being of our students and staff.
- Wise use of resources
  - Conduct annual systematic reviews to realize operational savings.
  - Develop our human resources by improving our recruitment, staff development and succession planning practices.
  - Build community partnerships that promote student success.

The 18 month development of the plan began with the executive council identifying a gap between its former policy on the district’s key outcomes and statement of goals, and its current vision. The executive council established a Visioning Committee comprising trustees, administrators, students, and managers. The committee engaged stakeholders in the community to help shape the strategic plan. A website was set up to facilitate public participation and input and feedback on ideas. The largest challenge for the committee was in how to operationalize the new strategy. This was achieved through the development of “interventions” that were aligned with each strategic priority and the Board’s Academic Improvement Plan.

To complement this multi-year strategic plan, the school board should develop a formal annual operating plan to further enhance operational effectiveness and enable the Director of Education to report on specific outcomes. This plan would cover all operations, including human resources, financial management, and facilities management. The operating plan should be aligned to the Board’s multi-year strategic plan, highlighting how the board’s strategic direction is being implemented, and what successes have occurred.

The Board receives updates on the strategic and school board-wide work plans through committees. However, there is no direct reporting to the Board on the status and outcomes of either plan. Senior administration should report on its progress and outcomes of both operations and strategic plans to the Board annually.

## **Decision-Making Process**

The Board’s process for agenda setting and decision making is formalized, and incorporates both student achievement and operational performance topics. Board agenda items are considered at weekly executive council meetings. Once a draft agenda is prepared at executive council meetings, it is vetted and approved by the

Chair. Approved agenda packages are sent to Board members three days prior to Board meetings.

The school board has appropriate processes in place for the establishment and regular maintenance of policies and administrative procedures. Administrative Procedure 121 states: *“The Director believes that a regular cyclical review of administrative procedures, with opportunity for input by the appropriate stakeholders, leads to effective operations within the school system.”* This procedure outlines the steps in the policy review process. Administrative policy review schedules are set by the Operations Steering Committee and an initial review is completed by executive council which passes issues and concerns back to the Operations Steering Committee for a review of the procedure. During the review, the committee may consult with the Board, school councils, Council of Administrators for Secondary Schools (CASS) and Administrative Council of Elementary (ACES). The committee will draft and propose recommended changes for approval to the executive committee. Once approved, changes are communicated to the Board, staff and stakeholders (through a posting on the school board’s website) by the Director.

## **Organizational Structure and Accountability**

The school board’s administrative functions are divided among the Senior Business Official (SBO), and three Superintendents of Education: Program Services, Employee Services and Assessment and Evaluation Services. These staff report to the Director and maintain separate and distinct portfolios. The school board evaluates roles and structures. All senior staff job descriptions (including those for managerial staff) have been revised in the past five years. The school board assessed the effectiveness of reporting structures internally, and also used an external consultant to compare existing reporting structures to those of other school boards. Management reports that changes to the administrative structure have helped to positively influence the operations of the school board. The school board’s website provides a directory of senior administration, including general contact information and a current organizational chart.

## **Succession and Talent Development**

The school board’s strong succession and talent development program has its roots in an inclusive and consultative process. The school board maintains clear records of its talent and succession development needs, using leadership self-review surveys and careful tracking of retirements in all staff groups. The program used to track succession planning was first developed for principals and now includes nonacademic managers.

To maintain a list of known retirements, supervisors use a standard set of questions to staff that inform senior administration of employee plans for the coming years. These conversations are focused on retirements, but also include information concerning

career advancement and professional development needs, through questions such as, “Where do you see yourself in five years?” This allows supervisory staff to refresh the succession plan annually, and anticipate upcoming issues or challenges related to staff departure. Operational plans and system pressures are taken into account in the succession planning, including reductions in staff due to school closures and family of school consolidations.

As part of succession planning, leadership programs are also offered to employees based on both the needs of the system and through the ongoing tracking of the general attitudes and ambitions of staff. The board’s internal Leadership Assessment Program (LAP) is a training and prequalification process for those who wish to be considered for vice-principals or principal positions within the school board. The program is open to both internal and external candidates, requiring completion of at least Part 1 of the Principal Qualification Program (PQP). Once candidates have been accepted to the Leadership Assessment Program, they complete a 360 degree review, as well as a full day of simulation activities meant to represent a typical day in the life of a principal. Management determines successful candidates, who then compete for principal and vice principal positions.

## **Stakeholder Engagement**

The school board proactively engages a variety of stakeholders (both internal and external) regularly and through a variety of communication channels, such as printed newsletters and school board’s website. Board communications are managed on a part time basis by one full time school board employee. The school board actively communicates with stakeholders on a variety of issues, including the Accommodation Review Processes (ARC). Through governance policy, the board recognizes that the Chair is the official spokesperson for the Board. This policy is respected by Board members. At the time of the review, the school board acknowledged the ongoing benefits of outreach and community engagement, and is now focused on developing a more formal and annual communications plan for 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), and Educational Computing Network of Ontario (ECNO) among others. The school board encourages staff at all levels to engage in sector committees to foster knowledge sharing and learning.

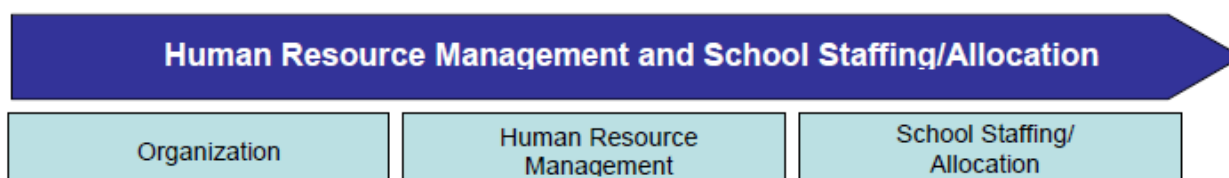
## **Recommendations:**

- The school board should develop a formal governance policy that clearly delineates the division of duties and responsibilities of the school board, trustees, Board chair and 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 including a code of conduct for school board trustees.

- The school board should develop a formal annual operational plan aligned with the Board's multi-year strategic goals. This annual operating plan should cover all aspects of its non-academic operations, including human resources, financial management, and facilities management. This will also enable all departments to track and report progress on their defined priorities and goals throughout the year.
- Senior administration should report to the Board of Trustees annually on the status and outcomes of the school board's strategic plan and the annual operational plan, once it is developed.

### 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.	No

### Organizational Structure and Accountability

Leading Practices – Human Resource Organization	Evidence of Adoption?
The HR department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available to the public.	Yes
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 maintains a departmental calendar outlining transactional items and responsibilities of the department. In addition to the department’s standard procedures, management implements strategic projects, including new systems implementations with associated project plans. However, these project plans are not included in the departmental calendar. The department should expand on its departmental calendar by developing an annual department plan, complete with measurable targets, designated accountabilities, and timelines. A departmental plan would link department priorities with

unit and individual performance measures and accountabilities, facilitate clear definition of roles, enable collaboration among team members, and provide a roadmap for the department. The plan should be aligned with the school board's strategic plan and school board's operational plan once it is developed.

The department staff hold weekly meetings ensuring alignment with the departmental calendar and to address issues and pressing concerns within the system. The department uses new HR management software for better internal reporting processes. In the past, the department conducted formal surveys to obtain feedback on business services and needs. The department is currently administering a staff satisfaction survey with a particular focus on health and wellness. The department also receives much of the feedback on its services informally.

