

Ministry of Education

**Operational Review Report
Sudbury Catholic District School Board**

March 2009

Table of Contents

Executive Summary	1
Introduction	1
Governance and School Board Administration	1
Recommendations:	3
Human Resources Management and School Staffing/Allocation.....	3
Recommendations:	3
Financial Management	4
Recommendations:	4
School Operations and Facilities Management	6
Recommendations:	7
1. Background and Overview	8
1.1 School Board Profile and Structure.....	8
1.2 Key Priorities of the School Board	9
1.3 Student Achievement.....	10
1.4 Fiscal Overview.....	11
1.5 Key School Board Statistics	13
2. Governance and School Board Administration – Findings and Recommendations	15
Establishment of an Effective Governance Model	17
Development and Reporting of Annual Goals and Priorities	19
Decision-Making Process	20
Organizational Structure and Accountability	22
Stakeholder Engagement	22
Recommendations:.....	23
3. Human Resource Management and School Staffing/Allocation – Findings and Recommendations	24
3.1 Organization	24
Development and Reporting of Annual Goals and Priorities	25
Organizational Structure and Accountability	26
Monitoring and Communication of Policy	26
Recommendations:	27
3.2 Human Resource Management	27

	Staff Recruitment	29
	Labour Relations.....	30
	Employee Performance Evaluation Processes	31
	Attendance Management Processes/Programs.....	32
	Management of HR and Payroll Data	34
	Management of the Board's Benefit Plans	35
	Monitoring Staff Satisfaction	35
	Recommendations:	36
3.3	School Staffing/Allocation	36
	Planning and Processes for Annual Staffing and Allocation	37
	Monitoring and Reporting on Staff Allocation	38
	Benchmarking Costs with Other Boards and Funding	38
4.	Financial Management – Findings and Recommendations.....	39
4.1	Finance Organization.....	39
	Development and Reporting of Annual Goals and Priorities	40
	Organizational Structure and Accountability	41
	Monitoring and Communication of Policy	42
	Recommendation:.....	42
4.2	Budget Planning and Development.....	42
	Annual Budget Development Process	43
	Enrolment Forecasting Linked to Budget Development	45
	Identification of Risks and Mitigation Strategies.....	46
	Recommendations:	46
4.3	Financial Reporting and Analysis.....	46
	Integrated System for Variance Analysis and Financial Reporting	47
	Interim Financial Reporting Accountability	48
	Internal Audit Function	49
	Audit Committee	49
	Recommendations:	50
4.4	Treasury Management.....	51
	Cash and Investment Management	52
	Management of School-Based Funds.....	52
	Recommendations:	53

4.5	Non-Grant Revenue Management	53
	Policies to Support Non-Grant Revenues	54
	Technology to Support Registration and Collection of Revenue	54
	Monitoring Procedures for all Non-Grant Revenue	55
	Managing the EPO Grants.....	55
4.6	Procurement	55
	Procurement Policies and Procedures.....	57
	Participation in Buying Consortia to Reduce Acquisition Costs	58
	Purchasing Levels of Authority	58
	Policies and Procedures for Purchase Card/Corporate Card Use	59
	Accounting for Completeness of Purchase/Payment Cycle	60
	Use of Electronic Funds Transfer for Greater Efficiency	61
	Recommendations:	61
5.	School Operations and Facilities Management – Findings and Recommendations	62
5.1	Operations and Facilities Organization	62
	Development and Reporting of Annual Goals and Priorities	64
	Organizational Structure and Accountability	64
	Monitoring and Communication of Policy	65
	Recommendation:.....	66
5.2	Custodial and Maintenance Operations	66
	Staffing Model Supports the Board's Cleaning and Maintenance Standards	68
	Development of Annual and Multi-Year Maintenance Plan.....	69
	Training to Support Skills Development and Safety	70
	Standardization of Cleaning and Maintenance Supplies.....	70
	Project Management, Monitoring and Supporting Systems	71
	Recommendations:	71
5.3	Energy Management.....	72
	Energy Management Plan	73
	Tracking and Reporting Energy Conservation	73
	Recommendation:.....	75
5.4	Health, Safety and Security	75

	Development, Monitoring and Tracking of Policies and Plans for Health, Safety and Security	76
5.5	Capital Plans, Policies and Procedures	77
	Development of Annual and Multi-Year Capital Plans	78
	Ongoing Monitoring and Maintenance of Data to Support Capital Planning	80
5.6	Construction Management.....	80
	Cost-Effective Practices in the Design and Construction of Facilities	81
	Monitoring and Reporting of Progress on Construction Projects	81
	Maintaining Current Approved Professional Service Providers.....	82
Appendices		83
	Appendix A: Overview of the Operational Review	83
	Operational Review Objectives	83
	Operational Review Summary Scope	83
	Operational Review Summary Approach	84
	The Operational Review Team	87
	Limitations of this Review	87
	Appendix B: Summary of Recommendations	88

Executive Summary

This report details the findings and recommendations of the Operational Review of the Sudbury Catholic District School Board (the school board) conducted by the Operational Review Team composed of external consultants from Deloitte & Touche LLP and Ministry of Education staff. The Operational Review was conducted over three days beginning November 24, 2008.

Introduction

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

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

The review team found that the school board has adopted many of the leading practices across most of the functional areas reviewed. There are a number of opportunities for improvement in the area of financial management. A summary of the findings and recommendations identified in each of the functional areas reviewed follows. Details can be found in subsequent sections of the report.

Governance and School Board Administration

The school board has adopted a governance structure that clearly delineates the roles and responsibilities of the board of trustees (the Board) and the administrative council. The Board is composed of six experienced trustees whose average tenure is over seven years.

