

Ministry of Education

**Operational Review Report
Simcoe Muskoka Catholic District
School Board**

April 2011

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Executive Summary

This report details the findings and recommendations of the Operational Review of Simcoe Muskoka Catholic DSB (the school board or SMCDSB) conducted by the Operational Review Team composed of external consultants from PricewaterhouseCoopers LLP and Ministry of Education staff. The Operational Review was conducted over three days beginning November 15, 2010.

Introduction

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

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

The school board's EQAO results have shown steady improvement since 2003, and are at the provincial average in most areas assessed. From an operations perspective, the review team found that the school board has adopted a number of the leading practices. Noted strengths include: formal governance policies that delineate the division of duties and responsibilities between the board of trustees and the director of education, a transparent and consultative process for the development of annual budgets; documented and well-managed practices for the design and construction of new facilities.

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 a number of leading practices in governance and school board administration, including:

- Adoption of formal governance policies that delineate the division of duties and responsibilities between the board of trustees and the director of education.
- A current organizational chart, posted on the school board website, and a directory of staff in each department.
- Formal mechanisms for communication and stakeholder engagement.

The review team notes that the school board would benefit from expanding its activities in several areas.

The school board developed a strategic plan approximately 10 years ago that outlines its strategic directions and priorities. This plan is reviewed annually by senior management to ensure its continued relevance. However, the school board should establish a new strategic plan, which clearly identifies multi-year goals to provide a framework for annual operating planning.

The school board establishes an annual Board Improvement Plan, which outlines the student achievement priorities. However, the school board does not establish an annual operating plan that includes specific and measurable objectives, accountabilities, concrete measures of success, and timelines for program and business operations.

The Director of Education publishes an annual report that outlines the progress and achievements made during the previous year. The Director of Education's report is primarily focused on academic achievement, but also includes some updates on major initiatives conducted by the non-academic departments of the school board. However, there is no formal annual reporting on the school board's strategic plan.

Leadership, succession and talent development strategies and initiatives have been focal areas for the school board over the last several years. It has implemented several initiatives to support succession and talent development for academic staff, and reported progress in all areas of the Ministry's Ontario Leadership Strategy. However, the school board has not developed a formal succession and talent development plan for key management positions in all academic and non-academic areas.

Recommendations:

- Using a consultative process, the school board should establish a multi-year (minimum three years) strategic plan in line with the provisions of Bill 177. Once the strategic plan is finalized, it should be communicated to all stakeholders. The multi-year strategic plan should include both academic and operational priorities and provide a framework for annual planning.

- The school board should develop an annual board-wide operating plan. The annual operating plan should be aligned with the school board's strategic plan, incorporate both academic and non-academic departments, and contain goals that are specific, measurable, achievable, relevant and timely.
- Once the school board develops a new strategic plan and an annual boardwide operating plan, management should periodically report to the board of trustees on the status and outcome of the board strategic plan and the annual operating plan.
- The school board should continue to align its leadership development programs and activities with the Ministry's leadership initiatives. It should also develop a formal leadership development and succession plan for key management positions in all academic and non-academic areas.

Human Resource Management and School Staffing/Allocation

The HR department has implemented a number of leading practices:

- HR management has established policies and procedures to minimize grievances.
- The school board has recently conducted a compliance audit of some aspects of school board's benefits plan.
- The school board has established labour/management committees.
- The HR department supports the professional development of staff.
- The school board has conducted system-wide surveys, including surveys of staff.

The review team notes that the school board would benefit from expanding and enhancing its activities in several areas.

The Human Resources department has documented the departmental business cycle, which is used for planning purposes. New initiatives are informally identified by the department and indicated in the business cycle document. However, the HR department does not have a formal department plan aligned to the school board annual operating plan and incorporating measurable targets, indicators of success, and accountabilities for projects and initiatives.

One trustee is invited to participate on interview panels for superintendents, principals, and vice-principals. Trustees (with the exception of the Director of Education), should

not sit on hiring panels, as a body or as individuals. Trustees should express their views on recruitment and hiring through the development of Board policies and by-laws.

The school board has established formal performance appraisal processes for teachers (occasional, new, and experienced), custodians, and maintenance staff. The school board is in the process of implementing principal performance appraisals, in line with Ministry guidelines. Other staff groups, such as office/clerical, EAs and non-union staff do not have performance evaluation processes in place.

At the time of the Operational Review, the school board had drafted documentation for an attendance support program, and was conducting final consultation with staff and stakeholders. The HR department has already presented the planned program to school principals, managers and labour management committees. Management anticipates that the program will be approved by senior administration in early 2011. The school board follows a progressive discipline approach, which is communicated to principals. However, the discipline procedures have not been formally documented.

The HR department does not conduct formal exit interviews. However, a draft procedure on exit interviews has been developed for Board Office staff. Management plans to submit the draft procedure for approval by Education Leadership Council (ELC) in 2011. In the past, the Director of HR conducted informal exit interviews with some staff.

Recommendations:

- HR management should document the department's goals and priorities in an annual department plan incorporating measurable targets, specific timelines and identified accountability. They should be aligned to the annual board operating plan and accessible by key stakeholders.
- The school board should review its existing recruitment and hiring processes including the composition of hiring panels, to clarify the roles of trustees and school board staff in the recruitment and hiring process. Trustees should provide strategic policies to govern staffing and recruitment, but should not sit on hiring panels with the exception of hiring the Director of Education.
- Trustees should provide the school board with a policy and priority framework for bargaining and not participate directly in negotiations.
- HR management should develop formal employee evaluation/performance policies and procedures for all staff groups.
- HR management should document formal disciplinary policies and procedures and communicate them to principals and supervisors.

- Management should continue implementing a formal attendance support program.
- Once the attendance support program is in place, management should report on the effectiveness of the attendance support process/programs to senior administration and the Board.
- Management should conduct exit interviews with all staff leaving the school board to obtain input for HR policy, as well as process and program improvement. Management should continue finalizing the procedures for conducting exit interviews with Board Office Staff.

Financial Management

The Finance department has implemented a number of the leading practices:

- The annual budget development process is documented, transparent, and clearly communicated. It 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.
- The school board has made significant progress in establishing an Audit Committee in line with the Audit Committee Regulation, and has established plans for Audit Committee meetings and training of committee members.
- The school board has established a successful unique joint initiative within the Ontario School Boards Financing Corporation (OSBFC) for long-term debenture financing and sinking fund management.
- In 2001, the Board adopted a Statement of Investment Policy and Goals for the school board.
- Management has established a detailed School Reference Guide that contains guidelines on management of school-based funds, and has mechanisms in place to monitor compliance with procedures.
- Management is continually examining opportunities and options for group purchasing. The school board is a lead partner in several cooperative purchasing initiatives.
- The school board uses EFTs for most payments.

The review team notes that the school board would benefit from expanding and enhancing its activities in several areas.

The Finance department establishes annual goals and priorities using an informal process as part of annual planning by all departments reporting to the Associate Director of Education (Business and Finance). However, the department does not have an annual operating plan which includes the department's goals and priorities, measurable targets, specific timelines, and identified accountability.

Management provides regular interim financial reports to the Board. The existing format of interim financial reporting has been used for several years. The frequency of interim financial reports is aligned with the key milestones in the budget development cycle. The structure of the interim financial reports is aligned with the Ministry funding envelopes.

Management noted that the existing format of interim financial reports is preferred by the Board. Management has prepared and presented one report using the format recommended by the Interim Financial Reporting Committee (IFRC). Management noted that the Finance department is working to adjust financial data to enable a streamlined production of quarterly financial reports in the IFRC format. The next report in the IFRC format is expected to be issued along with revised estimates for 2010-11.

In June 2010, the school board established a broad purchasing policy statement. Management noted that while changes in the purchasing procedure have been drafted to ensure compliance with the Supply Chain Guideline (SCG), the school board has decided to postpone adoption of procedures until Bill 122, *Broader Public Sector Accountability Act*, comes into effect. The Bill received royal assent on December 8, 2010.

The proposed amendments to the school board's purchasing procedures have been presented for discussion by the Board Policy Review Committee. The school board's current purchasing procedure does not indicate approval levels for purchasing or circumstances where the school board can use non-competitive purchasing methods. However, the proposed amendments to the procedure that have been presented to the Board Policy Review Committee include both authorization levels and a statement on non-competitive purchasing.

Recommendations:

- The Finance department should enhance its planning process by developing an annual departmental operating plan which is aligned with the school board's annual operating plan. The departmental plan should reflect specific and measurable targets and indicators, and assign responsibilities and timelines for key activities.
- Management should take into account the recommendations made by the Interim Financial Reporting Committee (IFRC) on frequency (a minimum of three reports)

and format of interim financial reporting to the Board. Management should continue to finalize the format of interim financial reports in line with the IFRC recommendations and continue to provide such reports to the Board.

- 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 accepts the risks associated with an audit finding, the reasons should be clearly documented and agreed to by the audit committee.
- Management and the Board should continue recruiting external advisors on the Board's audit committee in accordance with Ministry direction.
- Management should finalize the alignment of the purchasing policy and procedure with the SCG.
- In order to align the school board's purchasing policy and procedures with the SCG, management should include a statement outlining circumstances under which the school board will use competitive versus non-competitive procurement methods in the revised policy and procedures.
- Once an approved purchasing policy and procedure that aligns to the requirements of the SCG is in place, management should ensure that purchasing activities are monitored for compliance with the Board's procurement policy and procedures.
- In order to align the school board's purchasing policy and procedures with the SCG, management should include purchasing authorization levels in the revised policy and procedures.

School Operations and Facilities Management

The Plant Services department has implemented a number of the leading practices:

- The department has established a Cleaning Standards Manual which contains the formal cleaning standards.
- The school board has established a formal Environmental Stewardship policy and procedure which states that the environmental programs extend into all areas of the school board's operational practices.
- Management develops a five-year maintenance plan using a consultative process and input from various sources.

- The school board has implemented the EcoSchools program. The Plant Services department works closely with the EcoSchools Coordinator on energy conservation initiatives.
- The school board has a capital priorities plan that was submitted to the Ministry and will be presented to the new Board for approval in January 2011.
- The school board has documented space layout guidelines for designing new schools, which include standard floor plans, specifications for building components and materials.
- The Plant Services department uses the Leadership in Energy and Environmental Design (LEED) green building rating system as a guideline to incorporate environmental standards into building designs, where feasible.
- The school board has established a policy for the pre-qualification of architects. The successful architect selects a shortlist of contractors from a pool of pre-qualified contractors who are invited to respond to the tender.

The review team notes that the school board would benefit from expanding and enhancing its activities in several areas.

The main planning activity of the Plant Services department is the development of an annual and multi-year maintenance plan. Other goals and priorities of the department are identified based on the information from various sources, such as the analysis of the work orders, health and safety reports, site visits, and monitoring of utility consumption. However, the department does not establish a formal annual departmental operating plan which is aligned with the annual operating plan of the school board and identifies key projects and initiatives of the department, timelines, indicators of success and accountabilities.

The school board shared best practices and lessons learned for the development of the Green Clean Resource Guide. The school board has been proactively implementing green cleaning products across all facilities. It is expected that all cleaning products will be replaced by green products by January 2011.

Although the school board has made significant progress in implementing green cleaning, there are several aspects of the initiative that are yet to be formalized, in line with the Green Clean Program Resource Guide.

Square footage is the key factor in the allocation model for custodial staff. The requirements for allocation of custodial staff are set out in the collective agreement. Each year, the custodial allocation model is reviewed and discussed with the labour

management committee. At the site level, custodial supervisors work with custodians to plan cleaning schedules and activities based on specific requirements of each site.

The school board has implemented a number of projects in the area of energy management and energy conservation over the past number of years. However, the school board has not yet established a formal comprehensive energy management plan with measurable goals and targets.

The Plant Services department has had a dedicated, full-time Energy Management Coordinator for almost 20 years to monitor energy consumption and coordinate energy management initiatives. The Coordinator is responsible for collecting and tracking consumption data. Management noted that the building control systems installed in schools do not have the ability to track consumption.

Although the school board has a number of initiatives in place to support compliance with statutory health requirements and promote health and wellness among employees, there is no documented health strategy to address the promotion of overall health and wellness of both students and all employee groups.

Recommendations:

- The Plant Services department should enhance its annual planning activities by developing an annual departmental operating plan which is aligned with the school board's annual operating plan. The departmental plan should reflect specific and measurable targets and indicators, and assign responsibilities and timelines for key activities.
- The school board should formalize the green clean initiatives in a formal green clean program aligned with the components identified in the Ministry's Green Clean Program Resource Guide.
- Management should consider various factors in addition to square footage for the custodial/maintenance allocation model to optimize the use of staff.
- Using the data from energy consumption and information from external energy reviews, 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.

- Once the formal energy management plan is established, the school board should ensure that its procurement policies and practices support the objectives and targets of the plan. Management should also consider documenting the energy efficiency requirements in procurement policies and procedures and/or the environmental policy.
- Once a formal energy management plan is in place, management should provide formal annual reporting on the conservation savings achieved against the multi-year energy management plan.
- As part of the energy management planning, the school board should establish a comprehensive system to budget expenditures, track and regulate consumption, and identify opportunities for further savings.
- 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 Simcoe Muskoka Catholic District School Board provides educational services to 20,436 students in 44 elementary and nine secondary schools across the County of Simcoe and the Districts of Muskoka and Parry Sound.

The school board's enrolment decreased by 508 students or 2.4 per cent since 2002/03. This trend is expected to continue over the next several years.

At the time of the review, the school board's Senior Administration was as follows:

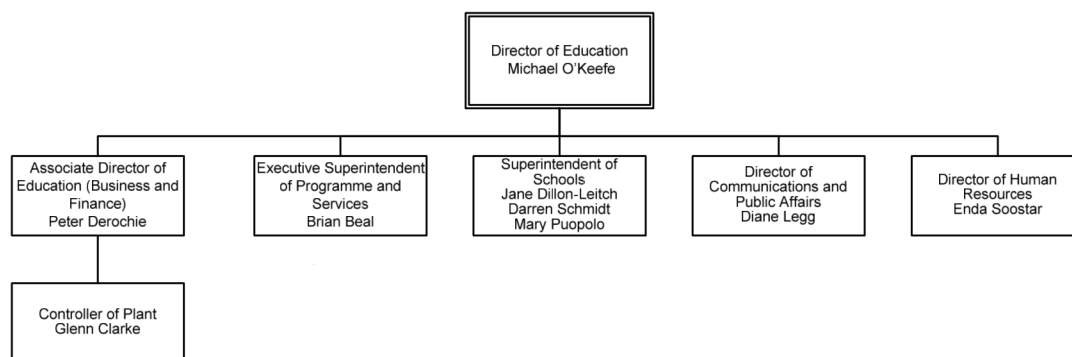


Figure 1 Simcoe Muskoka Catholic District School Board Senior Administration

1.2 Key Priorities of the School Board

The school board's website outlines the vision and mission for the school board as the following:

Vision: We are a faith-filled Catholic learning community dedicated to excellence.