### **Organizational Structure and Accountability**

Led by the manager of human resources, the HR department is supported by three staff. In addition to the manager of HR, the department is composed of a newly appointed HR generalist and two administrative assistants. The HR department's job descriptions are accurate and up-to-date. Contact information and departmental structure information can be found on the school board's website. Departmental staff are qualified through a combination of professional designations and certifications, including certificates in HR and ongoing education toward a Certified General Accountant (CGA) designation.

### **Monitoring and Communication of Policies**

The HR department is responsible for the monitoring and maintenance of policies, including teacher recruitment, performance appraisals, attendance support, benefits, and new hire orientation, among others. The department maintains ongoing communication with supervisory staff as well as labour representatives to help ensure smooth labour relations across staff groups. Training for supervisors is adjusted depending on the labour group and the specific needs of the particular group.

### **Recommendation:**

- The HR department should consider developing an annual department plan aligned with the school board's operational plan and overall strategic direction. This will enable the department to track and report on the progress of its defined priorities and goals throughout the year.

## 3.2 Human Resource Management

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

- Planning and processes are in place for the recruitment 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.	Yes
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
The hiring policies and procedures for the respective staff groups are harmonized and shared with managers throughout the school board.	Yes

## 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.	Yes
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.	No
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.	Yes

## 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.	Yes
Confidential exit interviews are performed for all staff who resign, take early retirement or transfer.	No

## Staff Recruitment/Hiring

The school board maintains administrative procedures outlining hiring procedures for teachers, occasional teachers and support staff. The school board's recruitment procedures are managed by HR. The HR department provides support, coaching and frameworks for hiring efforts across the school board.

The school board has focused its recruitment activities on specific areas, targeting specific teachers' colleges such as Queens, Ottawa and Nipissing universities. When

visiting target institutions, the recruitment team is made up of principals and at least one superintendent of education. One member of the recruiting team will be a French speaker. Recruitment teams discuss hiring needs with unions prior to recruiting trips to better understand system needs, providing greater focus to recruitment efforts. Recruitment teams do not accept resumes during visits or career fairs, but candidates are encouraged to apply online. The teams do however accept applications from candidates for technology and French teaching roles, since there is usually a shortage of candidates for these two areas of specializations. .

In general the school board's current recruitment practices are generating a sufficient number of qualified candidates, especially since the school board is experiencing declining enrolment. The recruitment process begins once a vacancy is determined and the principal informs the HR department, who creates the job postings. As per collective agreements, postings are first distributed internally. Once it is determined that there are no qualified internal candidates, the position is posted on external online recruitment sites.

The HR department tracks candidates using an electronic database which helps facilitate the hiring process. Principals are responsible, with support from HR, for the hiring of specific roles. School councils play a role in setting criteria for hiring, identifying desired qualities of the ideal candidate. Hiring panels must consist of a minimum of three individuals, with at least one of the opposite sex of the interviewee. In the past trustees, have sat on staff hiring panels, but since the clarification of Bill 177, trustees do not sit on staff hiring panels, with the exception of the hiring of the Director of Education.

The school board maintains processes to identify and remove discriminatory biases and systemic barriers in staff recruitment, selection, hiring, mentoring, and promotion of staff. Policy 250 includes training and policies to ensure clarity and transparency in recruiting and hiring practices. The HR department continues to work to standardize employee hiring across the school board. Overall the hiring process is standardized but where the various departments chose to focus recruitment efforts or advertise may differ, since the hiring system across the school board is decentralized.

## **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. The labour-management committees represent the collective bargaining units of the school board. They are:

- Elementary Teachers' Federation of Ontario (E.T.F.O.), Elementary teachers, Staffing Committee

- E.T.F.O., Elementary teachers, Surplus and Redundancy Procedures Committee
- Ontario Secondary School Teachers' Federation (O.S.S.T.F.), Secondary teachers, Staffing Allocations Committee (SAC)
- E.T.F.O., Occasional secondary teachers, Occasional Teacher-Board Relations Committee
- O.S.S.T.F., Occasional secondary teachers, Occasional Teacher-Board Relations Committee
- E.T.F.O., Educational support personnel, Joint Committee
- E.T.F.O., School Support Counsellors, Joint Committee
- Canadian Union of Public Employees (C.U.P.E.), 1247, Labour Management Committee
- C.U.P.E., 1247, Joint Committee
- C.U.P.E., 1247, Joint Job Evaluation Committee
- C.U.P.E., 1321, Labour Management Committee
- C.U.P.E., 1321, Joint Job Evaluation Committee
- O.S.S.T.F., Office Managers, Professional Development Committee
- O.S.S.T.F., Office Managers, Joint Job Evaluation Committee

Management maintains documentation that tracks committee membership and meeting dates.

The school board maintains strong, forward-focused procedures to minimize grievances. In the past, the Director has held bi-annual meetings with union leadership, and these relationships have been expanded now to include SOs. The school board's leadership advisory committee, which includes principals and managers from all departments, contributes to strengthening labour relations. Issues raised are broad and have included staffing pressures in the plant department, which have resulted in programs similar to the LAP program being developed for plant staff. The school board is encouraged to continue with its collaborative and collegial approach to labour relations.

The school board's labour negotiations team comprises the SBO, two trustees, an external labour consultant, and the manager of HR. Management reports the Board of

Trustees establishes the framework for bargaining with employee groups while trustees sit at the table to provide a positive resource on the negotiating team, bringing experience to the process. However, in line with Bill 177, trustees should not have a direct role in labour negotiations. It is recommended that trustees should continue to 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. The processes include quality performance checklists for custodians, occasional teacher evaluation forms, and EA and teacher performance appraisal processes. Managers and supervisors are trained yearly on performance evaluation methods to better provide performance management coaching and monitoring. All performance management records are tracked on paper, and the school board is working to move processes electronically. The school board adopts professional development (PD) to respond to gaps identified in employee performance evaluations, such as having in-serviced the teacher group in conflict resolution. The school board should continue with its performance evaluation processes and expand on the technical evaluations of certain groups, when necessary.

The school board uses progressive discipline processes for all employees. Management maintains and communicates formal disciplinary policies and standard procedures. When management is faced with an incident lacking precedence, and which does not fall within existing procedures, legal expertise is sought.

PD planning and delivery is not centralized in one department, but is managed by a number of departments and superintendents. The school board is in the process of centralizing the tracking of PD for all staff and union groups, including identifying responsibilities for the administration of PD and related processes. PD is included in the Board Improvement Plan (BIP) as well as the over-arching strategic plan, and is an area of focus for the school board. PD has been included in some parts of the bargaining process, and certain PD sessions include attendance tracking for employee PD records.

### **Attendance Support Processes/Programs**

The school board maintains a system to monitor staff attendance. The “PARTNER” program, which to date has been used mostly for the custodian group, is currently being expanded and adapted for use across all employee groups. Management is advancing and investing in the program, by planning to evaluate the program, as well develop training materials to support principal and vice-principal attendance management efforts.

### **PARTNER:**

**Prevention/Wellness Management****Attendance Management****Roles and Responsibilities****Timelines of Absence Management****Non-Discriminatory Program****Evidence Provided (Medical Notes)****Return to Work and Accommodation**

An electronic system and paper procedures are used to track attendance records. The school board plans to replace both processes with a recently implemented electronic management system. Management is encouraged to pursue this goal, with particular attention to automatic custodial paper processes. This system allows principals to monitor attendance records at their schools and ensure records are up-to-date. Attendance reports have been presented to the Board as information, and permit senior management to investigate areas or issues of concern regarding staff attendance.