The school board has a governing model that distinguishes between the board of trustees' responsibility for setting the expected outcomes and developing school board policy, and the administration's role of implementing policy and managing operations.

The school board maintains the effective governance model through clearly documented policies on the board of trustees' role, governance style, code of conduct and the authority and limitations of the Director of Education.

Training is not provided to the board of trustees to support their ability to carry out their roles. The school board recognizes and funds trustees' registration in conferences, seminars and workshops as an *ad hoc* means of professional development. However, there is no formal instruction provided on a set of identified practices. Such training would support trustees' capacity to operate from a basic and common knowledge base.

The current relationship between the board of trustees and the Director is cordial, professional and collaborative. The positive working relationship between the Director and the trustees promotes an open dialogue, and contributes to an effective process for decision-making.

The school board does not have a multi-year strategic plan that provides a framework to develop the annual Board Improvement Plan (BIP). The Director of Education is in the process of building the school board's capacity to undertake multi-year strategic planning. In the absence of a multi-year strategic plan, the school board has developed system priorities and mission and vision statements for 2008-09.

The school board's system priorities are not supported by clear accountabilities, timelines or performance measures. There are opportunities to improve the alignment of system priorities with the mission and vision statements. The system priorities could serve as the foundation upon which the school board can build a multi-year strategic plan in the immediate future.

The school board produces an annual BIP for its academic departments, complete with performance targets, timelines and the assignment of responsibilities. The BIP has provided the context for the development of the School Improvement Plans (SIPs) which identify goals and priorities for each school. The current SIPs do not include timelines or accountabilities.

Overall, the development of an annual BIP is an effective planning practice, since it enables the Director, the superintendents and all other staff to align their efforts with the Board's expected outcomes. The current BIP does not consider the operational functions of the school board, such as human resources, financial management and facilities management. This is an area of opportunity for the school board to improve its annual planning activities, by including plans for non-academic functions in its BIP.

The school board has not established a formal succession plan for all its key leadership positions. Given some of the turnover it has experienced it would benefit from establishing a formal succession plan for its key leadership positions. This is especially true at the director level, where there have been five directors over the last 10 years.

Recommendations:

- The board of trustees, in conjunction with the Director, should develop a multiyear strategic plan that defines key objectives, timelines and performance measures for the entire system. This would provide an over-arching framework for the school board to develop an annual BIP, setting the context for school and departmental planning and allowing the Director to report on the achievement of specific outcomes.
- The school board should expand the scope of the BIP to cover all aspects of school board operations, including human resources, financial management and facilities management. The BIP should define in-year initiatives that contribute to the achievement of the longer-term goals and demonstrate the alignment of nonacademic departments.
- The school board should develop a formal succession plan to manage departures of key staff.

Human Resources Management and School Staffing/Allocation

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

- The HR department has completed revisions to all job descriptions to ensure they are accurate and up-to-date. The roles and responsibilities for all HR staff are clear.
- The Board has developed a grievance and appeals process for a consistent, orderly and fair approach to grievance and appeal presentations.
- There is a policy on performance appraisal and progressive discipline, supported by five separate guidelines on performance appraisals for teachers, occasional teachers, principals, vice-principals and all other employees.
- The school board has a Labour-Management Committee (LMC) for one of its bargaining groups to address issues and concerns.
- The HR system automatically transmits employee and employer contributions to the Ontario Teachers' Pension Plan and the Ontario Municipal Employees Retirement System, for accurate and timely enrollment of all eligible employees.

Recommendations:

- The HR department should develop an annual departmental plan that aligns with the objectives in the BIP. The departmental plan should set targets, timelines and

assigned responsibilities for key activities in the HR department. This would enable management to track and report progress of its defined priorities and goals throughout the year.

- The HR department should continue developing a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This would provide management with a consistent and structured approach to improve attendance, including positive reinforcement for employees and standardized practices across all employee groups.
- Management should consider developing a formal plan for periodic staff surveys. This would improve communication with staff and provide input for professional development plans and HR policy.
- Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy as well as process and program improvement.

Financial Management

The Business and Finance department at the school board includes both the Financial Services branch and the Facilities Services branch. The Financial Services branch demonstrates some positive results through the implementation of some of the leading practices:

- All financial policies and guidelines are up-to-date.
- Management develops the school board's enrolment forecasts by using multiple sources of information for demographic forecasting and regional planning information, combined with school based information.
- The school board is a member of the Sudbury Regional Buying Group, and has collaborated with coterminous school boards for the acquisition of student transportation, and supplies for the classroom, first aid and physical education.
- Department staff have appropriate financial designations and the relevant experience to perform their roles.

Recommendations:

- The Business and Finance department should develop a departmental plan that aligns with the objectives in the BIP. The departmental plan should set targets, timelines and assigned responsibilities for key activities in the Financial Services

branch. This would enable management to track and report progress of its defined priorities and goals throughout the year.

- The Financial Services branch should document the budget planning process to provide additional transparency for trustees and clarity for staff regarding roles and responsibilities.
- Management in the Financial Services branch should consider migrating the department budget input process from a manual to an automated system.
- Management should perform a cost-benefit analysis of moving from a customized financial software system to a vendor-supported suite of software applications. This would increase the functionality of the school board's financial system.
- Financial services staff should consider providing an expanded level of interim reporting, as in the format suggested in section 4.3 of this report. This would simplify communication and increase the Board's focus on key issues during the reporting of year-to-date results.
- Management should consider formalizing the internal audit function. This would include a broader audit of financial and management controls and adherence to board policies. Management could start by identifying options for its mandate and scope and the estimated cost for each option.
- Management and the Board should establish an audit committee. The audit committee should include at least two external members to advise and contribute to its overall effectiveness.
- Management should establish an investment policy for approval by the board of trustees. A formal cash management plan and appropriate procedures to manage surplus cash and optimize investment income should be developed.
- The Financial Services branch should develop a formal cash flow model to forecast and monitor the school board's cash flow activities. This would allow the school board to identify opportunities to optimize investment income and minimize interest costs.
- The school board should review its purchasing policy to determine whether approval limit thresholds are commensurate to job titles/roles. This would ensure alignment with the needs of the school board and consistency with other school boards.