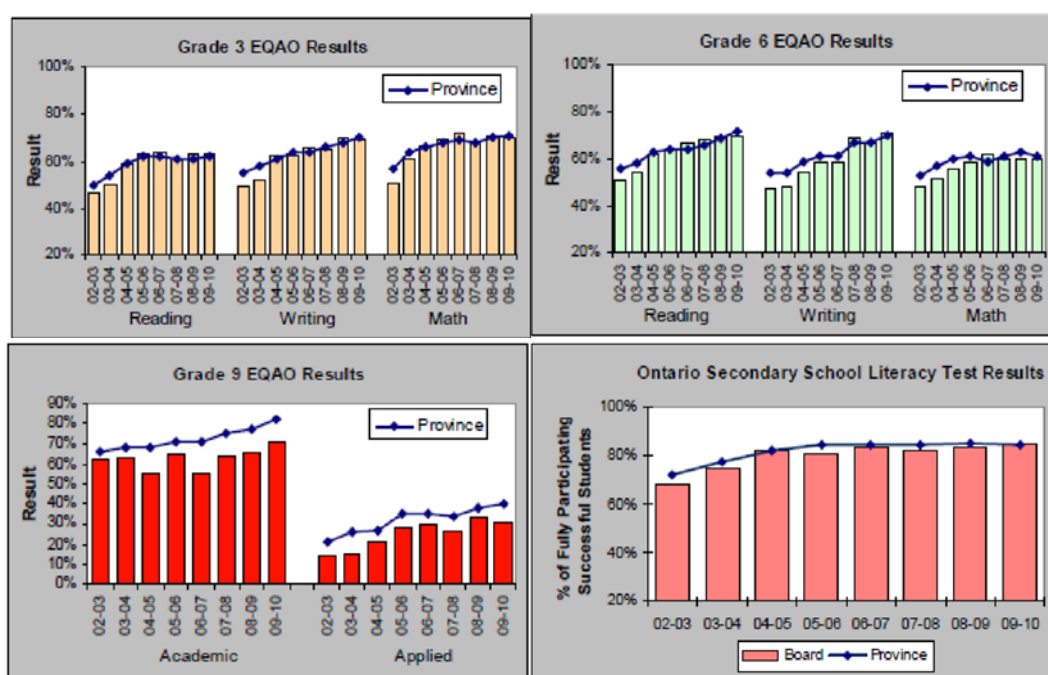
Mission: The Gospel calls our Catholic school system to service, preserving the richness of our heritage while meeting the challenges of an ever-changing society by:

- Fostering the development of self-motivated, unselfish, responsible students
- Inviting staff, parents and clergy to active participation in our school community
- Accepting the responsibility of participation
- Living joyous faith-filled lives which call others to witness to the faith
- Communicating openly
- Respecting and enhancing individual rights and dignity

1.3 Student Achievement

In 2009-10, the school board's Grade 3 and Grade 6 EQAO results remained steady in most areas assessed. The one area where the results improved was in Grade 6 writing. The school board's Grade 3 and 6 results remain at or slightly below the provincial average in all areas. Since 2002-03, the results have steadily improved in all areas.

The Grade 9 academic and applied results have been consistently below the provincial average. The results for Grade 9 academic students have improved over the past two years. However, the applied results have declined in 2009-2010. The results for the Ontario Secondary School Literacy Test were at the provincial average in 2009-2010, and have slightly improved over the past two years.



1.4 Fiscal Overview

Management has an approved balancing plan in place to return the school board to a balanced budget position for 2010-11.

Summary Financial Data (Revenues)

Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Legislative Grants	\$160,817,180	\$169,079,304	\$176,849,129
Local taxation	\$39,618,362	\$40,004,350	\$40,544,784

Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Board Revenues	\$3,205,663	\$3,107,311	\$850,314
Other Operating & capital Grants	\$3,129,374	\$3,181,887	\$2,022,173
Total Revenues (Schedule 9)	\$206,770,579	\$215,372,852	\$220,266,400

Summary Financial Data (Expenditure)

Expenditures:	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Operating expenditures	\$185,268,284	\$196,849,224	\$202,885,898
Capital expenditures - Before transfers from reserves	\$32,753,478	\$31,329,382	\$18,749,771
Transfer to (from) Reserves	-\$10,536,921	-\$12,258,398	\$334,511
Total Expenditures	\$207,484,841	\$215,920,208	\$221,970,180
In-year Surplus (Deficit)	-\$714,262	-\$547,356	-\$1,703,780

School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues:	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Reserve for Working Funds	\$1,085,258	\$0	\$0
Student Success	\$15,400	\$44,579	\$44,579
Pupil Accommodation Debt Reserve	\$20,784,330	\$16,941,680	\$17,276,191
Total Reserve Funds (Schedule 5)	\$21,884,988	\$16,986,259	\$17,320,770
Program Improvement Reserve	\$0	\$0	\$953,200
Other Operating Deferred Revenues	\$999,443	\$953,200	\$526,196
Proceeds of Dispositions Reserve- School Buildings	\$296,328	\$296,328	\$0
Education Development Charge Reserve	\$226,620	\$229,868	\$0
Energy Efficient School - Operating	\$0	\$0	\$0
Energy Efficient School - Capital	\$0	\$0	\$0

School Board Reserve and Deferred Revenues:	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Total Deferred Revenues (Schedule 5.1)	\$1,522,391	\$1,479,396	\$1,479,396
Total Board Reserves and Deferred Revenues	\$23,407,379	\$18,465,655	\$18,800,166

1.5 Key Statistics: Simcoe Muskoka Catholic District School Board

Day School Enrolment

Day School Enrolment	2002-03 Actual	2009-10 Revised Estimates
Elementary Day School ADE	14,255	12,394
Secondary Day School ADE	6,689	8,042
Total Day School Enrolment	20,945	20,436

Primary Class Size

Primary Class Size	2003-04	2009-10
% of Classes 20 or fewer	40%	93%
% of Classes 23 or fewer	78%	100%
Average Class Size - Jr/Inter	26.6	26
% of 3/4 Classes 23 & Under	28%	100%
% of Combined Classes	35%	49%

Staffing

Staffing	2003-04	2009-10
School Based Teachers	1,223	1,275
Teacher Assistants	242	376
Other Student Support	68	89
School Administration	68	71
School Clerical	84	82
School Operations	160	169
Other Non-Classroom	52	60
Total Staffing	1,897	2,122
Teacher - Pupil Ratio	1:17	1:16

Staffing	2003-04	2009-10
FTE Staff per 1,000 Pupils (ADE)¹	90.6	103.8
Total Salary & Benefits as % of Net Operating Expenditures	58.7%	79.8%

Special Education

Special Education	2003-04	2009-10
Special Education Incremental Expenditures	\$17,018,879	\$32,321,864
Special Education Allocation	\$15,926,900	\$22,642,931
Spending above Allocation (Reserve)	\$1,091,979	\$9,678,933

School Utilization

School Utilization	2003-04	2009-10
Number of schools	50	53
Total Enrolment (ADE)	20,945	20,436
School Capacity (Spaces)	18,747	21,045
School Utilization	111.7%	97.1%
Board Area (Km²)	9,339	10,640
Number of Trustees	8	8

¹ Note: Impacted by Class Size and Special Education

2. Governance and School Board Administration – Findings and Recommendations

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

Governance and school board administration processes are reviewed to:

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

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

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

Establishment of an Effective Governance Model

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The school board's governance model clearly delineates the division of duties and responsibilities between the board of trustees and the director of	Yes

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
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.	

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.	No
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.	No

Stakeholder Engagement

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

Establishment of an Effective Governance Model

The school board adheres to the principles of a policy governance model. The Board defined the model as Policy/Resolution Governance and established a formal policy. The Board's Governance Policy and the accompanying guideline identify the accountabilities, roles and responsibilities of the trustees and the Director of Education. The Board's governance policy states that:

"The Board of Trustees is responsible for the stewardship of the Board's overall direction and strategic goals and for ensuring that its policies and resolutions are implemented. The Board determines the broad goals, policies and specific resolutions of the organization and then holds the Director of Education accountable for their implementation."

The current governance model has been in place for a number of years. The trustees and school board staff have a shared understanding that the school board administration is responsible for operations, and the Board sets policies and strategic direction. When the Board first defined the governance model, the Board and the Director of Education participated in a series of sessions to clarify and solidify mutual understanding of their respective roles and responsibilities. The review team noted that trustees participate in some collective bargaining committees, hiring committees for principals and superintendents, and in the selection of architects for construction projects.

The Director of Education and the Chair of the Board have reviewed Bill 177 with the Board, and identified that the governance policies will require some changes to align with the new legislation. The Board has not yet developed and approved a formal code of conduct for trustees.

The Board currently is composed of eight elected trustees and one student trustee. At the time of the operational review, most of the current trustees had at least five years of experience on the Board. However, following the trustee elections that took place in October 2010, only two trustees will be returning to the Board.

New trustees are provided with relevant documentation about the school board and attend orientation sessions. Newly elected trustees are attending the orientation sessions provided by the Ministry of Education and the Ontario Catholic School Trustees Association. They are also attending orientation sessions provided by the school board, which focus on protocols on policy resolution governance, board operations, issue resolution, and the Board's consensus approach to decision making.

The trustees are active in trustee associations at the provincial and national level, and attend seminars on different topics related to school board governance. Senior management also provides a presentation at the beginning of most Board meetings on different aspects of teaching and learning, to enhance trustees' knowledge of the work of the school board.

Senior administration actively aims to provide the Board with sufficient information and opportunities to discuss issues before making a decision. The Chair of the Board noted that overall, the Board's decision-making process is effective, and the trustees have confidence and trust in the work of the senior administration team. The trustees have a clear understanding that operational questions should be referred to the senior administration team, and significant issues should be referred to the Director of Education.

The Chair of the Board maintains positive relationships with the other trustees. The Chair is the spokesperson for the Board and facilitates communication between the trustees and the Director of Education. The Chair works collaboratively with the Director of Education to set the agenda for Board meetings, and ensure that the trustees receive relevant and sufficient information on issues brought before the Board. The Chair and the Director of Education have a positive working relationship and maintain informal communication.

The Board has had a performance evaluation process in place for the Director of Education for a number of years. Trustees are asked to provide feedback to the Chair regarding the Director of Education's performance in the following areas of leadership: Catholicity, culture, organization, strategy, communication, fiscal and human relations.

The comments from the trustees are summarized by the Chair in a report that is shared with the Director of Education.

The Board has not established any mechanisms that would formally monitor its own performance or allow it to take action to continually improve its governance process.

Development of the Board's Strategic Directions/Plan

The Board concluded an extensive consultation process approximately 10 years ago to develop strategic directions for the school board. This led to the identification of five strategic directions supported by a set of accompanying priorities. The five strategic directions and goals are:

- *Support Faith Formation:* As a Catholic faith community we strive to live and model Gospel values. We will advocate for individual and collective spiritual journeys.
- *Promote Learning:* Learning to learn is a continuous and reflective process which enables the individual to create meaning and understanding. We will respect the dignity of the individual in the learning process.
- *Champion Continuous Improvement:* Change is our response to political, economic and societal influences. To achieve excellence in education we will address these challenges with effective planning and alignment of resources.
- *Foster Relationships:* Through the nurturing of positive relationships, individuals and groups become partners in a true community with shared goals, effective decision making and mutual respect. The strengthening of bonds with the extended community will better serve all students.
- *Communicate Effectively:* The sharing of ideas and information promotes our core values and shapes our culture. We will communicate in a timely, accurate and inclusive manner.

The strategic directions are reviewed by senior management during the annual staff retreat to assess the continued relevance of the strategic directions and supporting priorities.

The duty of Boards to develop and implement a multi-year plan was introduced by Bill 177, the Student Achievement and School Board Governance Act, 2009. The Act now requires Boards to develop a multi-year plan (minimum of three years) that:

- promotes student achievement and well-being

- ensures effective stewardship of the Board's resources
- delivers effective and appropriate education programs to its pupils.

Using a consultative process with internal and external stakeholders, the school board should establish a new strategic plan, which identifies multi-year goals to provide a framework for annual operating planning.

The school board establishes an annual Board Improvement Plan, which outlines the student achievement priorities. Once a year, the senior leadership team (including principals and department managers) meets to review the system-wide priorities related to student achievement.

Management does not formally document an annual operating plan for the school board that includes specific and measurable objectives, accountabilities, concrete measures of success and timelines. Each operational department identifies departmental projects and initiatives for each year informally and discusses these priorities with the ELC.

The Director of Education publishes an annual report that outlines the progress and achievements made during the previous year. The Director of Education's annual report is primarily focused on academic achievement, but also includes some updates on major initiatives conducted by the non-academic departments of the school board.

Decision-Making Process

The Board Procedural By-law outlines proceedings of meetings and decision-making processes of the Board. The Board follows Robert's Rules of Order. The by-law includes the structure of Board agendas and the process for agenda setting. The Chair of the Board and the Director of Education cooperatively prepare agendas for all Board meetings. The Director of Education works with the senior management team to identify items and reports to be presented to the Board. Items are typically brought to the Board in advance for discussion prior to being presented for a decision. There is a coordinator of trustee services who provides support to Board operations and meetings. Senior management recommends which items are presented to the Board for information only, (as distinguished from those requiring a decision) and whether items should be presented in private or public sessions. The Board follows a consensus approach to decision-making. If consensus is not reached, a formal vote is conducted.

The Board uses a limited committee structure to support decision making. There are a few standing committees of the Board including the Board Policy Review Committee, Special Education Advisory Committee (SEAC), and Student Discipline Committee. The Board has recently approved the creation of an Audit Committee which will be formed by January 31, 2011 as required by the new Audit Committee Regulation. The Board forms *ad hoc* committees for specific purposes, such as the Director Search Committee.

The Board Policy Review Committee is composed of three trustees, and meets approximately monthly. Staff or trustees identify when there is a need for policy amendments or new policies. In 2004, senior management prepared a report to the Board that recommended a full review and rationalization of existing policies, and outlined a standard process for policy development and review. When the need for a new or revised policy is identified, relevant school board staff present a draft policy statement to the Policy Review Committee based on research and stakeholder consultation. There is typically an iterative process between staff and the committee before a draft policy is recommended to the Board for approval. All approved Board policies are posted on the school board's website.

Board policies state that policies will be reviewed annually. The Board Policy Review Committee has established a list of all policies, and created a schedule to track policy development through a review cycle. However, a number of policies have not been reviewed over several years. The Director of Education and the Committee Chair are responsible for ensuring that policies are being reviewed in accordance with the schedule. The school board should ensure that policies that have not been recently reviewed are examined and revised where required.

Administrative procedures are developed by senior management in tandem with policy changes. Administrative procedures are shared as information items with the Board. The Director of Education and senior management are responsible for communicating policies and procedures to staff within the school board.