The school board is in the process of expanding its attendance management program to all staff groups, and should continue to do so. Management should also include the formal documentation of processes and procedures that will provide management and employee groups with a timely, consistent, and structured approach to improve attendance. A more formalized attendance management program will also ensure that Health, Safety and Wellness can periodically report on the effectiveness of the attendance management process to senior management and the Board.

The Health, Safety and Wellness department produces attendance reports and benchmark sick leave statistics with SBCI data. Internal attendance measures are compared year over year, management reports results are trending down.

**Management of HR and Payroll Data**

The school board's payroll processing is separate from the employees' data records, and all payroll services are managed in-house. The HR department is working to upgrade its electronic management system to provide better payroll tracking and services. The current program, developed in-house, will be upgraded to an industry standard electronic management system. Efficiencies will be realized in the automation of timesheets, which will be accessible to employees online.

HR management has implemented an approved pay equity plan, and has a joint job evaluation committee for each union group to address issues of pay equity issues. The

department synchronizes teacher qualifications with the Ontario College of Teachers database three times per year.

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

The school board has developed procedures to manage benefit plans appropriately. This includes managing the plans as an administrative services-only arrangement, and mitigating costs through disability management, return to work and accommodation plans among others. Cost containment efforts are effective where efforts are focused, such as on particular staff groups. The Board is informed of benefits plan cost through the yearly plan renewal associated with the budget process. The school board last went to market for the carrier two years ago.

The practice of hiring an external auditor to examine employee benefit plans has been suggested to school board's management as a consideration for the future. Currently, there are no such external audit procedures. The HR department transmits employee and employer contributions to the Ontario Teachers' Pension Plan (OTPP) and the Ontario Municipal Employees Retirement Systems (OMERS) annually in November, ensuring accurate and timely enrolment of all eligible employees.

Management should engage a third party to conduct compliance audits 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.

### **Monitoring Staff Satisfaction**

The department is currently administering a staff satisfaction survey, with particular focus on health and wellness. Exit interviews are not mandatory, and are completed only if requested by a departing employee or the school board. The school board should formalize the process for exit interviews, and ensure they are performed for all staff groups. Practices such as staff surveys and exit interviews can provide management with valuable input, for both professional development and policies impacting employee relations.

### **Recommendations:**

- Trustees should provide the school board with a policy and priority framework for bargaining. They should not directly participate in labour negotiations.
- Management should continue to develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance across all employee groups.

- Management should 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 consider conducting exit interviews with all staff exiting the school board to obtain input on 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.	Yes
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. Management uses standard templates as well as a dedicated electronic system to assign staffing allocations.

The school board's staffing process is centrally coordinated. Once initial allocations are developed, principals are consulted to ensure alignment with specific situations at the schools. The initial estimates are produced by the department's electronic staffing system, which management reports has reduced costs and increased efficiencies to create demonstrable budget savings. The system, introduced four years ago, provides management with data on staffing trends. Summary data is also shared with trustees. Once allocations are finalized, principals make decisions regarding specific teacher allocations within their school. Should principals feel that allocations are not appropriate, and wish to request more staff they must clearly demonstrate this need.

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 forecasted 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 the SO, HR and discussed with union groups.

### 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.

## **Monitoring and Reporting on Staff Allocation**

Staffing levels are monitored by the school board, and processes are in place to ensure appropriate staffing allocations. The school board's allocation software compares allocated staffing cost estimates to actual costs to determine if there are irregularities. The department adjusts allocations to align with the September class size adjustments. In cases where allocations have not been made accurately, staff holdback can be used, although minor moves of teachers within the same family of schools help mitigate major disruptions to students or staff. Management's plan for providing student support services and staffing is based on student-needs analysis. Management noted that allocations have been very accurate historically, and that actual allocation levels are presented to the Board as information.

## 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.	No

### Organization Structure and Accountability

Leading Practices – Finance Organization	Evidence of Adoption?
The finance department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available.	Yes
Finance department staff have the appropriate finance/accounting designations and/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, under the guidance of the SBO and with input from the finance team, develops an annual plan which outlines Ministry requirements and departmental projects. Much of the department’s work is driven by the Ministry’s reporting cycles, to create a predictable annual cycle for the department to follow. The department also reported that their annual goals and priorities are driven by the annual budget timelines and budget objectives, which are approved by the Board through the strategic plan.

While individual departmental projects can include targets, timelines and accountabilities, these details are not included in an overall annual departmental plan.

Management should develop an annual departmental plan, complete with measurable targets, designated accountabilities, and timelines aligned with the school board's operational plan and guided by the overall strategic plan. An annual department plan would help link departmental priorities with performance measures and accountabilities, facilitate clear definition of roles, enable collaboration among the team members, and provide a roadmap for the department.

### **Organizational Structure and Accountability**

The manager of finance 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 department, as well as a detailed organizational chart outlining reporting relationships of the department. Management has had success recruiting and retaining strong candidates. Current staff maintain appropriate qualifications, including Certified General Accountant (CGA) designations, and several staff are working toward other certifications.

### **Monitoring and Communication of Policies**

The department is responsible for developing finance and administrative practices, including petty cash, bank requirements, purchasing and tendering, the school loan program, and disposal of surplus equipment. There is also an ongoing monitoring of cash payments at the school level. Monitoring is facilitated where schools manage funds through the centralized electronic cash management system. Departmental staff conduct "desk audits" of schools to ensure processes are being followed, provide feedback regarding effective practices, and help with ongoing staff education. In addition to school visits, the department builds an understanding of finance policies and procedures through staff training, including annual sessions with school secretaries, budget workshops with principals, and monthly memos regarding new procedures.

### **Recommendation:**

- The department should consider developing an annual departmental plan aligned with the school board's operational plan and overall strategic direction. This plan will enable the department to track and report the progress of its defined priorities and goals throughout the year.

## 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.	No
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

Leading Practices – Budget Planning and Development	Evidence of Adoption?
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 a centrally led annual budget development process that is consistent year to year. The budget development process, however, has not been formally documented. The school board should take the opportunity to document the budget development process to ensure transparency to the Board, and clarify roles and responsibilities of school board staff during the process.

For example, management should consider providing a budget process initiation presentation containing an outline of budget timelines and stages to the Board each year. This would help ensure that the budget development process is clearly communicated and understood by all trustees. Throughout the budget development process, management should provide information to trustees on key stages in the budget development process.

Budget planning begins every year, when the principals provide enrolment projections. These have traditionally been very accurate, since the school board has been facing a predictable and constant decline in enrolment, in all but one community. Enrolment projections are loaded into a central salary spreadsheet to calculate cost predictions for teaching staff and educational assistants. Custodian and secretary staffing allocations are adjusted periodically, making all changes at once, minimizing disruptions in the system. Once staff projections have been made for each school, staffing budgets are allocated. These staffing allocations provide the foundation to the budgeting process. Staffing allocations are developed collaboratively with HR in early March. The school board compares teaching costs with those of similar school boards.

The budget is based on a carry-forward process from the previous year, and budget surpluses or deficits are carried forward to the new fiscal period. There are no automatic yearly increases in department budgets. Budget levels are maintained at a constant level, thus affecting a yearly cut equivalent with inflation. New program or funding requests must be put forward with business plan, demonstrating how the funding will be provided from existing budgets. A draft budget is presented to the executive council, and once approved is presented to the budget committee. Senior administration is responsible for maintaining awareness of all external factors or trends that might impact the budget development process. Cyclical reviews of potential issues impacting budget development ensure consideration of potential risks.