- Management should consider mandatory posting of tenders and Requests for Proposals (RFPs) on the electronic advertising bulletin boards, for the widest circulation of its tenders.
- The Board should review its current policy for the use and distribution of corporate credit cards.
- The school board should use PCards for small dollar purchases to reduce the volume of supplier invoices processed by accounting and to avoid reliance on corporate credit cards. It should perform an analysis of all credit card expenditures to identify the type and level of spending by individual. It should supplement this with a transaction/spend analysis of purchase orders. This would identify optimum threshold limits to maintain budgetary controls and manage the volume of invoices.
- Finance staff should implement EFT payments to all appropriate suppliers to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.

School Operations and Facilities Management

The Facilities Services branch has adopted many of the leading practices in its custodial and maintenance operations. The following significant practices are noted:

- The Facilities Services branch has developed web-casts for policy awareness and training sessions for staff in remote facilities where travel costs are prohibitive.
- Management has developed a model to allocate custodial hours to schools based on enrolment data. The school board also considers factors such as portables, pods and employees who are on modified work schedules in establishing additional staffing allocations.
- The school board has developed a module of set cleaning standards. Management has created an operations training manual, with a cleaning schedule and the associated procedures for each cleaning task.
- Management develops an annual plan of renewal and maintenance projects to address its preventative, critical and deferred maintenance. The annual plan is based on consultations with principals and administrative council.
- Management has a multi-year energy management strategy that includes a fivephase energy management plan. This includes developing an EcoCentre

website as a one-stop location for all school board and school-related environmental information.

- To improve its planning and costing capabilities for major capital projects, the school board has sought partnerships with other school boards with more construction experience.

Recommendations:

- The Facilities Services branch should develop a departmental plan that aligns with the objectives of the BIP. The Business and Finance departmental plan should set targets, timelines and assigned responsibilities for key activities within the Facilities Services branch. This would enable management to track and report progress of its defined priorities and goals throughout the year.
- Management should consider establishing a multi-year maintenance and renewal plan, including the funding available to support the plan. This would provide the school board and its stakeholders with a clear forecast of critical needs over the next several years.
- The school board should develop an inventory of cleaning tools and custodial equipment.
- The school board should ask utility companies to provide consolidated billing in an electronic format.

1. Background and Overview

1.1 School Board Profile and Structure

The school board was created on January 1, 1998 when its predecessor, the Sudbury Roman Catholic District School Board, was split into two independent French and English school boards. The school board is responsible for publicly funded English Catholic faith-based education in the Sudbury area. The school board operates 20 elementary schools, four secondary schools and one adult education centre. It currently serves about 4,400 elementary and 2,000 secondary students.

The school board is experiencing declining enrolment, a pattern consistent with the majority of Ontario school boards. For the current 2008-09 academic year, 68 percent of the schools are using less than 80 percent of the available space, resulting in an overall excess capacity of 26 percent. To address the implications of declining enrolment on its facilities and programs, the school board is completing an extensive accommodation review process to consolidate its infrastructure.

The following figure represents the administrative council at the school board. The administrative council is composed of the Director of Education, the Superintendent of Business and Finance (who is also Treasurer to the board of trustees), the

Superintendent of Academic Programs/Schools, the superintendent of Pathways to Success Program/Schools and the Superintendent of Employee Relations/Schools. The school board is organized around a 'family of schools' structure, where each superintendent (except for the Superintendent of Business and Finance) is responsible for the day-to-day operations of schools within his or her area.

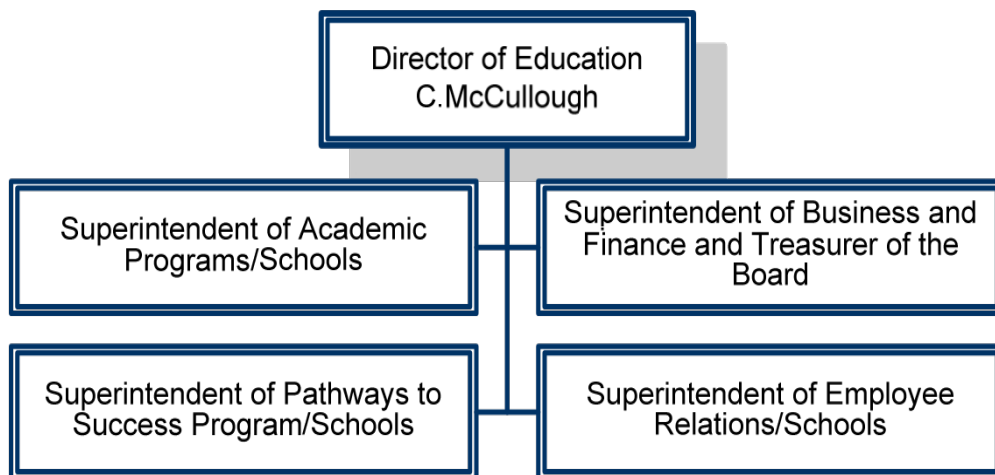


Figure 1

1.2 Key Priorities of the School Board

The school board's vision is "Creating Hopes and Dreams through Excellence".