Organizational Structure and Accountability

The school board's Education Leadership Council (ELC) is composed of the Director of Education, Associate Director of Education (Business and Finance), Executive Superintendent of Program and Services, three Superintendents of Schools, Director of Human Resources, Director of Communications and Public Affairs, and Controller of Plant. ELC meets every second week and acts as the forum for operational decision making for the school board. All items presented to the Board are first discussed by ELC.

The Director of Education also has a Director's Advisory Committee (DAC) that meets several times over the course of the school year to provide feedback and insight to the Director of Education. The Committee comprises local union presidents, and representatives from non-union employee groups, including managers and principals.

The current leadership structure has been in place for a number of years. An up-to-date organization chart and a directory of key staff is available on the school board's website. It has been noted that the organization chart of the Business and Finance department has not been updated with staff changes that took place in early 2010.

Succession and Talent Development

Senior management of the school board has implemented several initiatives to build and sustain leadership capacity. Several times each year, the leadership team reviews a list of candidates from both academic and operational areas who have been identified as having a leadership potential. A mentor from the leadership team is selected for each individual to discuss the candidate's interest in pursuing leadership opportunities within the school board. The school board runs evening sessions on different leadership topics for interested staff.

To inform succession planning, the Human Resources department tracks and reports on the expected number of retiring staff annually. The school board supports and encourages staff to obtain principal and superintendent qualifications to build a pool of qualified staff. This approach has enabled the school board to identify internal candidates for the positions of the Director of Education and Superintendent of Education. The current director plans to retire, and the new Director of Education will assume his role in February 2011.

The school board has used the Ministry's leadership framework to develop succession and talent development initiatives. However, the school board has not yet developed a formal succession and talent development plan.

Stakeholder Engagement

The school board uses a variety of mechanisms to engage and communicate with stakeholder groups. The school board's public website provides an important source of information with links to each school's website. The Board's schools also distribute regular newsletters to parents. The Communications department actively works with local media to publicize success stories, achievements, and events at the school board.

The Parent Involvement Committee (PIC) provides a forum for engaging with school communities. Through the PIC, school board administration and the Board obtain input and feedback on issues, new policies, and initiatives. The PIC is composed of representatives from each of the nine regional communities of the school board.

The Chair of the Board is the spokesperson for the Board. The school board staff have a good understanding of informal communications protocols. The Director of Communications provides advice, support, and consistent messaging to assist staff in speaking to the media.

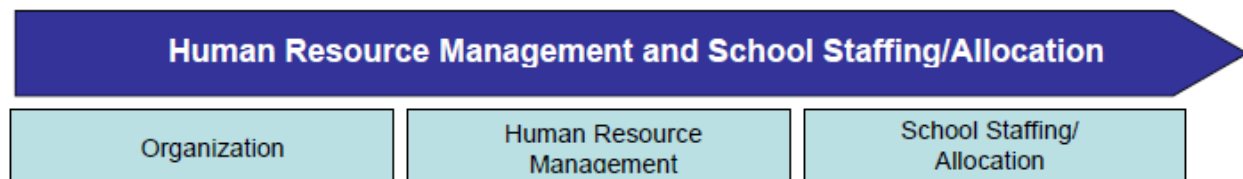
The members of ELC actively participate in sector committees, provincial associations and ministry workgroups. Some examples include: Council of Ontario Directors of Education (CODE), Ontario Catholic School Trustees Association (OCSTA), Ontario Catholic Supervisory Officers' Association (OCSOA), Workplace Violence Provincial

Taskforce, Ministry Special Education Funding Advisory Committee, Technical Advisory Committee on School Facilities, Ontario Catholic School Business Officials Association (OCSBOA) and Council of Senior Business Officials (COSBO). In addition, ELC members are actively involved in volunteer activities in their local parish and community organizations.

Recommendations:

- Using a consultative process, the school board should establish a multi-year (minimum three years) strategic plan in line with the provisions of Bill 177. Once the strategic plan is finalized, it should be communicated to all stakeholders. The multi-year strategic plan should include both academic and operational priorities and provide a framework for annual planning.
- The school board should develop an annual board-wide operating plan. The annual operating plan should be aligned with the school board's strategic plan, incorporate both academic and non-academic departments, and contain goals that are specific, measurable, achievable, relevant and timely.
- Once the school board develops a new strategic plan and an annual boardwide operating plan, management should periodically report to the board of trustees on the status and outcome of the board strategic plan and the annual operating plan.
- The school board should continue to align its leadership development programs and activities with the Ministry's leadership initiatives. It should also develop a formal leadership development and succession plan for key management positions in all academic and non-academic areas.

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 Human Resources department has documented the departmental business cycle, which is used for planning purposes. This document maps out key events and milestones based on timelines and requirements of collective agreements, Ministry reporting requirements, Board policy, and routine annual administrative activities. New initiatives are informally identified by the department and indicated in the business cycle document.

Two times a year, the HR department holds a staff retreat, which includes a session to review the HR business cycle and discuss improvement opportunities. For new or routine activities, project plans and process flows are developed to provide guidance and track progress internally. The HR department does not have a formal department plan that aligns with the school board annual operating plan and incorporates measurable targets, indicators of success and accountabilities for projects and initiatives.

The HR department receives input and feedback on the services provided by the department through principals meetings, labour management committees and during pilots of specific initiatives.

Organizational Structure and Accountability

The HR department is led by the Director of HR, who is a member of the Education Leadership Council. The HR department is composed of staff who are responsible for employee relations, including the Manager of Employee Relations, HR generalists assigned to support different employee groups, and support staff. The department also has staff assigned to the administration of disability and attendance programs, Health and Safety, and the HR management system. The roles and responsibilities of HR staff are clearly defined and documented in role profiles. The organizational chart for the HR department is provided on the school board's website.

The Director of HR, the Manager of Employee Relations, HR generalists, HR Information Coordinator, HRMS Administrator, Attendance Coordinator all hold certified human resources professional (CHRP) designations, as required by their job descriptions. HR Assistants are required to pursue the HR professional designation or certification. All staff in the HR department have relevant professional experience. All positions in the HR department have up-to-date job descriptions.

Monitoring and Communication of Policies

The HR department is responsible for ensuring compliance with Board policies and procedures related to staff hiring, code of conduct, conflict of interest, workplace harassment, violence in the workplace, and health and safety. In addition to Board policies, the collective agreements for unionized staff guide many HR processes related to hiring, staffing, and employee relations.

All Board policies and procedures are posted on the school board's internal e-mail and communication system. The HR department ensures compliance to policies by centralizing and standardizing processes, such as hiring, and taking corrective action when issues arise.

The HR department communicates new policies and procedures to staff by providing presentations at principals meetings, and hosting focus groups with principals on specific changes in policies or procedures. The department builds staff awareness by reviewing HR policies and procedures at new staff orientation sessions. The HR department also provides an information package to school principals at the beginning of each school year, which identifies policies and procedures that principals must review with their staff. The dedicated HR generalists for each staff group are also a point of contact for staff seeking for advice and information on HR-related issues.

Recommendation:

- HR management should document the department's goals and priorities in an annual department plan incorporating measurable targets, specific timelines and identified accountability. They should be aligned to the annual board operating plan and accessible by key stakeholders.

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	No

Leading Practices – Human Resource Management	Evidence of Adoption?
hiring panels (exception: hiring the director of education) but provide policies to govern staffing and recruitment.	
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.	No
HR management maintains and communicates formal disciplinary policies and procedures for all staff.	No
The HR department actively supports the professional development activities of the school board.	Yes

Attendance Support Processes/Programs

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

Management of HR and Payroll Data

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

Management of School Board's Benefit Plans

Leading Practices – Human Resource Management	Evidence of Adoption?
HR management periodically conducts independent compliance audits of the board's insurance carrier to ensure adherence to benefit plan's terms and conditions.	Yes
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 has a limited need for new staff recruitment due to declining enrolment and low rates of staff turnover. The primary focus of the school board's recruitment activities is to maintain a pool of occasional teachers. Any vacant permanent teaching positions are filled with occasional teachers included in the pool. The key mechanism for recruiting new staff is through online advertising. The school board posts all vacancies on the Apply to Education website. This recruitment strategy generates a sufficient number of qualified applicants for most positions. Management noted that school board has greater difficulty identifying candidates who are willing to

teach in the northern regions of the school board, and qualified applicants to teach French as a Second Language.

The school board's policy on equitable employment and hiring indicates that its hiring and employment practices are fair and equitable for qualified applicants. To ensure compliance with this policy, the HR department has centralized and standardized hiring processes. For example, the department develops and sets the interview questions to be used during interviews or reference checks, and an HR staff member participates in most interview panels.

Candidates applying for the occasional teachers (OT) list apply through the Apply to Education website. Teachers already working at the school board can remain on the OT list if they have worked a minimum number of days in the previous year, and have received a successful performance appraisal. Retired principals assist the HR department in screening applicants. Interviews are conducted by an interview panel consisting of three members including at least two principals. An HR staff member either sits on the panel or actively supports the interview panel. Successful candidates are hired by the school board and placed on the OT list.

A similar process is followed for permanent teaching positions, EA positions and office/clerical positions. For maintenance and central office roles, the school board follows a similar process with the interview panel, which consists of relevant school board staff. The HR department uses an external service provider to conduct reference checks for teaching applicants. Candidates are required to submit a satisfactory criminal background check as part of the hiring process.

The interview process for superintendents, principals and vice-principals is more comprehensive and consists of a combination of group and individual interviews. One trustee is invited to participate on these interview panels. However, trustees should express their views on recruitment and hiring through the development of Board policies and by-laws. Trustees (with the exception of the Director of Education), should not sit on hiring panels, as a body or as individuals.

The HR department has developed flowcharts which outline hiring and change processes for various staff groups. The department analyzes and documents the internal controls within key processes (including hiring) annually. The HR department requires that an internal form be completed and provided to HR to request any change in staffing. This form, along with budget approval confirming that funds are in place to support the filling of an approved vacancy (in accordance with the approved Board budget), is required before the HR department will begin a hiring process. HR staff are responsible for managing the hiring process for all positions.

Labour Relations

The school board has established positive relationships with the local union groups to facilitate the effective resolution of labour issues. The school board has seven labour management committees to cover each bargaining group. There is also an employee relations committee for the non-union employee groups.

Labour management committee meetings are generally held bi-monthly, quarterly or semi-annually. Each committee has terms of reference to guide its operations. Each committee has a professional development subcommittee. Teachers groups have also established teacher staffing sub-committees.

The HR department maintains open informal communication with unions. This enables the school board to alert the unions about emerging labour issues and receive early informal communication about potential grievances. The HR department works closely with union representatives to resolve potential grievances before they are formally submitted.

The HR department has conducted training sessions for principals on the management of grievances and how to minimize them. The department provides support to principals in resolving and managing formal grievances.

In addition to the Labour Relations Committees, union representatives also sit on the Director's Advisory Council, where they provide input and feedback to senior management.

The Director of HR is the chief spokesperson for the school board during the negotiation of collective agreements. During the negotiations, the Director of HR is supported by the relevant superintendent or supervisor, at least one principal and one vice-principal, business and finance representative and HR staff. The Director of Education is an *ex-officio* member of the negotiation team. Historically, trustees were directly involved in the negotiation teams. Currently one trustee is invited to participate in the negotiation team. It is recommended that trustees only provide the school board with a policy and priority framework for bargaining, and not play a direct role in negotiations.

Employee Performance Evaluation Processes

The school board has established formal performance appraisal processes for teachers (occasional, new, and experienced), custodians, and maintenance staff. The school board is currently in the process of implementing principal performance appraisals in line with Ministry guidelines. Other staff groups, such as office/clerical, EAs, and non-union staff, do not have performance evaluation processes in place.

The school board follows the experienced teacher performance appraisal (TPA) and new teacher induction program set by the Ministry. These processes are also used for

occasional teachers. The TPA process is managed through an electronic system. This application is used to complete and submit performance appraisals and track which teachers require appraisals to be completed in a given year. The HR management system administrator is responsible for monitoring progress in the completion of performance appraisals and updating information in the system. The administrator is also responsible for tracking and notifying the Ontario College of Teachers (OCT) when new teachers successfully complete the New Teachers Induction Program (NTIP). TPAs are conducted by school principals. An unsatisfactory rating on a TPA is communicated to the teacher by the principal. However, if an unsatisfactory rating triggers a grievance from the teachers' union, the HR department gets involved. The HR department provides guidance and documentation to assist principals with completing TPAs in the electronic system.

The Plant Services department has developed performance appraisal processes for custodians and maintenance staff, with supporting documentation and templates. Chief custodians are evaluated annually by the school principal and the custodial supervisor. The performance appraisal process for custodians was recently revised and is being reviewed by the labour management committee. Under the new process, custodial supervisors will conduct custodian performance evaluations across all schools on a rotating basis, and include cleaning inspections in the performance appraisal. This approach is planned to result in evaluations being conducted approximately every two to three years. Performance appraisals for maintenance staff are conducted by the Maintenance Manager and supervisors each year for all unionized maintenance staff.

The Plant Services department centrally tracks and collects completed performance appraisals. In cases where a staff member is given a poor performance rating, the supervisor works with the individual to establish a corrective action plan to address the deficiencies. Management should consider central tracking of completed performance appraisals for all staff groups by the HR department.

Disciplinary issues are addressed on a case-by-case basis. The school board follows a progressive discipline approach. The typical discipline steps that would be followed are communicated in presentation materials to principals. However, the discipline procedures have not been formally documented. HR management indicated that this provides the school board with greater flexibility to tailor the process to different circumstances, as required. Management should consider documenting the progressive discipline approach to ensure the process is transparent and consistently applied.

The professional development program for teachers is planned and coordinated by program departments. Similarly, professional development activities for maintenance and custodial staff are coordinated by the Plant Services department. The HR department plays a coordinating role in professional development activities for many other staff groups, such as office clerical staff. The HR department also manages

standard training for all staff, such as health and safety training and new employee orientation.

HR participates in all labour management Professional Development (PD) subcommittees and is responsible for relaying information from these meetings back to senior management. The department also collects feedback from participants at the end of PD activities to inform future training sessions.

For central office staff, each department is responsible for determining how to spend the PD budget for their staff. This may include holding internal sessions or supporting staff attending external courses or conferences.

Attendance Support Processes/Programs

The school board has an electronic absence reporting and call-out service, which allows school board staff to register their absences directly in the system. The system also provides an automated search and call-out function for supply staff to fill vacancies that result from a staff absence. The system is interfaced with the school board's HR information management system. The HR department has a sufficient number of 'reason codes' to track different categories of personal and professionrelated absences. Some reason codes can only be entered by an employee's supervisor. The HR department analyzes attendance statistics each year to identify trends relative to the previous year's statistics and across different employee groups. HR provides staff with documentation and process maps to assist them in using the system.