## Risk Mitigation and Board Approval

The department mitigates some potential risks associated with enrollment changes, building contingencies into budget planning for teaching staff. The school board maintains both restricted and non-restricted funds that can be used to manage unforeseen risk. Management does report some risks to the Board during the budget presentation. All major, material in-year budget changes are presented to the Board. Practices however 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.

## Recommendations:

- Management should document the annual budget development process to enhance transparency for participating superintendents/managers, and encourage internal discussion between departments in the development of the annual budget.
- 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	No

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
understanding of the status of the current year's budget and the outlook for the year.	
Senior management is held accountable for the integrity of financial reporting through formal sign-off and approval procedures.	No
Management completes and files all financial reports in accordance with established timelines.	Yes

## Audit

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Management maintains an independent internal audit function.	No
Internal audit plans are clearly documented. Internal audit report recommendations are followed up and acted upon by management.	No
The Board has an audit committee with external members.	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. The system is managed day-to-day by school board staff. The system permits the department to produce interim reports and at any point permits analysis of current financial data. New general ledger accounts are approved by the manager of finance and inputted by the department's financial analyst.

## Interim and Annual Financial Reporting

Management provides the Board's finance committee with year-end financial statements and ensures ongoing internal cyclical updates of the school board's financial position. Reports to the Board do not include calendarization of accounts, comparing year-over-year figures, although management does recognize the benefit of such reporting. Management sends reminders to the system to ensure that financial reporting is completed on time. The school board completes and files all financial reports with the Ministry in accordance with established timelines and monitors financial reports on a regular basis.

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 the same periodic details as 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 and signed off 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 and enrollment, to ensure transparent accounting from schools. A report of these findings is presented to the Board.

The finance department has one staff member assigned to support and proactively support a review of internal processes. The staff member provides direct support to schools facing challenges with financial management and reporting. Management engages external auditors to examine the school board's books those of one third of all schools annually. School audits examine high risk areas, such as spending on foreign trips and cash handling log books. The year-end audit findings report is presented directly to the finance committee by the external auditor.

The school board is actively participating in the Ministry's regional audit initiative. At the time of the Operational Review, the Board reported that it did not have an audit committee in place, but has historically used its Finance Committee to discuss financial matters relating to the school board. Management is aware of the new Audit Committee Regulation, and reports that the creation of a separate audit committee and the addition of external advisors to serve on the committee are underway.

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 board should seek and install qualified external members who can support audit committee members in understanding what constitutes sound internal accounting and operational control processes. External advisors on the audit committee would not be voting members, since current legislation only recognizes trustees as voting members on school board standing committees. This would ensure that an objective third-party view is applied to the review of financial statements, auditor's report, and in-year reports produced by management.

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.

Annual internal audit plans should be clearly documented, and audit report recommendations should be followed up and acted upon by management. Audit plans should also be approved by the audit committee once it is established.

### **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 into one account. The school board uses the Renfrew and Area Administrator’s Group (RAAG) to strategically maximize return on investments. The RAAG group consists of local organizations, hospitals, and universities that pool funds as one group. The groups’ funds are managed by a banking institution and are accessible to members at a

lower borrowing rate than if borrowed from the bank itself. Contributors to the fund receive higher returns than would regularly be offered by banking institutions.

The school board maintains an investment practice and ensures the Board is updated if required. However, there is no formal reporting on investments to the Board. The department is encouraged to develop an investment policy and report to the Board on its effectiveness. Under the current circumstances, this process will help to ensure clarity as to why investments (other than interest earned) in the school board's RAAG account are not currently being pursued.

Management has consolidated cash management activities for the school board with a single institution, and monitors risks related to cash investment and management. As part of this monitoring, the executive council will investigate any employees who are dismissed with cause, paying close attention to financial records. All banking contracts are kept both electronically and in paper copies in a safe. The banking contract is renewed every five years, and staff compare banking conditions with those of other school boards. The school board encourages its schools to use its preferred financial institution, and makes suggestions for alternatives in communities where the bank is not present.

**Recommendation:**

- The school board should establish an investment policy. Management should periodically report to the Board on the performance of any investment activity, including when there are no investment activity and the reasons for not investing, in accordance with the approved 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 uses a cash handling handbook to ensure consistent and transparent processes in the management of school-based funds. The school board has also implemented an online cash management system that allows for ongoing and up-to-date analysis of school based funds.

The Board collects and examines reports regarding all canvassing or fundraising activities involving students. Management reports that a new policy regarding Board approval of fundraiser activities is imminent. Management is working with principals to develop tools to help ensure that funds raised at schools are used for their intended purposes. Monies received at school sites, through student fundraising or otherwise, are

kept in school safes. The school board is considering the use of drop boxes at school sites to help ensure standardization of cash management processes.

### **Management of Non-Grant Revenue**

Management reports very little non-grant revenue. Revenue streams include 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 managing the web-based booking and payments system for facilities rentals through the plant department, with assistance from the community-use-of-school coordinator. The school board also cooperates with local colleges in the delivery of continuing education programs.

EPO grant information is received by finance staff through Ministry memos. Management designates responsibility for EPO grants, and informs schools of allocated budgets. Spending of EPO grants is not permitted until grant agreements are signed. Finance distributes documents internally and reports on all related EPO requirements including reports that are due and associated staff persons. 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
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.	No

## 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.	No
Commitment accounting is in place to monitor budget utilization.	Yes
Management has implemented electronic supplier interface for ordering, processing and payment.	Yes

## 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.	Yes

## Policies and Procedures

The school board has developed procurement guidelines, including a code of ethics, that are aligned with the mandatory elements of the Supply Chain Secretariat's Supply Chain Guideline (SCG) 1.0. Purchasing guidelines are included in the school board's administrative procedure 515, *"Purchasing and Tendering"*. Procedures are clearly communicated to staff with purchasing authority, and are periodically reviewed and updated.

The purchasing manager monitors purchasing activities for compliance with the procurement policies, code of ethics and other school board procurement procedures. Procedure 515 includes flow charts showing the requirements and associated levels of responsibility for purchases in both the plant and other departments.

The procedure indicates circumstances under which the school board will use competitive versus non-competitive procurement methods. Contract award criteria include scoring elements considering components other than the lowest cost. The policy includes considerations of local vendors:

*"Local suppliers shall be given the opportunity to submit quotations, where applicable. If service, quality and price are considered equal, priority for the order shall be first with the vendor whose place of business is within the County of Renfrew."*

## Participation in Group Purchasing Initiatives

Management uses partnerships to increase purchasing power and minimize the costs of goods and services procured. The school board participates in various purchasing co-operatives and consortia, including Renfrew and Area Administrator's Group (RAAG ) for banking service and fuel oil, Ontario Education Collaborative Marketplace (OECM) for fine paper, and the Ministry of Government Services (MGS) for courier and cellular telephone services.

## Purchasing Levels of Authority

The school board maintains administrative procedure 515, *"Purchasing and Tendering"* which provides clear guidelines for all areas of purchasing, including competitive procurement and purchasing authority. The procedure suggests that all budget holders must comply with a standard set of guidelines regarding purchasing. The procedure maintains two different purchasing guidelines, one separate for plant construction and maintenance projects and one for the rest of the departments. In plant procedures and approval authorities are outlined for purchases between:

- \$0.01-\$10,000
- \$10,000.01-\$50,000
- \$50,000.01-\$200,000
- \$200,000.01-\$500,000
- over \$500,000

While for the rest of the school board's departments, purchasing requirements fall within the following amounts:

- \$0.01-\$2,000
- \$2,000.01-\$35,000
- \$35,000.01-\$200,000
- \$200,000.01-\$500,000
- over \$500,000

Although they have distinct threshold amounts, the approval authorities and process between the two groups are somewhat similar. Above \$200,000, purchases require approval of the SBO and Director, while all purchases above \$500,000 require

notification of the Board. Procedures required for purchases are similar with each corresponding increase in purchase amount. The procedure outlines the tendering requirements and the use of public advertising, which is done online.