The school board's mission is:

- To provide a quality education which integrates faith with culture so that every aspect of the curriculum is taught in light of the Gospel and the Gospel is expressed in terms of the life witness of all those associated with Catholic education;
- To create a faith community which recognizes the interdependence of the members of the Catholic educational community - students, parents, priests, teachers, trustees and administrators - in the transmission of the beliefs and values of the community.;
- To reinforce and uphold the rights of parents, their beliefs and values, with regard to the education of their children. Co-operation of the home, the school and the Church is essential in imparting Christian attitudes;
- To develop the spiritual, moral, intellectual and physical talents of each student in an atmosphere of faith; to educate a student for life, not merely to impart information and skills. Individual talents, skills and abilities are cultivated in such a manner as to instill a sense of personal responsibility to the Creator and to society.

The school board is in the process of developing a strategic plan for the 2009-10 school year. In the interim, it has identified system priorities for 2008-09 under the following core themes –

- ***Exemplary instruction and assessment to ensure student success*** – This includes implementing and monitoring a school effectiveness framework and school improvement plans for all elementary and secondary schools.
- ***Catholic identity and faith formation at all levels of the organization*** – This includes promoting schools as places of welcome, word, worship, witness and welfare;
- ***Positive relationships and effective communication*** – This includes continuing to publish a system newsletter three times a year celebrating the accomplishments of schools;

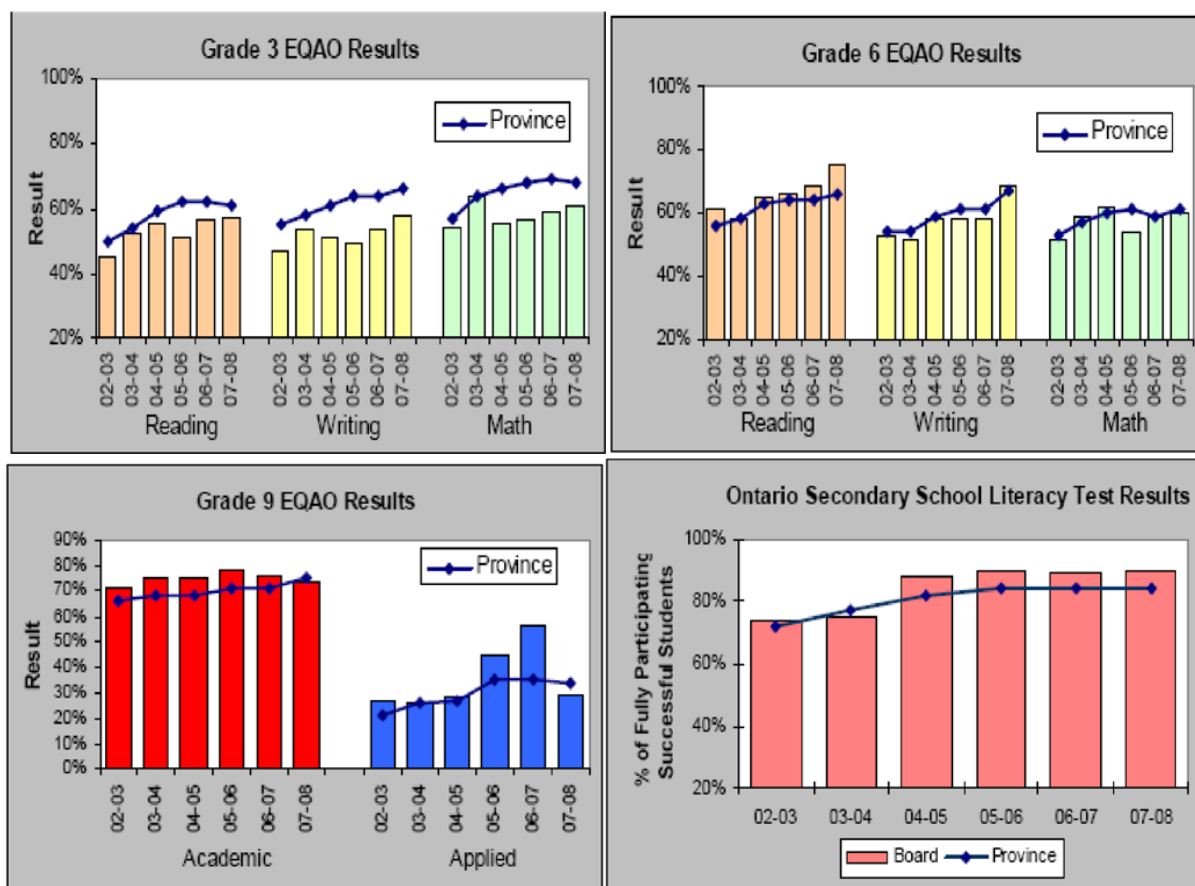
- ***Alignment and responsiveness to government legislation, policy and directives*** – This includes continuing to align and implement all Ministry directives as part of the system plan.
- ***Technology at all levels of the organization*** – This includes creating SWAT (Students Willing to Assist with Technology) teams for all elementary and secondary schools; and
- ***Capital Planning*** – This includes developing an open, transparent and clearly communicated accommodation review process.

1.3 Student Achievement

Over the last three years, the school board's student achievement performance has been at the provincial average, with the exception of its Grade 3 Education Quality and Accountability Office (EQAO) results.

For 2007-08, the school board is below average in its Grade 3 EQAO results in all areas (reading, writing and math). However, the school board is above the provincial average for reading, and at the provincial average for writing and math in its Grade 6 assessments. The Grade 9 EQAO results illustrate a similarly mixed result, with the school board at the provincial average for academic courses, but below the provincial average in its applied courses. Finally, the school board is above the provincial average with its Ontario Secondary School Literacy Test (OSSLT) results.