An effective attendance support system combines policies, procedures, and information systems to record and analyze trends in absenteeism, and dedicates resources to develop a cohesive and consistent strategy. These elements, combined with employee wellness programs and return-to-work initiatives, form the basis of a comprehensive attendance support program.

The school board has draft documentation for an attendance support program, and is currently conducting final consultation with staff and stakeholders. The HR department has already presented the planned program to school principals, managers and labour management committees. Management anticipates that the program will be approved by ELC in early 2011, to allow HR to begin program implementation. The draft program includes providing regular attendance reports for principals and supervisors and establishing thresholds to trigger discussions with employees. The Manager of Employee Relations will be responsible for reviewing, monitoring and follow-up on the attendance data from the school board's attendance tracking system. This information will be provided to the HR staff. Once approved, the program will be introduced throughout the school board.

As part of the school board's budget balancing plan, the HR department has set specific targets related to reducing absenteeism through the attendance support program. Progress against these targets will be reported to senior management and the Board as part of budget updates.

The HR department has a dedicated Disability Management Coordinator who is responsible for disability programs, WSIB claims procedures, and the early return to work program. These programs have been incorporated into the new attendance support program.

Management of HR and Payroll Data

The payroll function within the school board reports to the Associate Director of Education (Business and Finance). The responsibility and access to payroll data and employee data are adequately segregated between payroll and HR. Any change in the employee's information is provided to the HR department and processed by an HR clerk. The school board does not maintain electronic employee files. HR staff notify payroll of changes to employee files that affect payroll, through an electronic notification in the HR information management system and by providing a paper form to payroll outlining the changes. All employees of the school board are paid through direct deposit.

HR is responsible for updating personnel files and teacher classifications. HR synchronizes employee qualifications with OCT approximately three times per year. Teachers are responsible for submitting QECO ratings to the HR department to update qualifications and process resulting changes in classifications. New teachers' qualifications are received directly from OCT through the Apply-To-Education website. Payroll maintains a separate spreadsheet that captures employee experience and qualifications. This spreadsheet is used by payroll to reconcile HR and payroll data and to complete personnel statements provided to teachers. The school board has approved pay equity plans for all employee groups. The HR department is currently in the process of establishing a revised pay equity plan with the OSSTF (Office and Clerical, EAs and Plant Services) union groups. The school board uses an external consulting firm to conduct job evaluations and classifications. The school board should finalize the review of pay equity plans with the OSSTF union groups.

Management of the School Board's Benefit Plans

The school board uses external benefits consultants to assist in managing and renewing benefits plans. Finance recently hired a consultant to conduct a detailed assessment of current trends in the usage of the benefits plan to identify possible risk areas that impact future costs. This information allows the school board to identify and implement ways to manage the benefits plans differently to mitigate these risks. As part of the study, the consultants conducted a compliance audit of one type of claim.

Management should continue conducting periodic independent compliance audits of the school board's insurance carrier to ensure adherence to the benefit plans' terms and conditions.

The school board has participated in comparative studies in the past to ensure that its benefits plans are competitive with those of other school boards. However, the school board has not tendered for an insurance carrier for a number of years.

The school board ensures that eligible employees are properly enrolled in benefits plans by regularly synchronizing employee data with the insurance carrier, Ontario Municipal Employees Retirement System (OMERS) and Ontario Teachers' Pension Plan (OTTP). Employee data is electronically synchronized with OTTP and OMERS. The Finance department has recently revised processes for enrolling employees in OTTP, and was recognized for these improvements in the June 2010 issue of the OTTP newsletter.

The school board has a number of other programs and initiatives in place to manage benefits plans and minimize costs. The dedicated Disability Coordinator within the HR department manages WSIB and early return to work programs. The early-return-to-work program encourages staff to return to work on a modified schedule, or with modified duties. In 2007, the HR department engaged external consultants to conduct an assessment of WSIB claims. As a result of the findings, the WSIB processes were re-designed to better manage the claims process. Absences resulting from WSIB claims are tracked and analyzed using a separate electronic system within the attendance tracking system. The school board also provides employees with access to an employee assistance provider to proactively mitigate costs.

The school board has recently contracted external consultants to review data on usage of some benefits. The report has identified a number of significant cost saving opportunities for the school board. Management is working to develop strategies to address findings outlined in the report.

Monitoring Staff Satisfaction

In 2006-07, the school board conducted a survey, Assessment of Success Questionnaire, of staff, parents and students. The results were used by management for responding to identified issues and planning.

In addition, the school board has mechanisms in place to gather informal input through labour management committees and by conducting surveys on specific issues or initiatives, such as workplace violence.

The HR department does not conduct formal exit interviews with staff leaving the school board. However, a draft procedure on exit interviews has been developed for Board Office staff. The draft was prepared for review and finalizing by the Employee Relations

Committee in January 2009. Management plans to submit the draft procedure for approval by ELC in 2011. In the past, the Director of HR conducted informal exit interviews with some staff leaving the school board.

Recommendations:

- The school board should review its existing recruitment and hiring processes including the composition of hiring panels, to clarify the roles of trustees and school board staff in the recruitment and hiring process. Trustees should provide strategic policies to govern staffing and recruitment, but should not sit on hiring panels with the exception of hiring the Director of Education.
- Trustees should provide the school board with a policy and priority framework for bargaining and not participate directly in negotiations.
- HR management should develop formal employee evaluation/performance policies and procedures for all staff groups.
- HR management should document formal disciplinary policies and procedures and communicate them to principals and supervisors.
- Management should continue implementing a formal attendance support program.
- Once the attendance support program is in place, management should report on the effectiveness of the attendance support process/programs to senior administration and the Board.
- Management should conduct exit interviews with all staff leaving the school board to obtain input for HR policy, as well as process and program improvement. Management should continue finalizing the procedures for conducting exit interviews with Board Office Staff.

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 follows a standard process each year for staff planning and allocation. Key dates in the staff allocation process are noted in the HR department’s business cycle document. The staffing model is developed as part of enrolment projections and annual budget development cycle. Staffing processes and timelines are communicated to principals in advance. At the beginning of the staff planning and allocation process, management provides memos to principals on the steps and their responsibilities in the

process. There is also a staffing plenary meeting for principals, to provide guidance and identify key elements and considerations in the staff allocation process.

The HR department starts developing the staffing model in February, based on the approved first enrolment projections, which are prepared in January by Planning. For the elementary staffing model, the number of classroom teachers required is determined based on each school's enrolment numbers and Ministry requirements.

The secondary teacher allocations are also based on enrolment. However, for smaller schools, additional teachers are allocated to ensure sufficient course offerings. Other classroom staff are allocated based on the available budget and assigned to schools with the greatest need. Non-classroom staff, such as office administrators and custodians, are allocated based on a standard formula.

Principals are required to complete and submit an allocation template for their school, based on the pre-determined formulas. These allocations are reviewed and revised by school superintendents.

For central office staff, the Finance department provides the head of each department with a proposed staffing model based on the previous year's allocation for approval.

The overall staffing model for the board is initially reviewed and approved by the ELC, and submitted to the Board for approval as part of the budget approval process.

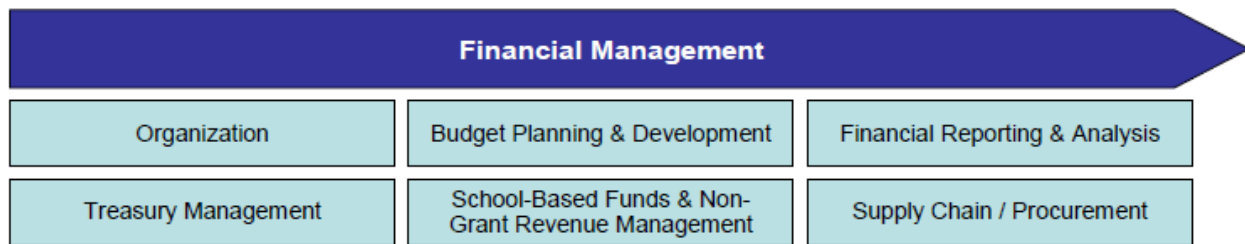
Monitoring and Reporting on Staff Allocation

In June, the HR department works closely with principals to process transfer requests, leaves, and retirements. Principals can then allocate staff within the approved allocation model. Superintendents are also responsible for ensuring the allocation of teaching staff according to the approved staffing model.

During the staff allocation process in June and again in September, the HR department runs reports to ensure that the number of staff leaving and new staff brought in as replacements reconcile. In September, the enrolment numbers are updated with actual enrolment. The school board uses a conservative approach to enrolment forecasting to ensure that actual enrolment is higher than projections. The school board holds back a small number of approved staff to assign in September based on the actual enrolment. In addition, if the actual enrolment dictates that additional staff are needed, new positions are created and approved by ELC. Final enrolment numbers are tracked and submitted at the end of October. Any changes in the staff allocation model that are approved by senior management during the year are included in revised estimates and at year-end for Board approval. The Finance department tracks the number of funded staff versus the actual number of staff throughout the year and reconciles the budget to actual staffing annually at October 31 and in budget cycle.

Education Assistants are assigned to specific special needs students and are allocated based on a comprehensive review of student needs.

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 Finance department establishes annual goals and priorities using an informal process, as part of annual planning by all departments reporting to the Associate Director of Education (Business and Finance). Managers of Business and Finance functions identify priorities for their areas. This information is provided to the Associate Director of Education (Business and Finance) who discusses the priorities with the ELC during the annual retreat. The review of proposed departmental goals and priorities by

the ELC helps ensure that these priorities are aligned with the school board's strategic priorities and the annual Board Improvement Plan.

Management noted that since the school board is facing fiscal challenges, a key goal of the Finance department is to facilitate and implement the budget-balancing plan.

Throughout the year, managers in the business and finance department meet monthly to discuss operational issues including progress in implementing various projects and initiatives.

Organizational Structure and Accountability

The Finance department reports to the Associate Director of Education (Business and Finance) and is composed of the Controller of Finance, an Accountant, a Senior Financial Analyst, two buyers, an Accounting Clerk and a Purchasing Clerk. The Benefits and Payroll department also reports directly to the Associate Director and is led by the Manager of Payroll and Benefits. There is an up-to-date organization chart for the Business and Finance Services department. The organizational charts for all departments are posted on the school board's website. Management noted that organizational charts of some departments have not been updated since staff reductions that took place in early 2010.

The formal job descriptions or role profiles have been established for all staff within the school board administration. However, management noted that role profiles have not been established for members of the ELC.

The Associate Director of Education (Business and Finance) and all key staff within the Finance department have formal accounting designations and relevant professional experience.

Monitoring and Communication of Policies

The Finance department is responsible for implementing Board policies on purchasing, reimbursement of expenses, insurance, field trips, fundraising, schoolbased funds, and PCards. All policies are posted on the school board's website. For many policies, management has established supporting administrative procedures. The Finance department has also developed reference guides, flowcharts, and memos for staff.

The Finance department has implemented a number of centralized processes, which enable finance staff to monitor compliance with the existing policies and procedures. There are various ways in which the Finance department builds staff awareness and understanding of finance-related policies and procedures. The Finance department provides in-service to relevant staff, takes part in the annual in-service for school office administrators in August, and offers training sessions for new principals. Several years

ago, the Finance department established a School Reference Guide for school secretaries, and also provides them with one-on-one training. Finance staff attend monthly meetings of principals and vice-principals when required. All finance-related procedures, protocols and memos are posted on the school board's intranet. The Finance department provides orientation training for new employees.

The Finance department has implemented cross-training within the department. As part of the effort to prepare for the flu pandemic in 2009, the Finance department established a formal business continuity plan. Management has reported that the business continuity plan has been successfully implemented and tested. Currently, the school board is working to improve its information technology infrastructure, which would also support the business continuity plan.

Recommendation:

- The Finance department should enhance its planning process by developing an annual departmental operating plan which is aligned with the school board's annual operating plan. The departmental plan should reflect specific and measurable targets and indicators, and assign responsibilities and timelines for key activities.

4.2 Budget Planning and Development

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

- Understand the linkages between the board of trustees' goals and priorities and the operational budgeting process;
- Assess whether sufficient transparency and controls exist in the budget planning and development process;
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Annual Budget Development Process

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

Risk Mitigation and Board Approval

Leading Practices – Budget Planning and Development	Evidence of Adoption?
Management identifies and documents all significant risks during the budget planning process and develops strategies to mitigate the risks of spending beyond authorized/budgeted levels.	Yes
The annual budget presented for approval demonstrates that it is linked to the board-approved goals and priorities including student achievement targets. It provides useful and understandable information for all stakeholders.	Yes

Annual Budget Development Process

The Finance department manages the budget development process, which is overseen by the Associate Director of Education (Business and Finance). The budget development cycle starts in February with the preparation of enrolment projections.

The school board's Planning department is responsible for preparing enrolment projections centrally. Overall, management noted that the school board has adopted a conservative approach to enrolment forecasting, which usually results in projections under actual enrolment and a small margin of error. The Planning department uses information from historical trends, community profiles, and retention rates as the basis for annual enrolment projections. For the elementary panel, the Planning department reviews data on expected enrolment for JK on a school-by-school basis, retention rates and changes in the community that may affect enrolments. For the secondary panel, key factors include Grade 8 to 9 retention rates and changes in local communities.

Preliminary enrolment projections are prepared using the actual enrolment numbers at October 31. The preliminary projections are reported to the ELC. In January/February, the preliminary projections are provided to principals to obtain their input and feedback. Throughout February to late April, subsequent iterations of projections are provided to the ELC to be finalized for the budget development process and planning of accommodation needs. In September, enrolment information is revised to reflect actual numbers, submitted for approval to ELC, and used to inform decisions on changes in staffing.

In 2008, the school board contracted third-party consultants to prepare multi-year (15 years) enrolment projections as part of an education development charge background study. Using the initial projections, the Planning department monitors the actual performance against these projections, and continually updates projected multi-year enrolment trends. The multi-year data is also reviewed based on the coterminous school board's background study and information received through the accommodation review processes (ARCs).

Throughout February to May, enrolment projections are used, along with other parameters such as class size, preparation time and Board priorities, to develop staffing requirements and related expenditure estimates. The first staff salaries forecast is prepared by the end of February. Enrolment projections are reviewed and adjusted several times before May.

Following the first salary forecast, the Finance department prepares non-salary budget forecasts. In the past, the school board used standard templates to request budget proposals from departments. However, as the school board is focusing efforts on implementing the budget balancing plan, the Finance department has been preparing non-salary budgets centrally for all areas. As part of the budget balancing plan, ELC has undertaken a line-by-line review of all discretionary budgets to identify cost-cutting opportunities.

Management provides the first presentation on the budget development process to the Board in February. The presentation contains the budget development plan/schedule and projected fiscal position of the school board, based on the assumption that the GSN funding formula remains the same as in the previous year.

In March, management provides reports to the ELC and the Board on preliminary revenue and expenditure projections and a GSN update, if available. In March, management also provides a presentation to the Special Education Advisory Committee (SEAC).