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

The school board does not currently have a PCard program, but management intends to evaluate the potential costs and benefits. Presently, the trades staff use standing accounts set up with local vendors, as well as credit cards that are limited to purchase gas. The school board uses credit cards for SO, manager and consultant travel.

The use of petty cash creates additional labor-intensive work for all staff, and also exposes the school board to increased risk. The school board should review the volume of low-dollar purchase orders, to identify whether an increase in the purchase order threshold limits and a promotion of PCards would increase efficiency. The school board is encouraged to analyze low-dollar purchase order spending, to determine whether the cost of PCards would be justified in the reduction of administration, cost and risk associated with low-dollar spending.

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

Authorized school board staff submit requisitions through the financial system's online interface. Requisitions require approval from the finance department. If the requisition is for more than \$35,000, it is investigated prior to approval. Once approved, purchase orders (POs) are assigned to requisitions, printed, and faxed to the vendor. The department is encouraged to fully utilize the efficiencies of its system and transmit POs electronically.

Items are "drop-shipped" by the vendor directly to the requestor's location. Staff who receive goods examine shipments for completeness. Receipting documentation is kept at schools and not passed on to accounts payable for matching. The school board uses a process of "negative confirmation", where vendors are paid as soon as invoices are received by Accounts Payable, unless they are notified by receivers that an order is incorrect or incomplete. If invoices are for an amount exceeding \$5000, the finance department will check with the receiving school or department to confirm receipt. As a result, the school board conducts a two-way match on the majority of purchases to increase oversight on the completeness of all purchases. The school board should consider implementing three-way matching.

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 in the budget's parent account. However, the system will not stop the transactions. The school board is

considering changing the system so that transactions could not be processed if over-budget situations are encountered in individual school/departments.

The plant department has implemented electronic supplier interface for ordering and processing. The department creates internal electronic spreadsheet catalogues based on tendered submissions, which once complete, are uploaded into the school board's project management software. The prices in the spreadsheet are updated annually when supplier prices are negotiated or when a contract has expired and new tender has been issued. The school board should continue the use of current internal electronic supplier interfaces, while considering expanding the use of online supplier catalogues.

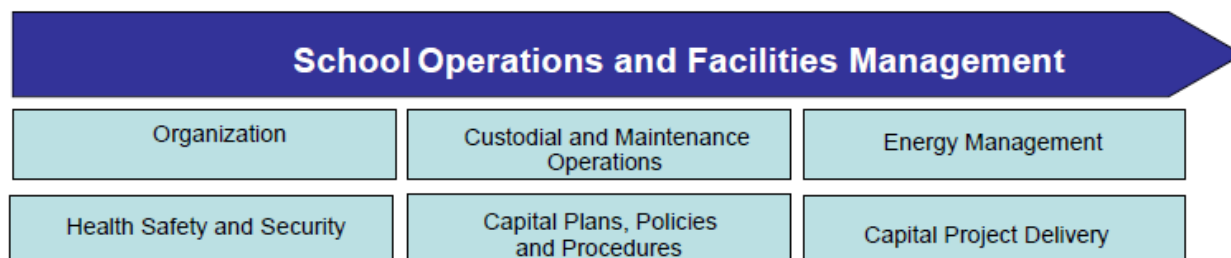
### **Use of Electronic Funds Transfer for Greater Efficiency**

The school board currently makes use of Electronic Funds Transfers (EFT) for payments in some frequent contracts with suppliers. It is reported that nearly 75 per cent of transactions use EFT.

### **Recommendations:**

- Department staff should consider implementing the use of Purchase Cards (PCards) to appropriate school staff. PCard use can reduce the volume of supplier invoices to be processed. Appropriate control policies and procedures would be put in place to support the expanded use of the PCard.
- Management should perform a detailed review of the school board's purchase-to-payment cycle and implement three-way matching.

## 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.	No

### 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.	Yes
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 sets goals based on the school board's strategic plan, and maintains a shared network drive to organize projects and internal goals. As projects are updated throughout the school year, they are updated in the shared drive.

Planning is a collaborative effort, as the department works with Information Technology (IT), health and safety and principals to ensure a coordinated approach to planning. The departmental planning documents do not include measurable targets with specific timelines or identified responsibilities.

The department reports the following goals for the 2009-2010 year:

- Assess condition of key facilities and equipment to support maintenance priorities.
- Organize and schedule preventative maintenance programs.
- Monitor the work order system to ensure efficiency and effectiveness.
- Continue to provide training and improve communication with maintenance employees.
- Continue to manage and implement standard equipment where it is practical and promote greater efficiency in the use of supplies.
- Minimize the use of non-green products and create a healthy workplace for all building occupants.
- Update the ReCAPP database.
- Implement the new swipe card access security system and IP monitoring.
- Identify major capital items necessary for new and/or existing instructional programs.
- Complete major renovations to Renfrew Collegiate Institute to accommodate Grade 7 & 8 students and Mackenzie High School to accommodate JK to 12 students.
- Implement an electronic Document Conversion Management Program for building components and operational systems.
- Complete ventilation upgrades.

- Tender for new phone switches and phone consoles for elementary schools.

Management should consider developing an annual departmental plan, complete with measurable targets, designated accountabilities, and deadlines. This plan should align with the annual operating plan (once developed), which in turn would support the overall school board strategic plan. This would help link department priorities with performance measures and accountabilities, facilitate a clear definition of roles, enable collaboration among the team members, and provide a roadmap for the department.

### **Organizational Structure and Accountability**

The manager of the plant department reports directly to the SBO. The manager of plant supervises two plant operations area supervisors and two construction and maintenance supervisors. The department was reorganized 3.5 years prior to the operations review visit, and has been restructured to best use the new electronic plant management system. The structure of the department and lines of reporting are reflected in the school board's organization chart. Job descriptions exist for all positions in the plant department and are being updated. Plant management and staff are qualified through experience. Supervisory staff skills are mostly developed internally. Trades staff maintain up-to-date trades' tickets with the shop foreman holding seven.

### **Monitoring and Communication of Policies**

The plant and maintenance department is responsible for the following procedures and policies:

- Community use of schools
- Building maintenance
- Custodial services
- School operations,
- Security and life safety
- Building grounds
- Construction projects

The department maintains a manual for custodians and is in the process of developing a departmental handbook for trades' staff, both of which are managed electronically. No hard copies are produced. The department uses electronic monitoring of policy compliance. For example, log books are maintained electronically and timelines are set for their completion. When timelines are not met, reports on incomplete logs are sent to

supervisory staff daily. Management communicates new policies and procedures through the department's electronic management system, as many employees are more familiar with the system than email. Staff training on new policies and procedures is recorded electronically. The department's electronic management system is being updated to track and account for training records.

### **Recommendation:**

- The operations department should consider developing an annual departmental plan aligned with the school board's operational plan and overall strategic directions. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.