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



1.4 Fiscal Overview

Over the last few years, the school board has been relatively successful in presenting balanced budgets to the Ministry, with the exception of 2006-07, when it reported a deficit of less than one percent. In 2007-08, the school board approved a total budget of revenues and expenditures of \$65,670,529. The balance of the Reserve for Working Funds fluctuated from \$2.8 million in 2005-06 to \$3.3 million in 2006-07, moving back to \$2.7 million in 2007-08. This is due to the school board's reliance on reserves to balance its budget.

The school board has been actively monitoring its ability to fund its capital commitments. The school board has completed its Capital Liquidity template, which demonstrates that its existing capital debt is fully-funded. With declining enrolment, the school board does not expect to construct many schools. Management will continue to work with Ministry staff as they go forward with any new capital projects.

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

Summary Financial Data (Revenues)

Revenues	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Legislative Grants	\$47,877,972	\$48,793,318	\$51,193,515
Local taxation	\$12,525,625	\$12,622,916	\$12,534,404
Board Revenues	\$2,258,277	\$1,648,163	\$1,005,487
Other Operating & capital Grants	\$1,617,253	\$1,553,326	\$937,123
Total Revenues (Schedule 9)	\$64,279,127	\$64,617,723	\$65,670,529

Summary Financial Data (Expenditure)

Expenditure	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Operating expenditures	\$60,534,638	\$61,433,190	\$63,852,321
Capital expenditures - Before transfers from reserves	\$2,976,847	\$3,242,223	\$2,790,702
Transfer to (from) Reserves	\$767,642	\$524,081	-\$972,494
Total Expenditures	\$64,279,127	\$65,199,494	\$65,670,529
In-year Surplus (Deficit)	\$0	(\$581,771)	\$0

School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Retirement Gratuities	\$315,936	\$315,936	\$0
Reserve for Working Funds	\$2,822,124	\$3,346,207	\$2,689,647
Pupil Accommodation Debt Reserve	\$845,143	\$829,109	\$829,109
Total Reserve Funds (Schedule 5)	\$3,983,203	\$4,491,252	\$3,518,756
Proceeds of Dispositions Reserve- School Buildings	\$790,762	\$823,458	\$823,458
Proceeds of Dispositions Reserve- Other	\$173,792	\$181,432	\$181,432
Total Deferred Revenues (Schedule 5.1)	\$964,554	\$1,004,890	\$1,004,890
Total Board Reserves and Deferred Revenues	\$4,947,757	\$5,496,142	\$4,523,646

1.5 Key School Board Statistics

The following table highlights key statistics for the school board. Of note are the decreasing enrolment trend and the large geographic area and dispersion of the school board. These statistics illustrate a unique and challenging operating environment for the school board.

Day School Enrolment

Day School Enrolment	2002-03 Actual	2007-08 Revised Est.
Elementary Day School ADE	5,032	4,353
Secondary Day School ADE	2,110	2,011
Total Day School Enrolment	7,142	6,364

Primary Class Size

Primary Class Size	2003-04	2007-08
% of Classes Less Than 20	34%	65%
% of Classes Less Than 23	52%	96%
Average Class Size - Jr/Inter	24.78	23
% of 3/4 Classes 23 & Under	47%	100%
% of Combined Classes	46%	40%

Staffing

Staffing	2003-04	2007-08
School Based Teachers	424	421
Teacher Assistants	38	44
Other Student Support	48	52
School Administration	25	27
School Clerical	27	30
School Operations	79	81
Other Non-Classroom	34	44
Total Staffing	675	699
Teacher - Pupil Ratio	1:17	1:15

Staffing	2003-04	2007-08
FTE Staff per 1,000 Pupils (ADE)¹	94.6	109.9
Total Salary & Benefits as % of Net Operating Expenditures	83.5%	85.0%

Special Education

Special Education	2003-04	2007-08
Special Education Incremental Expenditures	\$4,534,832	\$7,498,579
Special Education Allocation	\$4,695,813	\$6,056,071
Spending above Allocation (Reserve)	(\$160,981)	\$1,442,508

School Utilization

School Utilization	2003-04	2007-08
Number of schools	28	25
Total Enrolment (ADE)	7,142	6,364
School Capacity (Spaces)	9,951	8,856
School Utilization	71.8%	71.9%
Board Area (Km²)	8,921	8,921
Number of Trustees	6	6

¹ Note: Impacted by Class Size and Special Education

2. Governance and School Board Administration – Findings and Recommendations

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

Governance and board administration processes are reviewed to:

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

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

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

Establishment of an Effective Governance Model

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The school board's governance model clearly delineates the division of duties between the board of trustees and the director of education. The board has established clearly defined duties and responsibilities to support on effective working relationship.	Yes

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

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees develops and communicates a multi-year strategic plan that provides a framework for annual planning.	No
The director of education and senior management develop an annual board improvement plan of their goals/ priorities, incorporating both academic and non-academic departments. The plan is aligned with the board's multi-year strategic plan and has goals that are specific, measurable, achievable, relevant and timely.	No
Senior management periodically/ annually report to the board on the status and outcomes of the annual board improvement plan.	Yes

Decision Making Processes

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees and management have established appropriate processes for decision making to address student achievement targets and operational performance.	Yes
The board of trustees and management have appropriate processes for the establishment and regular maintenance of policies for the efficient and effective operation of the board. Policies are posted on the board's web site.	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
The Director has established a formal succession plan to manage retirements and resignations of key managers/administrators.	No
A departmental organization chart (supplemented with a Directory of key staff contact information) is publicly available on the board's web site.	Yes

Stakeholder Engagement

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

Establishment of an Effective Governance Model

The school board has adopted a governance structure that clearly delineates the roles and responsibilities of the board of trustees from those of the school board administration. The governance structure is supported by a board of six experienced trustees with an average tenure of over seven years. In addition, one student trustee is elected annually, on a rotating basis from each of the four secondary schools.