In April, management provides a report to the ELC and the Board on revenue estimate and preliminary expenditures based on the GSN announcement. In late April, there is a budget update to the ELC, the Board and SEAC.

Throughout May and early June, ELC, the Board and SEAC have deliberations, consider proposals and discuss balancing steps before the budget is submitted to the Board for approval in mid-June. Within the 2010-11 budget development cycle, the budget presentation provided to the Board in May contained a summary of projections for revenue and expenditure for the current and new fiscal year, and highlighted ideas for balancing identified by management. The report included appendices with historical enrolment data, special education envelope expenditure, budget assumptions, and scenarios for budget balancing. A subsequent update budget report was presented to the Board during a special meeting to review various balancing strategies. At the end of June, management provided a detailed report with balancing proposals for consideration by the Board.

Prior to the submission of the final budget for approval by the Board, ELC conducts a thorough review based on consultation with managers and principals. The Director of Education discusses the proposed budget balancing actions with school principals. Management also communicates budget balancing needs and strategies with representatives of union and non-union groups.

The Finance department uses a customized spreadsheet tool to develop the budget. The structure of the budget development tool is based on the structure of the general ledger accounts, and can be configured to match the structure of financial reporting schedules submitted to the Ministry. The tool also supports the format of interim financial reports as recommended by the Interim Financial Reporting Committee (IFRC). The budget data from the spreadsheet tool can be uploaded directly in the school board's financial system.

Throughout the budget development process, the Finance department ensures that any specific new initiatives identified by ELC in line with the strategic priorities of the school board are included in the budget. All key steps in the budget development process are discussed and approved by ELC.

Throughout the budget development process, presentations are provided to SEAC to provide an opportunity for discussion and obtain feedback on special education priorities.

Management has conducted comparisons with other school boards on staffing and plant costs using the data available from Ontario Catholic Schools Trustees' Association (OCSTA). Such comparisons are conducted in particular during the collective bargaining process and the budget development process.

Risk Mitigation and Board Approval

Management incorporates all identified risks in the budget estimates. The initial budget report provided to the Board in February clearly identifies budget challenges or risks

faced by the school board in the upcoming year. The budget update report provided to the Board in June contains a more detailed discussion of budget risks and the balancing plan, including some proposed strategies to address the risks.

In addition, management takes a prudent approach to developing budget estimates, underpinned by conservative enrolment projections.

Management has many mechanisms in place to manage budget expenditures, including controls in the purchasing process, close monitoring of enrolment projections, and periodic financial reports for the management team and the Board of Trustees.

The school board has several types of reserve funds. The school board's capital reserves are dedicated to debt servicing. The small capital reserve fund has been put in place as result of the school board's successful sinking fund management strategies, through a pooled cash arrangement with other school boards. The use of reserve funds is approved by the Board as part of the budget approval. Management noted that the school board has not had operating reserves for several years, and reserves which are indicated in the current financial statements are roll-overs of funds set aside for specific projects.

The process of reporting on risk mitigation strategies varies significantly among school boards. Managers should consider implementing an enhanced process which 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 that 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 that management will undertake 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 of budget risk identified formally at the beginning of the budget cycle.

- Any new budget risks not previously identified.

The level of detail of the budget risk mitigation plan will 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 documentation of such information on a periodic and ongoing basis would give reviewers a better understanding of the school board's budget risks.

4.3 Financial Reporting and Analysis

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

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

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

Integrated System for Variance Analysis and Financial Reporting

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

Interim and Annual Financial Reporting

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

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Management completes and files all financial reports in accordance with established timelines.	Yes

Audit

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Management maintains an independent internal audit function.	Yes
Internal 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 has an integrated financial system that provides adequate, timely, and accurate information to management, school staff, and the board of trustees. The school board uses the accounting, general ledger, accounts payable, HR, attendance management, payroll, purchasing, and tangible capital assets modules of the system. The school board takes part in a user group with other Ontario school boards.

The Controller of Finance is responsible for setting up new GL codes. The new cost centres are assigned to specific individuals. Cost centres are set up for each school and department.

Interim and Annual Financial Reporting

Management provides regular interim financial reports to the Board. The existing format of interim financial reporting has been used for several years. The frequency of interim financial reports is aligned with the key milestones in the budget development cycle. The structure of the interim financial reports is aligned with the Ministry funding envelopes.

The comprehensive budget reports are provided to the Board in February, May and June, along with new budget planning information. In February each year, the Board is updated on the current year's budget and projected year end position. In May, the budget update report provides information on the projection for revenue and expenditure for the current and upcoming fiscal years, including preliminary proposal for budget balancing strategies. In June, the budget report to the Board contains the current year budget update and the proposed budget for the upcoming year, including

the balancing plan. There is also an update report in November at the time of revised estimates. Management also prepares an update report in September, with information on revised budget estimates. At the same time, there are detailed reports to the Board on enrolment and staffing.

Budget update reports follow a consistent format and indicate budget status reported in the previous period, budget actual, and any variance between the preceding period and reporting period. The reports to the board include updates on enrolment and staffing information. The reports do not provide a historical comparison with the budget information for the same period in the previous year. However, the reports project the year-end budget position and plans for balancing are identified as action plans to the Board. Management provides verbal explanations on budget status and budget forecasts and balancing strategies.

Management has prepared and presented one report using the format recommended by the IFRC. The report was provided to the Board in February 2010. However, management noted that to produce the reports in the IFRC format on a regular basis, the Finance department is working to adjust the financial data to streamline the production of the reports. Management expected to issue the next report with revised estimates for 2010-11.

All interim financial reports are reviewed and vetted by the Associate Director of Education (Business and Finance) and the ELC prior to being presented to the Board.

In addition to the interim financial reports for the Board, the Finance department prepares reports for ELC that provide budget status information for each cost centre. The Finance department also prepares monthly reports for budget owners and school budget reports for superintendents of education. Finance staff help budget owners develop plans to address any budget management issues.

Management noted that the school board has been able to meet the Ministry timelines for financial reporting.

The IFRC provided recommended guidelines for the timing, format, and content of school board interim financial reporting. These guidelines are intended to serve as a consistent reporting format, to provide meaningful financial updates and forecasts in a concise, understandable document for trustees. Management should finalize the development of the interim reporting format recommend by IFRC and continue providing reports in this format to the Board within a reporting cycle recommended by the IFRC.

Audit

The school board is taking part in the regional internal audit model. The host school board is the Simcoe County District School Board. Management noted that the school

board's regional internal audit team is the first one to be fully staffed. The school board's Finance department has already had meetings with the Regional Audit Team, and risk assessments are scheduled to take place early in 2011. In the past, the Finance department staff have been conducting periodic internal reviews of school-based funds, enrolments and purchasing card transactions.

Management has kept the Board aware of the Ministry direction and the new Audit Committee regulation requiring the establishment of an Internal Audit Committee by January 31, 2011. The Board approved the recommendation of the Board Policy Review Committee in November 2010 to establish the Audit Committee and the Selection Committee – Audit. The Board's procedural by-law has been amended to include the Audit Committee composed of three members and two external members. Trustee members will be appointed to the Audit Committee in December 2010. At the time of the Operational Review, the school board was in the process of recruiting external members to sit on the Audit Committee.

Once all members have been recruited for the Audit Committee, management has planned a two-day training program for the members to take place in January and February. Management has also established a timeline for activities associated with the Audit Committee until the spring of 2011.

The by-laws also include the establishment of a Standing Committee, the Selection Committee-Audit, which is composed of the Director of Education, Associate Director of Education (Business and Finance), and the Chair of the Board or their designate and is responsible for the selection and appointment of two external members in the Audit Committee.

The audit committee meetings are scheduled for March 2011 and June 2011.

The school board tenders for its external audit services every five years. Subsequent to the annual audit, the auditors provide a management letter. Management noted that management letters are not presented to trustees. However, the Audit Committee will be receiving all management letters in the future. The external auditors present audit reports to the Board, and trustees are provided with an opportunity to ask questions. The Board has an opportunity to meet with external auditors in-camera. However, management noted that the school board's external auditors have not requested such meetings.

Recommendations:

- Management should take into account the recommendations made by the Interim Financial Reporting Committee (IFRC) on frequency (a minimum of three reports) and format of interim financial reporting to the Board. Management should

continue to finalize the format of interim financial reports in line with the IFRC recommendations and continue to provide such reports to the Board.

- 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 accepts the risks associated with an audit finding, the reasons should be clearly documented and agreed to by the audit committee.
- Management and the Board should continue recruiting external advisors on the Board's audit committee in accordance with Ministry direction.

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.	Yes

Leading Practices – Treasury Management	Evidence of Adoption?
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

Management noted that the school board has not had reserves over the past several years. As a result, there has not been significant investment activity. In 2001, the Board adopted a Statement of Investment Policy and Goals, which notes that the Board will review its investment policy annually.

The Senior Financial Analyst prepares weekly cash flow projections and provides updates to the Associate Director of Education (Business and Finance). The Finance department prepares a cheque run each week. However, most of the school board's payments are made using Electronic Funds Transfers (EFTs). Management noted that the use of EFTs helped mitigate many risks in cash management. The school board does not have a significant number of wire transfers. For any wire transfers, two signatures of signing officers are required.

Management noted that given the small size of the Finance department, segregation of duties can be an issue. The Accountant is responsible for recording and depositing cash receipt deposit (cash and cheques), journal entry preparation and monthly bank reconciliations. However, bank reconciliations and journal entries are reviewed and signed off by the Controller of Finance. In addition, cheques are logged by the Administrative Assistant to Business and Finance and provided to the Accountant. The log is cross-checked with the deposits.

The school board maintains an operating account, a sinking fund account (related to pre-1998 debentures), capital funds accounts, an Education Development Charge (EDC) account, and deferred salary accounts with one banking institution. In the past, the school board had participated in a joint initiative within the Ontario School Boards Financing Corporation (OSBFC) for long-term debenture financing and sinking fund management.

Management encourages schools to use services of the same banking institution. However, depending on the geographic location of schools, they may use other banking institutions. The school board has taken part in the banking survey conducted by the Ontario Association of School Business Officials (OASBO) and used the information from the survey to negotiate banking terms with its current banking institution. Overall, management noted that the school board's banking terms are competitive.

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.

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

The school board has a policy on canvassing and fundraising, and a detailed School Reference Guide offers guidelines on the management of school-based funds. The Guide also contains information on aspects of school administration, including budget management, use of the financial system, purchasing, and the management of petty cash. Management worked closely with the York Catholic District School Board to identify best practices which were incorporated in the Guide. The Finance department provides direct one-on-one support and training for school secretaries and principals, where possible.

The School Reference Guide contains procedures and forms for school-based funds, including procedures for bank deposits, signing of cheques, disbursements, purchasing, receipt of funds, cash handling, monthly reports and year-end procedures, and reporting. There are specific procedures and rules for funds generated through the work of school councils and parent committees/groups. Principals must provide an attestation of the accounts, confirming that all information has been provided for reporting school-based funds in the annual financial statements. The Guide contains standard attestation forms.

It is noted in the Guide that schools should only have one bank account for schoolbased funds in the name of the school. However, management noted that at some schools school councils have a separate account in addition to the school account. The Finance department works with school councils to ensure financial reporting and encourage the establishment of consolidated accounts.

The Finance department provides support and advice to school secretaries and principals in managing school-based funds. The periodic internal review of schoolbased funds also helped management to identify issues in management of schoolbased funds and recommended corrective actions to school. Previous memos and in-service documents on safe cash handling practices, year-end reporting procedures, and the use of school cash accounting software are available on the school board's intranet.

Most schools have a locked area or safe for keeping of cash. Schools are encouraged to have regular bank deposits and minimize the amount of cash in schools. The use of PCards has significantly reduced the need for petty cash.

Currently, schools use a simple software application to record cash receipts and support bank reconciliations. However, management noted that the software does not provide sufficient support to school secretaries to reduce administrative workload. As a result, management has been actively examining options for implementation of a software application supporting cashless schools.

Management noted that some fundraising activities are dedicated to capital projects such as playground equipment, upgrades of outdoor running tracks, and flooring. All proposed capital projects funded through school-based fundraising activities require approval by the Plant Services department.

Management of Non-Grant Revenue

The main sources of non-grant revenue for the school board are: municipal taxes, Education Development Charges (EDCs), revenue from long-term leases, and tuition fees. Management noted that costs associated with the community use of schools are covered by the community use of schools grant.

Management forecasts all sources of revenue as part of the budget development process, using the analysis of historical information. Management noted that the school board does not have any issues in collecting fees and payments.

The school board has established policy and procedures for the community use of facilities. The procedure includes definition of various community groups, high-level operating procedures and responsibilities, and insurance requirements, and refers to municipal agreements. There are several supplementary appendices, which contain a fee schedule and standard application permit form. The school reference guide also outlines key procedures for community use of facilities. The role of the Community Outreach Coordinator, funded through the Ministry community use grant, is part of the Plant Services department. The booking of facilities for community use is coordinated through the central office. The school board has not yet implemented a web-based system to support booking, payment processes, and applications, which are currently accepted by fax, via e-mail or in person. The Community Outreach Coordinator provides ad hoc reports to the Board on community use of facilities. The Board also approves any changes in community use fees.

The school board has implemented centralized processes for administration of EPO grants. All EPO funding announcements are directed to the Director's Office and are then processed by the Finance department. The Controller of Finance sets GL accounts for EPO grants which are broken down into specific projects. The Finance department works with superintendents of education to assign a lead to each project cost centre. The Finance department tracks expenditures in each account and provides advice to account owners. The Controller of Finance maintains a tracking spreadsheet for all current EPO grants. However, the reporting requirements associated with EPO grants is the responsibility of each project lead. The tracking list is periodically reviewed with ELC. Compliance with EPO reporting requirements is monitored by Superintendents of Education. Management noted that in 2009 the school board implemented electronic timesheets for supply teachers which can be linked to the relevant GL accounts. Information from supply teachers' timesheets is reconciled with information on

absences. In addition, management uses "sign-off" sheets for professional development events funded through EPOs to ensure that occasional teachers' costs are accurately tracked.

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 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.	No
In line with the SCG, approved procurement policies clearly outline circumstances under which the school board will use competitive versus non-competitive procurement methods.	No
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.	No

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.	No

Policies and Procedures for PCard/Corporate Card Use

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

Accounting for Completeness of Purchase/Payment Cycle

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

In June 2010, the school board established a broad purchasing policy statement that states that the school board will perform its procurement activities in an ethical, cost-efficient, accountable, and transparent manner consistent with current guidelines for the public sector in Ontario. The policy statement also highlights that the school board will consider reducing the impact on the environment when goods and services are being procured.

The Board has established a broad policy statement on Conflict of Interest, which applies to all aspects of school board's operations. The existing purchasing procedure also indicates that the school board abides by and supports the Professional Code of Ethics as published by the Purchasing Management Association of Canada (PMAC). The procedure provides an overview of the key principles from the code of ethics.