## **5.2 Custodial and Maintenance Operations**

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

- Whether custodial and maintenance services are responding effectively and efficiently to 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	Yes

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
school board has developed a guideline/manual for custodial and maintenance services to support these cleaning standards.	
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.	No
Management's custodial/maintenance allocation model optimizes the use of staff and considers various factors (e.g. square footage, portables, gyms, etc).	Yes

### 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. 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.	Yes

### 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 a custodial manual containing cleaning standards and custodial rules and regulations is available online. School facilities are checked for cleanliness at a minimum of once a month by a supervisor. Where a school is experiencing issues regarding cleanliness, inspections occur more frequently. Issues arising from inspections are reported to the manager of plant, and results of school inspections are reported directly to school principals. The school board is encouraged to continue to work to develop an inspection form/checklist, and to clarify and document facility inspection requirements.

Similar to the custodial manual, an electronic facility inspection manual has been produced for maintenance staff. The log book identifies procedures concerning the inspection and testing and operation of building systems including fire systems. Daily log books are used for some systems, while others are spot checked on an *ad-hoc* basis to ensure consistent reporting and maintenance of systems.

The school board has begun using green cleaning products and procedures, such as floor scrubbers and hand dryers in its schools. However, it has not implemented a formal green clean program. Before using 100% green products, the department plans to deplete its existing stock of cleaning supplies. In addition, programs are in place at certain schools such as organic recycling and "no-waste lunches". The school board should move towards the implementation of a formal green clean program at all sites, using the ministry's Green Clean Program Resource Guide for potential program direction and improvements.

The custodial staffing allocation model is based principally on facility square footage and takes into account other factors including flooring type, access to elevator, stairs, and types of classroom. Square footage allocations differ for secondary and elementary schools. The allocation model at schools rolling out Full Day Learning programs is being re-examined to be adjusted for changes in usage. The staffing allocation model is compared against that of other school boards, and is discussed with unions to provide for transparency in the staffing process.

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

Annual maintenance plans are maintained through the department's electronic management systems, and updated using ReCAPP data, and staff input. Projects over \$10,000 are tracked and included in the plan that is updated annually, if not more frequently. The system is being developed to track and automatically schedule detailed maintenance plans for major equipment and plant systems, i.e. boilers etc. The maintenance plan is developed in consultation with other departments, to centrally organize, plan and consolidate major projects and to reduce duplication of effort.

Department planning begins in September, when area supervisors meet with principals to refresh the individual schools lists' of maintenance projects. These lists are ongoing and maintained through the department's electronic management system. Trustees are not involved in the approval of items, but are in setting in the overall maintenance budget. The department reports to the Board on the status of major projects twice annually, at six months and year end. Approved maintenance projects are numbered and assigned into individual general ledger accounts. Principals are able to manage budgets of individual projects through the electronic system, by assigning corresponding budget numbers. Projects that are not assigned budgets are sent back to the principals prior to approval of payments. Trades staff are centrally committed to projects, once budgets are assigned through the electronic project management system.

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

The department is working to implement online training programs for new staff. The department also uses a five stage leadership program including a one week course in systems operations, for maintenance employees moving into leadership roles. Staff are given a minimum of one training day per year, often during the summer. Training includes mandated courses such as WHMIS and fall-arrest as well as other programs such as customer service training. Training is centrally tracked through a spreadsheet in the shared plant server.

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

The school board maintains inventories of custodial and maintenance equipment, including all vehicles and mileage. The inventory identifies the location and condition of each piece tracked. The school board does not maintain large inventories. Chief custodians for each school are given the responsibility to manage their own budgets. Budgets are allocated at 11 cents per square foot. Chief custodians order supplies through an online ordering system. The efficient procurement of supplies is ensured, as supervisors are required to cross-check custodial orders. Quarterly reports detailing orders are provided to management.

## Project Management, Monitoring and Supporting Systems

The school board uses a computerized program to track work orders by location and type of work performed. Custodial and maintenance staff have controlled access to the system at all sites. The system identifies work orders that are more than two months old to supervisors, and informs school principals regarding planned work at their facilities and any work that could be considered hazardous. Management ensures appropriate staffing of projects and can monitor for repeat projects to identify ongoing issues at a facility or at facilities across the system.

### Recommendations:

- The school board should review the Ministry's Green Clean Program Resource Guide and use it to develop a formal green clean program as part of its overarching Education Environmental Policy.

## 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.	No
Procurement practices support the objectives and targets of the energy management plan.	Yes

Leading Practices – Energy Management	Evidence of Adoption?
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 has incorporated energy management elements into its facilities plans. However, it has not formally produced an energy management plan.

Management has incorporated energy efficiency into its custodian handbook, and encourages teachers to build in energy conservation material into the curriculum. Since 2003, all construction at the school board has incorporated energy management and efficiency components. Energy audits are used to help determine where funds might be best spent to improve the energy efficiency of facilities. The audits were completed by a third party specializing in energy efficiency. The school board has also formed the Director's Advisory Committee on Energy Conservation. This committee meets bi-annually and includes all senior administration, union representation, principals and custodians to help make decisions and focus efforts on energy efficiency projects. The school board should continue with current initiatives and plans to establish a multi-year energy management plan in line with the *Ontario Green Energy Act, 2009*, which incorporates measures to be implemented and the tools to monitor and manage the plan.

The school board does require an energy-star rating on any new equipment purchases and maintains appropriate procurement practices that support energy efficient objectives. Communication is facilitated through an annual report to the Board, as well as by posting energy audit results online. Tracking of energy consumption patterns has shown that occupant behaviour causes the largest impact on energy consumption. As

such, the department works to influence appropriate energy consumption behaviour in staff and students. This is reflected in the school board's environmental education and responsible management practices and successful conservation initiatives.

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

Tracking of school board energy consumption has taken place internally since 2003, and through a third-party provider since 2008. All billing is consolidated through the third party, and is verified by the plant department prior to payment. As part of energy management efforts, energy conservation savings are reported to the SBO annually. The school board reported that they are aware of the Ministry-sponsored Utilities Consumption Database, and are providing data and participating in the initiative. The school board, through its third party provider, tracks the school board's greenhouse gas emissions. Energy savings are facilitated at 24 facilities which are centrally controlled using building automation systems.

### **Recommendations:**

- Using energy consumption data, the school board should establish a multiyear energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the Green Energy Act, 2009, energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities, with milestones, roles, responsibilities and budgets with a process for ensuring community support.

## **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.	No
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.	No
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

Occupational Health and Safety (OH&S) is the responsibility of the manager of health, safety and wellness, who reports to the Superintendent of Employee Services. The manager’s duties are wide ranging and integrate all aspects of health, safety and wellness. The school board has implemented a number of practices to ensure OH&S requirements are met. However, there is no occupational health and safety plan in effect at the school board.

The school board maintains site-based health and safety committees. The committees address issues at the Directors’ Advisory Committee on Health and Safety, which includes representatives from unions, the Director’s office, plant and other areas. This committee meets twice yearly to consider and address high level trends or issues raised by site based committees. The manager of health, safety and wellness completes safety audits, and develops and delivers occupational health and safety training for groups across the school board. The manager also supports required monthly site inspections. The school board should go beyond its current practices and develop, implement, and monitor an occupational health and safety plan that reflects its policies and administrative procedures on health, safety and wellness. This will ensure that it complies with associated occupational health and safety statutory requirements.

The school board maintains some aspects of detailed safety and fire procedures. Generally, responsibility for safety procedures falls under the plant department and involves significant input from the manager of health, safety and wellness. Lock down and crisis response protocols have been developed, and the school board continues to

work with fire departments to help improve the plans. Safe school teams have been established and report to an SO. Swipe cards are used to access 75 per cent of facilities, with swipe card policies directly controlled by the plant department. The school board tracks vandalism, and the Board is informed if issues or events are deemed to be material (i.e. that they might attract media attention). Safety and security processes and plans are in place. The school board is encouraged to consolidate all existing emergency plans in one policy document which includes a detailed emergency and crisis response plan.