The school board's governing model distinguishes the board of trustees' focus on setting the expected outcomes and developing Board policy from the administration's role of implementing policy and managing the operations of the school board.

The Board maintains this effective governance model through clearly documented policies on the board of trustees' role, governance style, code of conduct and the authority and limitations of the Director of Education.

The school board's governance policy emphasizes the need for outward vision, diversity of viewpoints, strategic leadership, and collective decision making. The policy emphasizes the clear distinction between the board of trustees' and the Director's roles

indicating the board of trustees' focus is on policy and long-term outcomes rather than the administrative means of achieving them.

The code of conduct for trustees stipulates that trustees must avoid conflicts of interest while carrying out their fiduciary responsibility to the public. The code also outlines key limitations of board of trustees' authority. For example, the school board's policy on media relations stipulates that the Chair and Director are the only persons authorized to speak for the school board.

The school board's governance model includes four policies on the relationship between the board of trustees and the Director. It outlines the role of the Director, the Director's compensation and benefits setting process, the Director's delegation of authority from the board of trustees, and the board of trustees' performance monitoring process of the Director. The policies regarding the Director's role and delegation of authority are integral to the governance model of the school board.

School board policies are supported by Administrative Procedures and Guidelines (APGs) which document the procedures to implement school board policies. While policy changes must be approved by the board of trustees, changes to APGs are approved by administrative council. Both APGs and school board policies are regularly updated according to a predetermined schedule. Most APGs are available on the school board's intranet, while policies are primarily on the school board's website.

While roles are clearly documented at the school board, no formal training is provided to trustees to support them in carrying out their role. However, the school board recognizes that attendance at conferences, seminars and workshops is a means of professional development for trustees. Accordingly, the school board provides annual funds for each trustee to participate in appropriate professional development activities and meetings. In February and August each year, a report is submitted to the board of trustees. The report includes a list of professional development activities attended by each trustee to date and the expense claimed in each instance.

The Board recognizes that the committee structure is an effective process for the identification and close study of issues. There are currently 13 committees in place at the school board: four legislated committees (including the special education advisory and supervised alternative learning for excused pupils committees), five salary negotiating committees (for each bargaining unit and the non-unionized staff), one special committee on regional parent involvement, and three standing committees (including a policy and regulation committee). The board of trustees has never had an audit committee and has disbanded its financial committee.

Development and Reporting of Annual Goals and Priorities

The Director of Education is building the school board's capacity to undertake multi-year strategic planning, which historically has not been an area of focus. Last year, the Director hired a facilitator to work with the board of trustees to develop a mission and vision statement to provide the context for strategic planning in the future. Also, the Director intends to hold a strategy planning session at the beginning of 2009, with trustees and administrative council to develop a five-year strategic plan.

In the absence of a multi-year strategic plan, the school board developed system priorities for 2008-09. The system priorities were developed by administrative council at a two day retreat as the first step to a multi-year strategic plan. Prior to the retreat, the administrative council identified department goals with their staff. Based on these goals, 55 priorities for the system were identified. Following the retreat, the system priorities were presented to the principals and trustees. Administrative council intends to report back to the board of trustees in early 2009 on the school board's performance on its identified priorities.

The school board's system priorities are not aligned with the mission and vision statement. There are opportunities for the school board to improve the alignment of its system priorities to the mission and vision statements. Further, the system priorities are not supported by clear accountabilities, timelines, or performance measures. However, the existence of the system plan provides the foundation for the school board upon which to build a multi-year strategic plan in the immediate future.

The school board produces an annual Board Improvement Plan (BIP) for its academic departments. The BIP was developed after an extensive analysis of data gaps and system needs. The data gaps were identified based on the results of recent EQAO assessments of student achievement. The BIP was developed in consultation with a team of principals, and identifies three goals each for its elementary and secondary panels.

The elementary panel goals are based solely on the school board's current achievement levels on EQAO tests. The elementary panel goals are to:

1. Increase the average reading achievement score by 10% (to 67%) in primary and maintain an average reading achievement score of 75% in junior;
2. Increase the average writing achievement score by 10% (to 68%) in primary and increase the average writing achievement score by 6% (to 75%) in junior; and
3. Increase the average mathematics achievement score by 10% in both primary (to 71%) and junior (to 70%).

The secondary panel goals are based on a combination of course achievement and EQAO scores. The secondary panel goals are to:

1. Increase the literacy achievement in English and languages courses by 5%;
2. Increase all EQAO achievement scores by 5%; and
3. Increase student credit accumulation by 5%.

These goals are supported by research-based implementation strategies, which identify resources required, accountabilities, timelines and indicators of success. This is a good planning practice, since it enables the Director, the superintendents and all other school board staff to align their efforts with the expected outcomes.

The BIP is supported by SIPs which were developed at a two-day planning retreat for principals. The SIPs identify goals and priorities for each school but do not include timelines or accountabilities. To enhance the effectiveness and accountability around SIPs, they should include school specific goals accompanied by activities, supports and resources, designated leads, timelines and in-process measures.

The school board's BIP does not include plans for the non-academic operational functions such as Human Resources, Financial Services and Facilities Services. As a next step, the school board should consider consolidating the plans for operational functions within the BIP.