Management noted that changes to the purchasing procedure have been drafted to ensure compliance with the SCG. The proposed amendments to the purchasing procedures have been presented for discussion by the Board Policy Review Committee, but have not been finalized and communicated to the system.

School boards were required to have a *Code of Ethics and Procurement Policies and Procedures* in place within their organization consistent with the principles outlined within the SCG v1.0 by March 31, 2010. The school board's existing purchasing policy and procedures should be expanded to include the 25 mandatory requirements identified in the SCG. While the school board has drafted a procurement procedure aligned with the requirements in the SCG, which govern all aspects of supply chain management, including both planned (recurring) and unplanned (non-recurring/emergency) purchases, the school board should finalize this document. Once updated and approved, the school board's procurement policy and procedures should be communicated to staff with purchasing authority and made available on the school board's website.

Currently, the school board is following standard practices in the purchasing process, based on existing administrative procedures and SCG. However, the school board is encouraged to formalize its existing purchasing process in revised purchasing procedures.

There are two buyers within the Purchasing function. Management noted that it is building a business case for increased resources and better service standards for the purchasing/supply chain management function. The buyers, who report directly to the Controller of Finance, have a central monitoring function, and review requisitions before POs are created. The existing purchasing procedures indicate that purchasing must be processed through the central Purchasing department, with several exceptions that

include goods and services procured by petty cash, goods and services procured with PCards, and capital acquisition.

The existing purchasing procedure stipulates conditions and rules for sole sourcing of products and services.

Management noted that the school board has been following the SCG requirements on the evaluation criteria in recent tenders. Management noted that in evaluating tenders it takes into account criteria other than price. The existing purchasing procedure establishes the following competitive thresholds:

- Up to \$1,000 - no quotes are required. It is recommended to use PCards. A purchase order may be issued if necessary
- For Orders of \$1001 to \$2,500 - three verbal quotes are required;
- For Orders of \$2501 to \$10,000 - three valid written quotes are required;
- For Orders of \$10,001 to \$25,000 - three formal quotes are required. The quotes must be obtained through the Purchasing Department
- Orders greater than \$25,000 - require a formal tender process. The process is coordinated by the Purchasing Department or the Capital function.

Tenders are posted on Biddingo, MERX and the school board's website. Management is continually monitoring the Ontario Education Collaborative Marketplace (OECM) opportunities. The school board has used several Vendor of Record (VOR) arrangements.

The school board has set policies, guidelines and procedures for the expense claim process and provides employees with standard templates. The policy applies to all employees' and trustees' expenses.

Though not in place at the time of the Operational Review, the *BPS Accountability Act, 2010* brings new rules and higher accountability standards for designated broader public sector (BPS) organizations. The Act includes sections that provide authority to the Management Board of Cabinet to issue directives to designated BPS organizations in the areas of procurement and expenses. In anticipation of the April 1, 2011 proclamation of these sections of the *BPS Accountability Act*, the BPS Procurement Directive and the BPS Expenses Directive are now available to school boards. The school board should review these documents, note any differences from the Supply Chain Guideline and begin planning compliance with both directives by the proclamation date.

Participation in Group Purchasing Initiatives

The school board's current purchasing procedure indicates that the school board encourages co-operative purchasing with other school boards and public sector agencies. It is also stated that cooperative purchasing agreements should conform to all aspects of Board policy and serve the best interests of the Board.

Management is continually examining opportunities and options for group purchasing. The school board is a lead partner in several cooperative purchasing initiatives. Some examples of the school board's cooperative arrangements include:

- Ontario School Boards Financing Corporation (OSBFC) – long-term debenture financing, sinking fund management, credit ratings, risk management;
- Children's Treatment Network (CTN) – Psychology, Social work, Speech Language pathology; coordination of supports for children with high needs;
- Ontario Education Services Corporation (OESC) – energy rate lobbying, criminal background checks, various training;
- Catholic School Boards Services Corporation (CSBSA) – various goods and services, including benefits audit services and energy purchase;
- Georgian Bay Area Public Purchasing Co-operative – various goods and services; and
- Shared purchasing with the coterminous school board – school supplies and other goods.

The school board takes an active part in a shared service arrangement with London District Catholic DSB, Wellington Catholic DSB and Brant Haldimand Norfolk Catholic DSB for support, data warehousing and business intelligence tools for student data such as eSIS, MISA, and OnSiS.

The school board is also using the Ontario Education Collaborative Marketplace (OECM) contract for cell phones.

The school board is proactively collaborating with other school boards to share leading practices, discuss issues of common concern and identify potential solutions. Members of the senior administration team are encouraged to take part in provincewide initiatives, working groups and committees.

Purchasing Levels of Authority

The school board's current purchasing procedure does not indicate approval levels for purchasing. However, the proposed amendments to the procedure that have been presented to the Board Policy Review Committee include authorization levels. Currently, buyers monitor requisitions to ensure that appropriate approvals are obtained. Approval levels are not set up in the school board's purchasing system.

All expenses submitted for reimbursement must be approved by immediate supervisors. Expenses incurred as part of EPO funds must be approved by program leads or coordinators.

Policies and Procedures for PCard/Corporate Card Use

The school board implemented a PCard program over 10 years ago. There are approximately 200 PCards in use. All senior managers, school secretaries and principals have PCards. There are also designated cards for librarians.

PCard expenses by principals are reviewed by the Finance department. The Director of Education signs off PCard expenses of all senior staff. The Associate Director of Education and the Chair of the Board sign off on the Director's PCard expenses.

PCards have various controls including merchant categories and spending limits. The school board has established policy and procedures for the use of PCards, which are posted on the school board's website and internal website. All cardholders sign standard agreements prior to receiving a PCard.

All cardholders are required to complete and submit transaction logs, monthly forms, and original receipts. Management periodically conducts analysis of the volume of PCard transactions.

Accounting for Completeness of Purchase/Payment Cycle

At the school level, School Office Administrators (Principal or Vice-principals) have the authority and access in the system to place orders. Only principals have the authority to approve a purchase requisition.

Buyers review all requisitions for completeness and ensure appropriate approvals prior to creating POs. For POs over a certain amount, the system requires electronic approval by the Finance department. Buyers issue POs and send copies of POs to schools.

School are responsible for receiving goods. Management noted that although the purchasing system enables direct input of receipt information, some schools send signed packing slips to accounts payable. The Accounts Payable Clerk matches the

receipt information with invoice and PO before paying the invoice. The Accounts Payable Clerk also follows up with schools on outstanding POs. The purchasing procedures and process are outlined in the School Reference Guide.

The school board has electronic supplier catalogues for most system contracts. In the spring, before the school year starts, the Purchasing department sends out tenders for all potential common purchases by school board employees, other than books. Once the suppliers have been selected through the tender process, the purchasing catalogue in the purchasing system is updated for all of the year's selected supplies, with items that can be purchased from each supplier and prices of all listed items.

Catalogues are also available on the school board's internal website, so staff can review items included in system contracts.

Upon review of the requisition, the Purchasing department verifies that sufficient budget is available for the purchase. If a requisition is over-budget but the purchase is deemed necessary, the requisition must be signed by the Controller of Finance or the Associate Director (Business and Finance) to indicate approval.

The school board uses commitment accounting. The encumbrance is reflected in the system when a PO is issued. The Purchasing and Accounting functions work closely to monitor budget expenditure and identify any purchases that may go over budget.

Use of Electronic Funds Transfer for Greater Efficiency

The school board uses EFTs for most payments. However, a small number of cheques are also used for payment in some cases.

Recommendations:

- Management should finalize the alignment of the purchasing policy and procedure with the SCG.
- In order to align the school board's purchasing policy and procedures with the SCG, management should include a statement outlining circumstances under which the school board will use competitive versus non-competitive procurement methods in the revised policy and procedures.
- Once an approved purchasing policy and procedure that aligns to the requirements of the SCG is in place, management should ensure that purchasing activities are monitored for compliance with the Board's procurement policy and procedures.

- In order to align the school board's purchasing policy and procedures with the SCG, management should include purchasing authorization levels in the revised policy and procedures.

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 main planning activity of the Plant Services department is the development of annual and multi-year maintenance plan. Other goals and priorities of the department

are identified based on the information from various sources, such as the analysis of the work orders, health and safety reports, site visits, and monitoring of utility consumption. Ministry directions and funding announcements also inform the identification of goals and priorities of the department. However, the department does not establish a formal annual operating plan, which is aligned with the annual operating plan of the school board and identifies key projects and initiatives of the department, timelines, indicators of success and accountabilities.

The Plant Services department provides various reports to the senior administration team and the Board of Trustees on implementation of the school board's maintenance and capital plan, including reports on specific capital projects.

Organizational Structure and Accountability

The Plant Services department has a current organization chart outlining the positions within the department. The school board's administration organization chart (which is posted on the website) indicates the key lines of reporting within the Plant Services department.

The Controller of Plant is supported by the Manager of Plant Services, Manager of Custodial Services, Manager of Capital Projects, and Manager of Planning. The Controller of Plant is a member of ELC and provides overall leadership and direction for the department. The Controller of Plant is the Chair of the Operations, Maintenance and Construction (OMC) committee of OASBO. The Manager of Planning is responsible for all aspects of enrolment projections and accommodation planning. The Manager of Construction Projects is responsible for large construction projects, and supports the development of capital plans. The Manager of Plant oversees maintenance projects, and 24 staff including two supervisors. The Manager of Plant is also responsible for energy management. The Manager of Custodial Services oversees 133 custodial staff and all custodial operations at the school board, including the green-cleaning initiative.

Administrative positions within the Plant Services department have various requirements for professional qualifications and experience. The Controller of Plant has an engineering designation and a Professional Project Management certification. Maintenance staff are licensed in various trades. All management staff within the Plant Service department have a combination of relevant education and professional experience.

Monitoring and Communication of Policies

The Plant Services department is responsible for policies and procedures related to school facilities, security, community use of schools, and occupational health and safety. The Plant Services department has various ways to ensure compliance with Board policies and procedures and statutory requirements including formal monitoring

and inspections. The department maintains records, logs and reports of all inspections centrally.

The Controller of Plant is monitoring changes in regulations and legislation which require changes in school board's policies and procedures. Information on changes in laws and regulations often comes through the OMC committee of OASBO. Key changes in statutory requirements and legislation are also discussed at ELC. All formal policies and procedures pertaining to plant services are posted on the school board's website.

The Plant Services department coordinates training for staff on various policies, procedures and guidelines, such as health and safety. The custodial guidelines contain formal health and safety standards for custodial operations.

Recommendation:

- The Plant Services department should enhance its annual planning activities by developing an annual departmental operating plan which is aligned with the school board's annual operating plan. The departmental plan should reflect specific and measurable targets and indicators, and assign responsibilities and timelines for key activities.

5.2 Custodial and Maintenance Operations

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

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

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

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

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The school board has adopted cleaning standards for schools and has developed a standard set of processes and tools to monitor, manage, and report on results. The school board has developed a guideline/manual for custodial and maintenance services to support these cleaning standards.	Yes
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).	No

Development of Annual/Multi-Year Maintenance Plan

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

The school board has established a Cleaning Standards Manual, which contains the formal cleaning standards. Management noted that the standards were enhanced as part of the school board's preparedness plan for a flu pandemic in 2009-10. The compliance with the cleaning standards is ensured by periodic site visits undertaken by custodial services supervisors. The manual contains a formal checklist for cleanliness inspections. The cleaning standards are included in the formal performance appraisals of custodial staff. The inspections or site visits can be triggered by issues raised by principals. The Manager of Custodial Services also conducts spot checks.

Management noted that square footage is the key factor in the allocation model for custodial staff. The requirements for allocation of custodial staff are set out in the collective agreement. Each year, the custodial allocation model is reviewed and discussed with the labour management committee. Any required adjustments are also discussed with the union each September. At the site level, custodial supervisors work with custodians to plan cleaning schedules and activities based on the specific requirements of each site. Management noted that during summer there is a four-week shut-down period for all schools, which results in savings used to offset some replacement costs during the school year.

Management uses the split-shift approach in allocating custodial staff at some sites. The use of split shifts is included in the collective agreement. Management has also noted that cleaning requirements considered during major renovation and upgrade projects. Management is continually looking for ways to modify cleaning methods and implement cleaning products that simplify the cleaning process.

The school board shared best practices and lessons learned for the development of the Green Clean Resource Guide. The school board has been proactively implementing green cleaning products across all facilities. It is predicted that all cleaning products will be fully replaced by green products by January 2011. Currently, the school board is procuring green cleaning supplies through the Georgian Bay buying consortium. In 2009, at the beginning of the green cleaning initiative, management made a presentation to the Board.

The school board has established a formal Environmental Stewardship policy and procedure which states that the environmental programs extend into all areas of the school board's operational practices, and are an important consideration in decisionmaking. It is specifically noted in the document that, where reasonable, school board operations will purchase environmentally responsible products, (including Energy Star-rated equipment) and will use environmentally safe maintenance and cleaning products. As part of the implementation of the EcoSchools program, the school board is carrying out a number of initiatives which are outlined in the *How Our Schools Are Going Green* brochure, which is posted on the school board's website. The school board's green cleaning activities are highlighted in the brochure.

Although the school board has made significant progress in implementing green cleaning, there are several aspects of the initiative that are yet to be formalized in line with the Ministry's Green Clean Program Resource Guide. The Guide recommends a 10-step Green Clean Implementation Plan. In particular, management should consider the following:

- Development of tools to support implementation – a Green Clean Standard Operating Procedures (SOP) Manual should set out the school board's expectations for green clean operational procedures in schools.
- Communications strategy – a communications strategy will help educate stakeholders (building occupants, custodians, vendors) on the benefits of the program and their role in supporting the program.
- Measuring and monitoring progress – over the first year of implementation, a review of the initiative should be conducted every three to six months. After the first year, a review should be conducted annually.

Development of Annual and Multi-Year Maintenance Plans

Management develops a five-year maintenance plan using a consultative process and input from various sources. Management uses information from inspections, ReCAPP and work orders to develop the plan. The development of the plan is also informed by new types of funding, such as energy efficiency funding.

Each year, the Plant Services department sends out a form to principals to indicate and prioritize maintenance needs. The Plant Services department also collects informal feedback from school principals, custodians and maintenance staff.

Each year, a two-year plan is established on the basis of the five-year plan, through prioritization of projects. The two-year plan is presented to ELC and submitted to the Board for review. The two-year plan is also shared with school principals. In addition,

each school receives a list of projects approved for the current year, planned for the next year and deferred for future years.

Management noted that the school board is using a specialized platform for planning of preventative maintenance activities. Currently, the school board is working to implement automated alerts and reports in the system.