The school board focuses health awareness on three areas: occupational health, psycho-social work environment, and wellness/healthy lifestyle. One staff member has been assigned to manage the healthy schools initiative and has contact with a local health network that helps drive the healthy schools program. The healthy schools program involves students and their families. Overall, there is not a clearly- articulated health strategy applied consistently across the system. The school board should continue to develop an overarching health strategy, reflecting school board's policies and procedures to promote overall health and wellness of both students and all employee groups.

### **Recommendation:**

- The school board should develop an occupational health and safety plan, to ensure compliance with associated health and safety statutory requirements for both students and all employee groups.
- The school board should develop a security strategy reflecting the security and student safety policies and ensuring compliance with associated statutory security requirements for both students and all employee groups.
- The school board should consider establishing an integrated health plan/strategy that would reflect the existing policies and procedures regarding the health of both students and employee groups and aim 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 five and 10-year capital plans that are refreshed annually. The plans consider long-term enrolment projections and identified accommodation needs. The five year plan was refreshed officially with the Ministry, through SFIS in 2008. The SBO maintains overall responsibility for the capital plan, which is developed by the plant and finance departments. Trustees are engaged in the capital planning process, approving the annual capital budget. The plant department prepares reports to trustees on deferred maintenance costs, operating costs, migration patterns, transportation, and capital needs projections when preparing for accommodation review committee (ARC) processes.

In 2005, the school board closed five schools, and continues to use the capital planning process to proactively manage capital assets in response to declining enrollment. Facilities renewal is focused, long term and strategic. The school board uses consolidation and ongoing community outreach to ensure efficient use of facilities. Management is open with facts and figures to stakeholders so that communities and the school board reach conclusions collaboratively. Trustees play a role in community outreach and consultation.

## 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. Both systems are managed and kept up-to-date by the school board's records assistant. SFIS is updated annually in September or more regularly if required. The school board uses the Ministry guidelines to identify Prohibitive to Repair (PTR) schools, using ReCAPP. Capital plans are established for five and 10 year periods. As projects are completed, ReCAPP information is updated.

## 5.6 Capital Project Delivery

The purpose of reviewing all related capital project delivery 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 capital project delivery, 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 – Capital Project Delivery	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 – Capital Project Delivery	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 – Capital Project Delivery	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 ensures SFIS information is updated regularly and used to consider current school space. ARC processes are used in cases where school closure is being considered. In cases of under-utilized school space, schools use long-term leases and facility/cost sharing with coterminous boards and municipalities. The school board leases space for alternative programming in one situation.

The school board uses standard materials in construction, which are mandated for architects retained for renewal projects. The school board does very little new construction, and has not used standard footprint designs during renewal projects. Management makes use of cost-effective designs, and energy conservation principles following the Green Energy Act. Comparisons of construction costs are undertaken by the plant department, examining the cost averages of coterminous boards and industry standards through the maintenance and construction committee of OASBO.

### **Monitoring and Reporting of Progress on Construction Projects**

Management has an effective process in place to monitor and control construction project costs, in line with Ministry requirements. All renewal projects are managed internally, with supervision from the manager of the plant department. Since contingencies are built into each project, changes are not approved by the Board. Management maintains a change order matrix, which outlines the requirements for approval of change at each different cost levels. The project manager, architect and manager of the plant department meet weekly to ensure clear communication regarding all aspects of capital/renewal projects. Payments are approved by the architect, the project manager then signed off by the manager of the plant department. The manager of plant reviews all payments and any payments over \$50,000 must be approved by the SBO. An independent cost consultant is used on each major project. A cost consultant is currently engaged on a three year contract.

### **Maintaining Current Approved Professional Service Providers**

The school board makes use of internal trades staff whenever possible. Projects that require further specialization (such as heavy asbestos removal) are outsourced. Engineering and architectural firms are contracted every three years. The school board does not employ a standard contract, but ensures contracts are aligned with the 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 qualification 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.

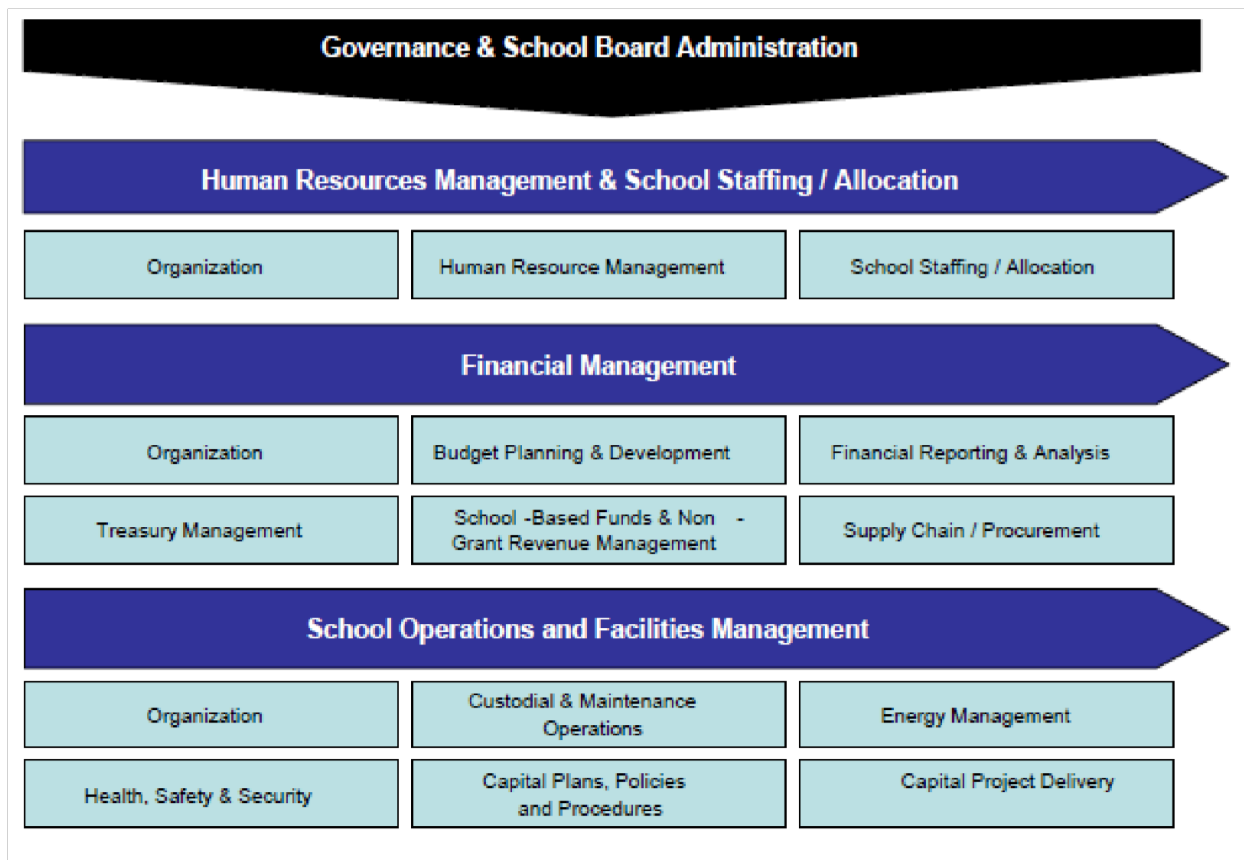
Recognizing the unique characteristics of each DSB, the specific purpose of the Operational Reviews is to:

- 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.