Decision-Making Process

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

The school board has an executive committee made up of the Chair and Vice Chair of the board of trustees and the Director. This committee meets monthly in advance of board of trustees' meetings. Since the board of trustees is small and often operates informally, these advance meetings provide reflection time and ensure that the trustees are fully informed. The Chair and Vice Chair typically inform trustees of issues so they have the opportunity for discussion and debate before an item is formally tabled at meetings. This approach also helps to ensure that Board meetings run efficiently and that the agenda covers the key priorities of the school board.

The school board has Board procedure by-laws establishing deadlines for agendas to be sent to trustees, how items should be placed on the meeting agendas, and a template agenda for meetings. Agenda items for Board meetings are established and

reviewed by the executive committee in the week prior to the meetings of the board of trustees. Agendas are delivered to trustees 24 hours in advance of the meeting.

The board of trustees meets once every month. These meetings include *in-camera* sessions that address confidential issues related to property or staff. Special meetings are called at the discretion of the Chair, through a resolution of the board of trustees, or through the written request of three trustees to the Chair.

The school board's by-laws determine the sort of matters that should be considered by the board of trustees, including:

- legislation affecting the school board, its trustees, staff, or its organization or operations
- proposed or necessary amendments to the by-laws
- establishing, instructing, monitoring and receiving reports from salary negotiating committees
- any matter involving litigation or the school board's budget.

The Board's decision-making process is further supported by a policy review process identifying each school board policy and an associated review date. This review schedule ensures that policy decisions are not purely reactive. Nonetheless, trustees can also bring policies forward for review on an *ad-hoc* basis. As such, the school board's policies are up-to-date and can be found on the school board website. Policy review is the responsibility of the board of trustees' policy and regulation committee.

The school board has developed guiding principles for the policy development process. The policy development or review process may involve a representative committee approach. A representative committee would include individuals most directly affected by the policy. Policy development or review involves a research phase examining alternative models, Ministry direction, and other outside sources. The policy guidelines also recommend stakeholder consultations and, where appropriate, legal validation as part of the policy review or development process.

The policy review and development process requires administrative council discussion as the first step. Policy matters then proceed to the policy and regulation committee for review, followed by Board approval.

APGs provide support documentation to school board policies and Ministry directives. They are used primarily by school administration and administrative employees at the school board. The school board has a procedure that outlines the processes for developing new APGs and revising existing ones.

An APG is developed at the department level using the APG template and is subsequently reviewed and approved by the respective Superintendent. The APG is then presented to the administrative council for review, amendment and approval. The approved APG is then posted on the school board intranet for use by school board staff.

Organizational Structure and Accountability

The organization of the school board's administrative team is well defined. The school board's operations are managed by the Director, along with three superintendents of schools and a Superintendent of Business and Finance. The portfolio of the Superintendent of Business and Finance includes facilities services and financial services.

Each of the three superintendents of schools has a distinct portfolio. For instance, in addition to the portfolio of Secondary Schools and Adult Education, the Superintendent of Pathways to Success Program/Schools is responsible for Information Management Services. Similarly, the Superintendent of Employee Relations/Schools is responsible for Human Resources Services, in addition to a portfolio of elementary schools. Finally, the Superintendent of Academic Programs/Schools is responsible for a portfolio of elementary schools. Overall, the school board has developed up-to-date job descriptions for the Director and all superintendents, and has made their names and areas of responsibility available on the board website.

The school board has not established a formal succession plan for its key leadership positions (such as superintendents), but it does engage in informal succession planning for its manager-level positions. For instance, due to the impending retirement of the current Manager of Financial Services, the school board leadership recruited a new staff member to start before the incumbent's retirement date.

The school board would benefit from the establishment of a formal succession plan to facilitate transition due to retirements and resignations in key management positions. This is particularly applicable for this school board, given the turnover at the management level in the last few years. School board staff note there have been five directors and three superintendents of Business and Finance over the last 10 years.

Stakeholder Engagement

The school board actively seeks stakeholder engagement. This is evident from the system priorities, which identify 'Positive relationships and effective communication' as one of its core themes. The school board has three methods of stakeholder outreach:

1. The school board has a regional parent involvement committee composed of one parent representative of each elementary and secondary school in the school board. The committee also includes one trustee, one principal and the Director.

The objective of this committee is to share information and encourage input into school board initiatives.

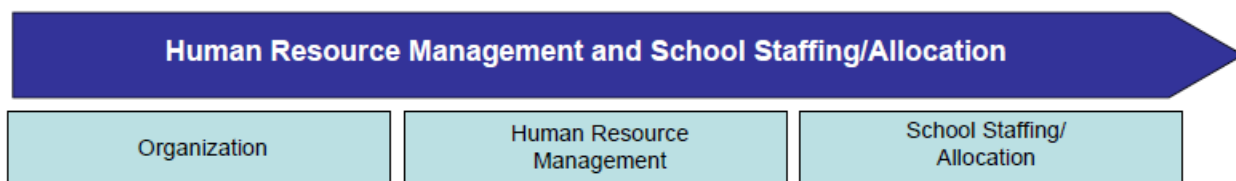
2. The school board has a dedicated communications officer who develops a system newsletter three times a year, issues press releases on key developments, and coordinates the Director's annual report.
3. The school board recently hired an outreach coordinator to support effective two-way communication among all stakeholders through liaising with the Ministry and the federal government, community agencies and schools.

In addition, the Director meets monthly with the directors of the three coterminous boards in the region: the Rainbow District School Board, *Conseil scolaire de district du Grand Nord de l'Ontario*, and *Conseil scolaire de district catholique du Nouvel-Ontario*.

Recommendations:

- The board of trustees, in conjunction with the Director, should develop a multiyear strategic plan that defines key objectives, timelines and performance measures for the entire system. This would provide an over-arching framework for the school board to develop an annual BIP, setting the context for school and departmental planning and allowing the Director to report on the achievement of specific outcomes.
- The school board should expand the scope of the BIP to cover all aspects of school board operations, including human resources, financial management and facilities management. The BIP should define in-year initiatives that contribute to the achievement of the longer-term goals and demonstrate the alignment of nonacademic departments.
- The school board should develop a formal succession plan to manage departures of key staff.