Training to Support Skills Development and Safety

The main focus of training activities within the Plant Services department is health and safety. The department has established the cycle for each type of mandatory training, and tracks completion internally. The department also uses an online system for WHMIS training. The Plant Services department works closely with the HR department in coordinating and delivering health and safety training.

The department organizes professional development days to provide mandatory regulatory training, as well as training to support skills development, such as use of computers and the electronic work order system. The Plant Services department also coordinates monthly safety talks. Management builds staff awareness on various options for trades training and licenses. Management noted that there is cross-training within the department, in areas such as HVAC, air quality, and water systems monitoring.

Management requires suppliers to provide product use training as appropriate.

Standardization of Cleaning and Maintenance Supplies

The major maintenance equipment is tracked centrally. Maintenance staff are responsible for equipment in the maintenance vehicles. Formal sign-off is required for the inventory of tools in each vehicle. The vehicles are tracked and scheduled for regular inspections.

Each year, requests are sent out to schools to indicate major pieces of custodial equipment. Using this information, the maintenance cycle is established for each piece of equipment.

The Plant Services department uses standardized cleaning products across all schools. The custodial supplies are purchased through bulk orders four times a year. However, custodians may order additional supplies when required, with approval from the central office. Management noted that it has recently started establishing budget allocations for custodial supplies for each school. The Plant Services department tracks custodial supply costs, including costs associated with specific products. The school board uses dispensing units for cleaning products across all schools.

Project Management, Monitoring and Supporting Systems

Four years ago, the school board implemented an automated work order system. The system is currently used in about 40 per cent of schools. All custodians in these schools have received training on the use of the system. Each morning, work orders are generated at the central office, and allocated to respective regions of the school board. Management has established a prioritization system, and formal guidelines for completion of work orders. The status of work orders is monitored at the central office. Management prepares periodic reports on the volume of work orders and conducts various types of analysis. The Manager of Plant Services has provided *ad hoc* reports on work orders to ELC and the Board.

Management has been evaluating the effectiveness and efficiency of its maintenance and custodial service delivery model. Management noted that the implementation of the automated work order system aimed to improve the effectiveness of delivery of maintenance services. In the past, the school board tested alternative service delivery for some maintenance services, within the requirements of the collective agreements. Management conducted analysis to identify trades that should be available in-house, taking into account health and safety considerations. The Plant Services department maintains a list of maintenance contractors for each area of the school board, for cases when the school board requires support with certain types of maintenance work.

Recommendations:

- The school board should formalize the green clean initiatives in a formal green clean program aligned with the components identified in the Ministry's Green Clean Program Resource Guide.
- Management should consider various factors in addition to square footage for the custodial/maintenance allocation model to optimize the use of staff.

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 Ontario Green Energy Act, 2009, 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.	No
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.	No
A comprehensive system exists to budget expenditures, track and regulate consumption and identify opportunities for further savings.	No
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 has implemented a number of projects in the area of energy management and energy conservation over the past number of years. However, it has not yet established a formal comprehensive energy management plan with measurable goals and targets.

The Plant Services department contracted an external consultant to conduct an analysis in 15 schools identified as the highest consumers of energy. The consultant has recently completed the analysis and submitted the reports, which identify opportunities for upgrades and improvements. These recommendations will be reviewed by the Plant

Services department, and will be incorporated into the multiyear maintenance plan of the school board.

The school board has implemented building management control systems in all schools over the past 10 years. Building control systems are centrally controlled through a web-based application. The Plant Services department has implemented a number of retrofits in schools to increase energy efficiency, such as upgrading lighting, installing motion-sensor lighting, and upgrading to high efficiency boilers.

The school board's purchasing procedures contain provisions on energy efficiency considerations in purchasing. The school board has participated in the Catholic School Board Services Association (CSBSA) electricity buying consortium for a number of years.

The recent school construction project included a number of energy management initiatives, including using energy efficient architectural, mechanical and electrical components, and installation of solar panels and geo-thermal heating as alternative energy sources. The school board has also recently received Ministry of Education funding for a pilot program to install wind turbines on five school properties. The Plant Services department provides periodic updates to ELC and to the Board on progress of energy conservation projects.

The school board's overarching Environmental Stewardship policy and procedure stipulate that the school board is committed to environmental stewardship in management of the school board, and to incorporating environmental education in teaching and learning and engaging students. It is stated in the policy and procedure that the school board's operations, where possible, will reduce energy consumption, and consider environmental principles, including alternate sources of energy and energy-reducing strategies in school settings and designs.

The school board has implemented the EcoSchools program, which is coordinated by a principal in partnership with the Plant Services department. In particular, the Plant Services department works closely with the EcoSchools Coordinator on energy conservation initiatives. LCD displays have been installed in schools with solar panels, to share statistics on the energy produced by the panels. The Plant Services department is also setting up a website to enable teachers and students to track the energy produced by wind turbines that will be installed with support from Ministry funding. Each school has established its own green team to lead green initiatives in schools. The Plant Services department provides information to schools and parents about green initiatives through brochures and information on the dedicated EcoSchools website. Information on the school board's initiative for installation of wind turbines was posted on the Government of Ontario website in November 2010.

Tracking and Reporting Energy Conservation

The Plant Services department has had a dedicated full-time Energy Management Coordinator for almost 20 years to monitor energy consumption and coordinate energy management initiatives. The Coordinator is responsible for collecting and tracking consumption data. The Plant Secretary has been using a spreadsheet to input data from invoices. This information is shared with schools. However, this information is not reported to senior administration and the Board. This information should also be used as an input to develop the multi-year energy management plan. Management noted that the building control systems installed in schools do not have the ability to track consumption. The school board's natural gas commodity consultants provide information on consumption trends monthly. The school board has provided the information for the Ministry's Utilities Consumption Database project.

The school board obtains consolidated billing from utilities providers, where possible. However, some utilities providers still provide the school board with separate bills for each building.

Recommendations:

- Using the data from energy consumption and information from external energy reviews, 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.
- Once the formal energy management plan is established, the school board should ensure that its procurement policies and practices support the objectives and targets of the plan. Management should also consider documenting the energy efficiency requirements in procurement policies and procedures and/or the environmental policy.
- Once a formal energy management plan is in place, management should provide formal annual reporting on the conservation savings achieved against the multi-year energy management plan.
- As part of the energy management planning, the school board should establish a comprehensive system to budget expenditures, track and regulate consumption, and identify opportunities for further savings.

5.4 Health, Safety and Security

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

- Whether planning and communication exist to support the provision of a safe and healthy teaching and learning environment;
- Whether school board structure and processes are in place to implement safety precautions;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Health, Safety and Security Management

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

Health, Safety and Security Management

The school board has a formal Health and Safety policy and Joint Occupational Health and Safety (OH&S) operating guidelines. The guidelines provide the terms of reference and the duties and functions of the joint OH&S committee. The mandate for the Joint OH&S Committee is to act as a monitoring body, to receive and review issues, concerns and reports, and to make recommendations related to OH&S to ELC. The committee is co-chaired by the Director of Human Resources and one worker representative. The committee includes a representative from each employee group and management representatives. The guidelines provide the templates and procedures for conducting

site OH&S inspections. The guidelines also provide accident/incident reporting and investigation procedures. The committee posts monthly statistics on OH&S incidents on the internal communication system.

The school board has a policy on emergency response, and procedures for the supporting emergency preparedness program. The program identifies emergency contact numbers and guidelines to develop and test site specific emergency response procedures. The health and safety department also provides an emergency response guide for all schools. The guide is a quick reference document to outline the response procedures for different types of emergencies, such as critical injury, lock down, weather, fire and break-in, theft, and vandalism. The procedures provided in the guide include generic steps that supplement the specific response plans developed by each school.

Each school principal is responsible for maintaining a Violent Incident Emergency Response Plan that is specific to the school, and outlines the alert codes to be used to identify the nature of the emergency situation and the threat level. The school board has also established protocols with local police services to address school-related incidents.

The Plant Services department has a number of safety measures in place for plant staff and contractors. The Plant Services department has a Plant Safety Procedures Manual that outlines safe work procedures. There is also a contractor safety program that outlines safety procedures for contractors.

The school board has implemented safe schools initiatives, and has safe school teams at each school. The school board also has a code of conduct policy and procedures which identifies guiding principles. Each school is required to use these principles to develop and communicate a code of conduct for members of the school community.

The school board has documented procedures and templates to record and report incidents of school property damage, vandalism, or theft.

The school board has a student health policy, and is developing supporting procedures. The policy dictates that the school board will accommodate unique student health concerns, and will work closely with local health units in the event of a pandemic.

The school board has conducted some wellness initiatives in the past on an *ad hoc* basis. The school board also has an employee assistance program delivered by an external provider as part of the employee benefits plans. Overall, the school board ensures compliance with statutory requirements for occupational and student health and safety. However, there is no comprehensive, documented health strategy that would address promotion of overall health and wellness of both students and all employee groups. A health strategy document could contain the following elements:

- **Scope** - The scope of the document should include wellness and health enhancing strategies that focus on living a healthy life-style and maintaining a work-life balance.
- **Vision, Mission and Values** - A description of what the school board intends to achieve in the long-term and how it intends to achieve that long-term vision through a clearly worded mission statement.
- **Goals and Objectives** - A time-based series of activities that contain clear goals and objectives, assigned to appropriate individuals, and have the ability to be tracked for performance and results.
- **Annual Implementation Roadmap** - A detailed inventory of all events, tasks and activities that will help achieve the health strategy vision in the coming year.

Recommendation:

- 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 school board has a capital priorities plan that was submitted to the Ministry, and will be presented to the new Board for approval in January 2011. The plan includes a description of each project, including current and projected building and accommodation information and a description of the project. Current projects identified in the capital plan include projects to address projected areas of growth, recommended consolidation resulting from an accommodation review, space for specialist high skills major programs, and disability access.

The capital plan is updated annually by ELC. Capital projects are identified based on an analysis of background studies that inform enrolment projections, and projected

accommodation needs. In addition, capital projects may also be identified by the Plant Services department, through facility reviews and assessment of the facility condition index. ELC reviews and prioritizes the list of capital projects to establish the annual capital priorities plan. Periodic reports are provided to trustees for information about progress on capital projects and use of capital funding grants.

The main sources of funding for capital projects include funding through Good Places to Learn, Primary Class Size, prohibitive to repair, full day kindergarten, education development charges, and green/energy initiatives. The school board has not identified funding sources to cover the costs of all projects in the capital plan. The school board plans to prepare and submit business cases for some priority projects to the Ministry for funding approval.

Through its participation in the Ontario School Board Financing Corporation (OSBFC) joint arrangement for sinking fund management, the school board has been able to fund its capital projects and successfully manage its debt commitments. The Finance department has completed the Ministry's Capital Wrap-Up template.

The school board has an approved pupil accommodation review policy and procedures. It has recently completed two accommodation reviews following these procedures and using pupil accommodation committees to inform and consult with the community. The process resulted in two recommended capital projects to consolidate schools.

The Board has a Facilities Partnership Policy. However, management noted that this policy needs to be updated. The school board should review and update the existing Facility Partnership Policy.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

Although the school board is facing declining enrolment overall, there is projected growth in certain regions. The Planning department maintains a spreadsheet of historical site capacity, and forecasts accommodation needs, relative to capacity based on multi-year projected enrolments. The Planning department is able to manage some capacity issues through the addition of portables and through boundary adjustments. Significant anticipated capacity issues are identified as capital projects.

The Planning department is responsible for updating the School Facilities Information System (SFIS). It makes updates in SFIS prior to the new budget development cycle, and after a major capital project is completed.

The Plant Services department uses the information in ReCAPP as an input into the multi-year maintenance plan, and to inform facility reviews for capital planning. The Plant Services department tracks projects in ReCAPP by entering approved maintenance projects as a 'hold' until the project is initiated, at which point the status is

changed to active. The actual project information is entered once the project is completed. This process ensures that the information in ReCAPP is kept up-to-date.

5.6 Capital Project Delivery

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

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

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

Cost Effective Practices in the Design and Construction of Facilities

Leading Practices – 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: From Concept to Classroom – Leading Practices Manual for School Construction in Ontario.	Yes
In constructing, acquiring, operating and managing school facilities, the school board is guided by the principles outlined in the Ontario Green Energy Act, 2009.	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

Due to declining enrolment, the school board has excess capacity in many of its facilities. The primary external users of school facilities are Best Start and child care programs. The school board encourages other user groups, such as church groups, to use excess space on a regular basis.

In the past, the school board has investigated opportunities for shared facilities or joint-use arrangements. However, management indicated that there is limited interest from the community in using school board facilities. The school board has maintained a shared facility with the coterminous French Catholic school board prior to amalgamation.

The school board has documented space layout guidelines for designing new schools. These guidelines include standard floor plans for different types of classrooms and school spaces. The guidelines also include specifications for building components and materials. The Plant Services department worked closely with teaching staff and design consultants to develop suitable standard classroom designs and specifications, to meet the program needs for specialized secondary courses.

The school design guidelines are provided to contractors as a starting point for new school designs. Adjustments to the standards can be proposed to meet the unique needs of the school and evolving building practices.

The Controller of Plant was part of the provincial Expert Panel on Capital Construction which developed the guide *From Concept to Classrooms – Leading Practices Manual on School Construction*.

The Plant Services department uses the Leadership in Energy and Environmental Design (LEED) green building rating system as a guideline to incorporate environmental standards into building designs, where feasible. The school board encourages use of green or recycled construction materials that do not increase construction costs. The Plant Services department considers incorporating other green features in construction projects, such as solar panels and geo-thermal heating, if the return on investment is estimated to be fewer than 10 years.

The school board has constructed, built additions, or renovated most of its schools over the past 10 years. At the time of the Operational Review, the school board was awaiting final approval from the Ministry for a business case that had been submitted for a new school construction project.

The school board has a policy on site designation and acquisition, which guides its selection and acquisition of sites, in line with government regulations and education development charges.

The school board assembles a capital user group to help develop requirements for capital projects. The architect presents the initial designs to the user group for input. Requests from the user group are accommodated where there are no additional costs.

The project budget is set based on identified available funding sources. To budget for a new construction project, the Plant Services department reviews historical costs from previous projects with the same design standards. The school board's architect also provides input for cost estimating. The school board has contracted external cost consultants for recent construction projects to validate cost assumptions. It does not conduct formal comparisons of its construction costs with other school boards.

Monitoring and Reporting of Progress on Construction Projects

For construction projects, the school board contracts architects to develop the designs and tender and manage general contractors. The Plant Services department has a standard quality assurance process for construction projects. The process lays out the key activities for the entire construction project life cycle, from planning through to monitoring warranties, to ensure that required approvals and inspections occur.

Major construction projects are assigned to one of the two capital projects officers within the capital function of the Plant Services department. The role of the Capital Projects Officer is to closely monitor the progress of the construction project, through close communication with the architects and contractors, and regular presence at construction

sites. Capital projects officers report to the Manager of Capital. The capital projects officers monitor and update the detailed construction budgets.