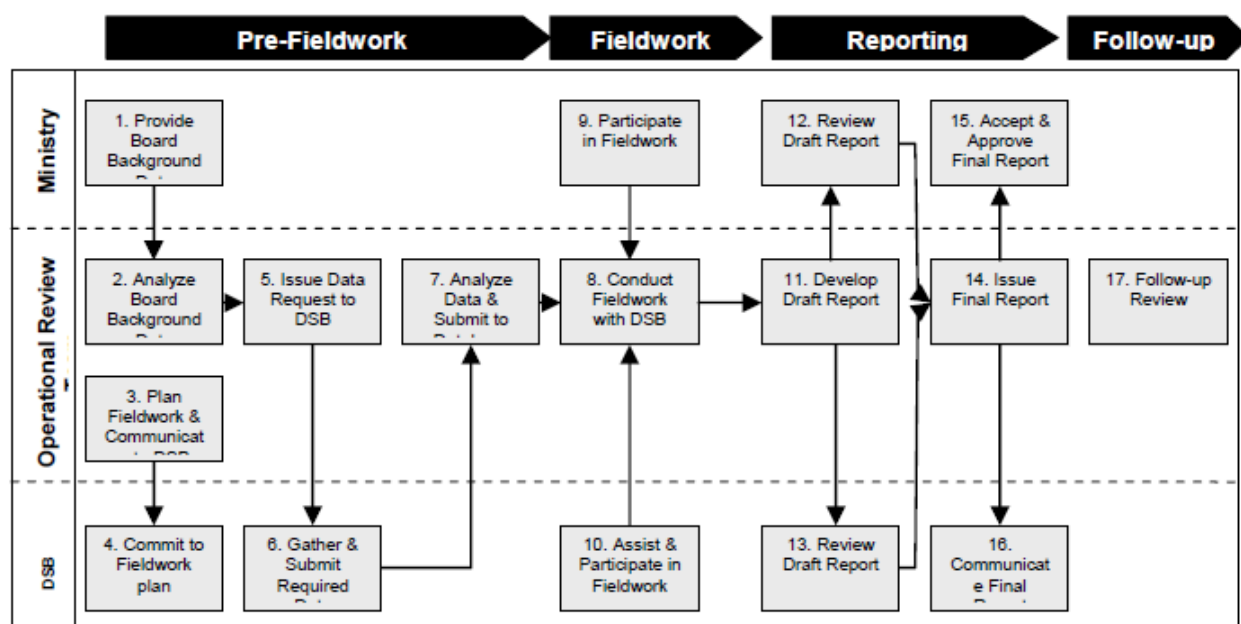
Each of the processes was examined based on its activities and its adoption of sector agreed leading practices, including alignment and support of student achievement strategies.



### 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.

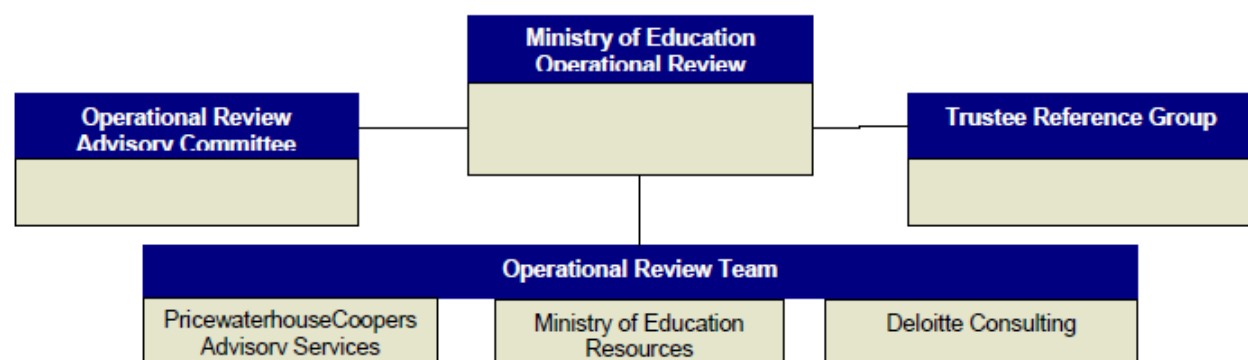
## Phase: Follow-up

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 Renfrew County 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 of the school board, trustees, Board chair and 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 including a code of conduct for school board trustees.
2.	The school board should develop a formal annual operational plan aligned with the Board's multi-year strategic goals. This annual operating plan should cover all aspects of its non-academic operations, including human resources, financial management, and facilities management. This will also enable all departments to track and report progress on their defined priorities and goals throughout the year.
3.	Senior administration should report to the Board of Trustees annually on the status and outcomes of the school board's strategic plan and the annual operational plan, once it is developed.

### Human Resources Management and School Staffing/Allocation

No.	Recommendation
4.	The HR department should consider developing an annual department plan aligned with the school board's operating plan and overall strategic direction. This will enable the department to track and report on the progress of its defined priorities and goals throughout the year.
5.	Trustees should provide the school board with a policy and priority framework for bargaining. They should not directly participate in labour negotiations.
6.	Management should continue to develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance across all employee groups.
7.	Management should 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.
8.	Management should consider conducting exit interviews with all staff exiting the school board to obtain input on HR policy, as well as process and program improvement.

### Financial Management

No.	Recommendation
9.	The department should consider developing an annual departmental plan aligned with the school board's annual operating plan and overall strategic direction. This action will enable the

No.	Recommendation
	department to track and report the progress of its defined priorities and goals throughout the year.
10.	Management should document the annual budget development process to enhance transparency for participating superintendents/managers, and encourage internal discussion between departments in the development of the annual budget.
11.	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.
12.	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).
13.	The school board should ensure interim financial statements are formally signed off by senior management to ensure the integrity of financial reporting.
14.	Management should continue working with the regional audit team on the development of a risk assessment to determine priority areas for internal audit activities.
15.	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.
16.	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.
17.	The school board should establish an investment policy. Management should periodically report to the Board on the performance of any investment activity, including when there are no investment activity and the reasons for not investing, in accordance with the approved investment policy.
18.	Department staff should consider implementing the use of Purchase Cards (PCards) to appropriate school staff. PCard use can reduce the volume of supplier invoices to be processed. Appropriate control policies and procedures would be put in place to support the expanded use of the PCard.
19.	Management should perform a detailed review of the school board's purchase-to-payment cycle and implement three-way matching.

## School Operations and Facilities Management

No.	Recommendation
20.	The department should consider developing an annual departmental plan aligned with the school board's operational plan and overall strategic direction. This plan will enable the department to track and report the progress of its defined priorities and goals throughout the year.
21.	The school board should review the Ministry's Green Clean Program Resource Guide and use it to develop a formal green clean program as part of its overarching Education Environmental Policy.

No.	Recommendation
22.	Using energy consumption data, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the Green Energy Act, 2009, energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities, with milestones, roles, responsibilities and budgets with a process for ensuring community support.
23.	The school board should develop an occupational health and safety plan, to ensure compliance with associated health and safety statutory requirements for both students and all employee groups.
24.	The school board should develop a security strategy reflecting the security and student safety policies and ensuring compliance with associated statutory security requirements for both students and all employee groups.
25.	The school board should consider establishing an integrated health plan/strategy that would reflect the existing policies and procedures regarding the health of both students and employee groups and aim to promote health and wellness across the school board. Management should also consider coordinating the development, implementation and monitoring of the plan centrally.