During construction, the Manager of Capital and the capital project officers attend biweekly site meetings with the architects and contractors. The capital projects officers maintain internal project status tracking sheets for construction projects, which are reviewed during weekly meetings with the Manager of Capital. Any issues related to construction projects are escalated through the Manager of Capital to the Controller of Plant and the Associate Director as required.

The capital project officers track project budgets and schedules for construction projects. These are prepared by the architect, using project management software in a format set by the school board. The architect is required to submit an updated construction schedule at every progress payment. The Capital department also requires that a standard payment certificate approval checklist be completed and accompany progress payments. The checklist is reviewed with the Capital Projects Officer, as part of an onsite meeting and is used to facilitate a discussion around the construction schedule and budget. It also ensures that other requirements are checked, such as WSIB requirements and any liens. The checklist, construction schedule and budget schedule are reviewed and approved by the Manager of Capital. Depending on the value, either the Controller of Plant or the Associate Director also reviews and approves the release of progress payments.

The Capital department has established a standard change order process. The architect drafts the change order, including a detailed breakdown of changes in costs. The change request is reviewed with the Capital Project Officer. Depending on the value of the change, it is either approved by the Capital Projects Officer, or is escalated to the next level of authority. Approved changes are tracked in a change order log within the project budget document.

The school board requires that contractors abide by the school board's modified Canadian Construction Documents Committee (CCDC 2) supplementary conditions for stipulated price major construction contracts. These standards specify conditions for construction contracts that ensure strict controls and high accountability from contractors.

The Board is informed of all key steps in the construction projects, and is involved in the design stage. The trustees receive the initial design plan, which is enhanced through a user group or consultation process. The local trustee is usually part of the user group. The trustees are involved in the selection of architects and contractors, and Board approval is required before a tender is awarded to a contractor. Once construction is underway, senior management provides the Board with periodic progress updates.

Maintaining Current Approved Professional Service Providers

The school board has established a policy for the pre-qualification of architects. The school board pre-qualifies architects and contractors through a tender process for a period of three years. Successful vendors are selected for two categories of projects – major projects over \$1M and minor projects under \$1M. The costs and fixed fees are clearly identified at the tender stage.

When a new construction project is identified, the Controller of Plant and the Manager of Capital evaluate the qualifications and experience of the pre-qualified architects, and develop a shortlist to be interviewed. An *ad hoc* committee of the Board is struck to select and approve architects. Architect interviews are conducted by the Board committee, the Controller of Plant, and the Manager of Capital. The successful architect selects a shortlist of contractors from the pre-qualified contractors' pool who are invited to respond to the tender. This list is also approved by the *ad hoc* Board committee.

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:

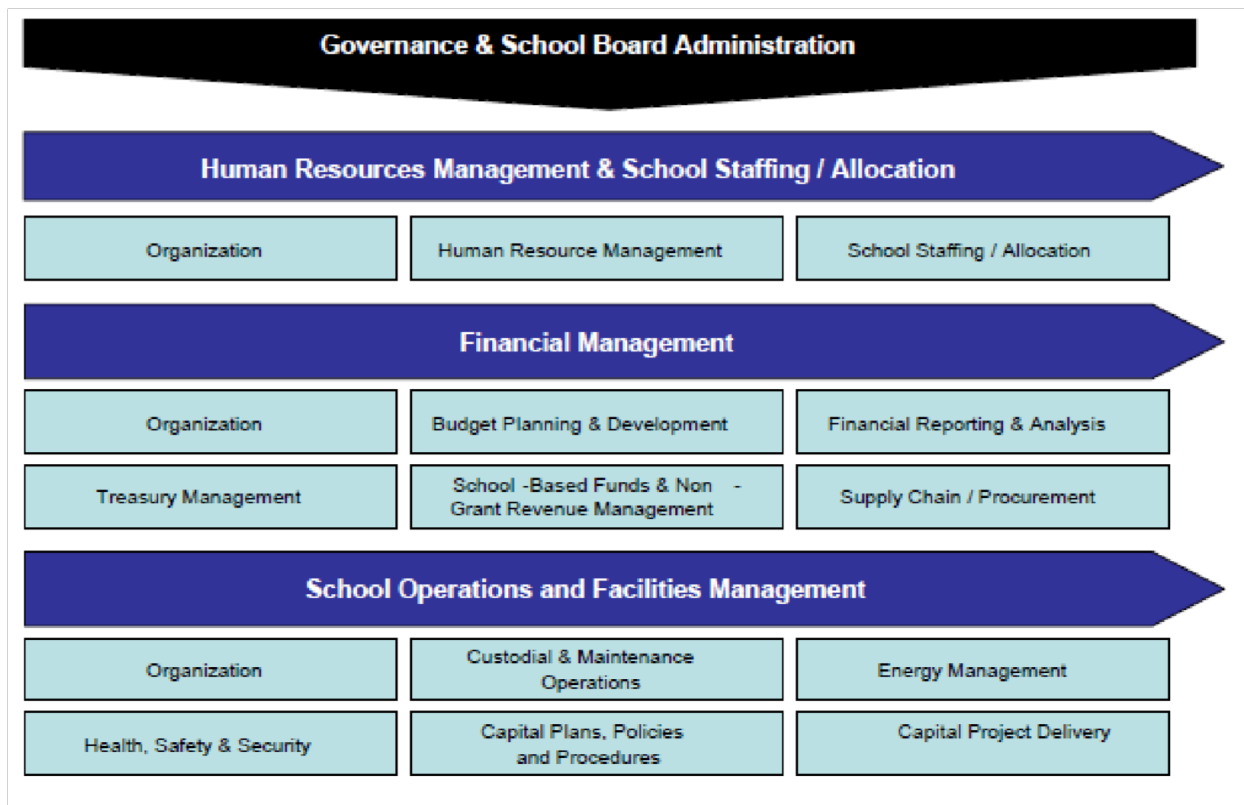
- Strengthen management capacity in boards, with recommendations that support improvement in non-academic operations;
- Highlight existing successful business practices used by boards, to the sector and to school board communities;
- Leverage “best practices” across the education sector;
- Provide support 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.

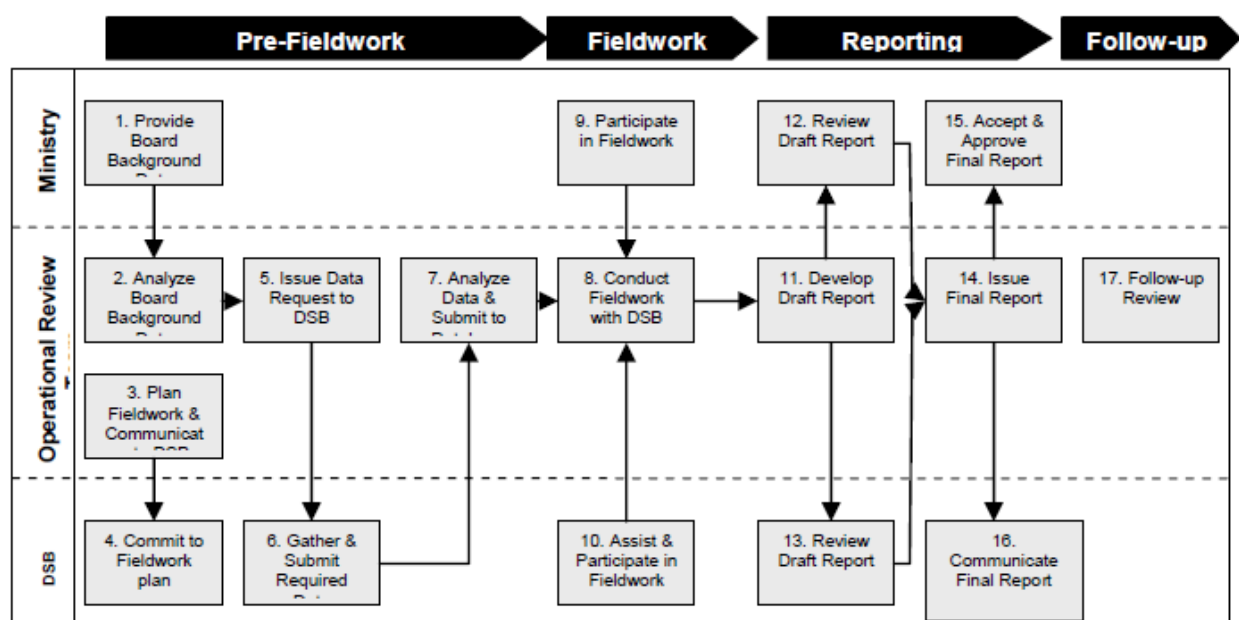
Each of the processes was examined based on its activities and its adoption of sector agreed leading practices, including alignment and support of student achievement strategies.



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.
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.

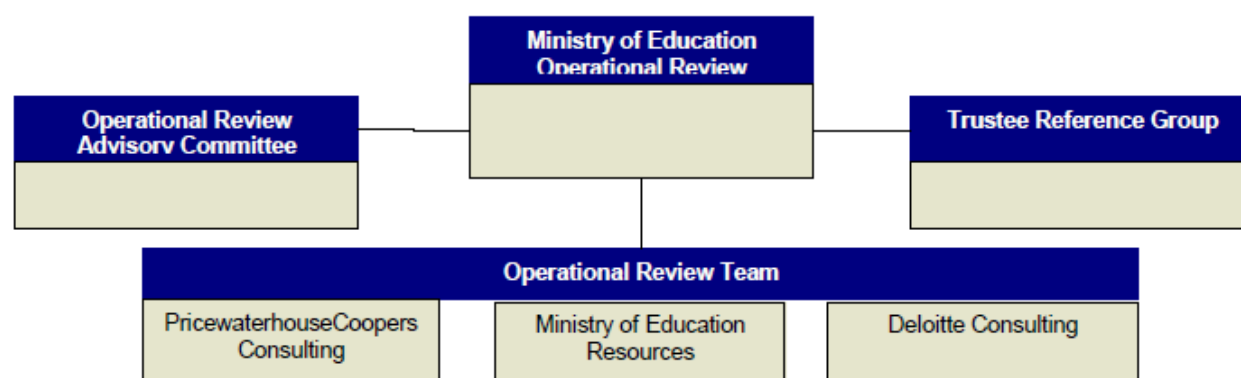
Phase: Follow-up

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 Simcoe Muskoka Catholic District School Board. The review has been conducted using the methodology as previously described. The review is not of the nature or scope that constitutes an audit made in accordance with generally accepted auditing standards.

Appendix B: Summary of Recommendations

Governance and School Board Administration

No.	Recommendation
1.	Using a consultative process, the school board should establish a multi-year (minimum three years) strategic plan in line with the provisions of Bill 177. Once the strategic plan is finalized, it should be communicated to all stakeholders. The multi-year strategic plan should include both academic and operational priorities and provide a framework for annual planning.
2.	The school board should develop an annual board-wide operating plan. The annual operating plan should be aligned with the school board's strategic plan, incorporate both academic and non-academic departments, and contain goals that are specific, measurable, achievable, relevant and timely.
3.	Once the school board develops a new strategic plan and an annual board-wide operating plan, management should periodically report to the board of trustees on the status and outcome of the board strategic plan and the annual operating plan.
4.	The school board should continue to align its leadership development programs and activities with the Ministry's leadership initiatives. It should also develop a formal leadership development and succession plan for key management positions in all academic and non-academic areas.

Human Resources Management and School Staffing/Allocation

No.	Recommendation
5.	HR management should document the department's goals and priorities in an annual department plan incorporating measurable targets, specific timelines and identified accountability. They should be aligned to the annual board operating plan and accessible by key stakeholders.
6.	The school board should review its existing recruitment and hiring processes including the composition of hiring panels, to clarify the roles of trustees and school board staff in the recruitment and hiring process. Trustees should provide strategic policies to govern staffing and recruitment, but should not sit on hiring panels with the exception of hiring the Director of Education.
7.	Trustees should provide the school board with a policy and priority framework for bargaining and not participate directly in negotiations.
8.	HR management should develop formal employee evaluation/performance policies and procedures for all staff groups.
9.	HR management should document formal disciplinary policies and procedures and communicate them to principals and supervisors.
10.	Management should continue implementing a formal attendance support program.
11.	Once the attendance support program is in place, management should report on the effectiveness of the attendance support process/programs to senior administration and the Board.

No.	Recommendation
12.	Management should conduct exit interviews with all staff leaving the school board to obtain input for HR policy, as well as process and program improvement. Management should continue finalizing the procedures for conducting exit interviews with Board Office Staff.

Financial Management

No.	Recommendation
13.	The Finance department should enhance its planning process by developing an annual departmental operating plan which is aligned with the school board's annual operating plan. The departmental plan should reflect specific and measurable targets and indicators, and assign responsibilities and timelines for key activities.
14.	Management should take into account the recommendations made by the Interim Financial Reporting Committee (IFRC) on frequency (a minimum of three reports) and format of interim financial reporting to the Board. Management should continue to finalize the format of interim financial reports in line with the IFRC recommendations and continue to provide such reports to the Board.
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 accepts the risks associated with an audit finding, the reasons should be clearly documented and agreed to by the audit committee.
16.	Management and the Board should continue recruiting external advisors on the Board's audit committee in accordance with Ministry direction.
17.	Management should finalize the alignment of the purchasing policy and procedure with the SCG.
18.	In order to align the school board's purchasing policy and procedures with the SCG, management should include a statement outlining circumstances under which the school board will use competitive versus non-competitive procurement methods in the revised policy and procedures.
19.	Once an approved purchasing policy and procedure that aligns to the requirements of the SCG is in place, management should ensure that purchasing activities are monitored for compliance with the Board's procurement policy and procedures.
20.	In order to align the school board's purchasing policy and procedures with the SCG, management should include purchasing authorization levels in the revised policy and procedures.

School Operations and Facilities Management

No.	Recommendation
21.	The Plant Services department should enhance its annual planning activities by developing an annual departmental operating plan which is aligned with the school board's annual operating plan. The departmental plan should reflect specific and measurable targets and indicators, and assign responsibilities and timelines for key activities.

No.	Recommendation
22.	The school board should formalize the green clean initiatives in a formal green clean program aligned with the components identified in the Ministry's Green Clean Program Resource Guide.
23.	Management should consider various factors in addition to square footage for the custodial/maintenance allocation model to optimize the use of staff.
24.	Using the data from energy consumption and information from external energy reviews, 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 <i>Green Energy Act, 2009</i> , 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.
25.	Once the formal energy management plan is established, the school board should ensure that its procurement policies and practices support the objectives and targets of the plan. Management should also consider documenting the energy efficiency requirements in procurement policies and procedures and/or the environmental policy.
26.	Once a formal energy management plan is in place, management should provide formal annual reporting on the conservation savings achieved against the multi-year energy management plan.
27.	As part of the energy management planning, the school board should establish a comprehensive system to budget expenditures, track and regulate consumption, and identify opportunities for further savings.
28.	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.