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



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

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

3.1 Organization

The review of the organization of the HR department assesses:

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

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

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Human Resource Organization	Evidence of Adoption?
The HR department’s goals and priorities are documented in an annual department plan. They are aligned to the annual board improvement plan, accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified responsibilities.	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 organizational chart is available	Yes
Senior HR staff has appropriate designations (e.g., Certified Human resource Professional).	Yes

Monitoring and Communication of Policy

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

Development and Reporting of Annual Goals and Priorities

The HR department has developed a draft annual plan for 2008-09 that includes issues, actions required, designated leads and timelines. The goals outlined in the draft department plan support the system priorities in the following manner:

- *Exemplary instruction and assessment to ensure student success* – The plan supports this priority through six activities, including developing an educational assistance handbook;

- *Alignment and responsiveness to government legislation, policy and directives* – The plan identifies three support level activities for this priority, including launching a privacy information management toolkit;
- *Positive relationships and effective communication* – The plan includes five supporting actions including developing a communications strategy for health and wellness APGs; and
- *Technology at all levels of the organization* – The plan supports this priority by including four specific activities, including an upgrade of the payroll and HR software system.

Many of the activities in the draft HR plan were not assigned clear and measurable performance measures. As a next step, management should consider developing a formal HR plan with performance measures for all strategic activities, and ensure that the plan is aligned with the objectives in the BIP.

Organizational Structure and Accountability

The HR department at the school board performs all standard HR functions, including recruitment, attendance management, and labour relations. The HR function reports to the Superintendent of Employee Relations through the Manager of Human Resources Services. The HR Manager is responsible for functions such as criminal background checks and benefits management. Other roles, such as staff allocation and performance appraisals for the academic staff, are monitored by the academic superintendent specific to the family of schools. The payroll function reports to the Financial Services Manager.

Department staff have appropriate professional designations. The HR Manager holds the Certified Human Resources Professional designation. Similarly, HR staff hold qualifications commensurate with their titles and responsibilities, including a wellness and ability coordinator who is a certified disability management professional.

The HR department has completed revisions to all its job descriptions to ensure they are accurate and up-to-date. This provides clarity for staff and management regarding roles and responsibilities within the department.

Monitoring and Communication of Policy

The HR department is the lead on monitoring and communicating HR policies and APGs, including standard policies to ensure reference and background checks for new hires, recruitment, hiring and promotion, and teacher performance appraisals. Training for HR policies is provided on request. New policies are disseminated through newsletters to staff and are made available to school board employees through the

intranet and public website. The department could improve policy awareness by providing regularly scheduled education and training sessions.

The department monitors compliance with its policies on a case-by-case basis, relying on anecdotal evidence or complaints to determine policy adherence.

Recommendations:

- The HR department should develop an annual departmental plan that aligns with the objectives in the BIP. The departmental plan should set targets, timelines and assigned responsibilities for key activities in the HR department. This would enable management to track and report progress of its defined priorities and goals throughout the year.

3.2 Human Resource Management

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

- Planning and processes are in place for the recruitment of the appropriate number of qualified staff to support the student achievement targets;
- Appropriate processes are in place to promote the personal and professional growth of all staff;
- There are adequate systems and procedures in place to manage employee compensation plans, labour relations, employee performance and attendance and other support services to foster employee satisfaction;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes can be identified.

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

Staff Recruitment

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

Labour Relations

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

Employee Performance Evaluation Processes

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

Attendance Management Processes/Programs

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

Management of HR and Payroll Data

Leading Practices – Human Resource Management	Evidence of Adoption?
Payroll processing is segregated from employee data records, and changes to data are adequately controlled.	Yes
HR records are current, including the formal tracking of teacher qualifications and experience.	Yes
HR management has implemented an approved pay equity plan, which is reviewed periodically and amended as necessary.	No

Management of Board's Benefit Plans

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

Monitoring Staff Satisfaction

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

Staff Recruitment

The school board's recruitment, hiring, promotions and dismissals policy for academic staff was last reviewed in 2008. According to the policy, the Director is responsible for ensuring that hiring and promotions occur within the framework of operational guidelines and procedures. The key criteria in the operational guideline cited by the policy is the need to ensure recruited teachers have the appropriate certifications and qualifications, a faith reference portfolio, and religious education.

Applicants for the positions of principal, vice-principal and supervisory officer are selected by an interview team including trustees. Selection is based on appropriate certification and qualifications as required by the Ministry of Education and Ontario College of Teachers, along with a faith reference portfolio and religious education.

The school board policy requires board of trustees' approval in the dismissal of any elementary or secondary teacher, vice-principal, principal or supervisory officer. In addition, the school board has APGs on principal and vice-principal appointments and the hiring of relatives.

Recruitment at the school board is an ongoing, annual process. In January of each year, school board staff attend education job fairs at Nipissing and Laurentian universities. The recruiting practices of the school board have identified more than

enough qualified candidates in the regular program. Nonetheless, HR staff note that the recruiting process could be improved by attending job fairs at more universities.

The school board maintains annual A and B lists of occasional teachers. The A list represents the school board's attempt to maintain enough qualified occasional teachers for specialty programs such as French as a Second Language, secondary math, sciences and technological studies. There is a 100-spot limit to the A list. The B list is unlimited. All other occasional teacher hires who are not on the A list default to the B list. When hiring for permanent positions, an A list occasional teacher would be offered a position over a B list occasional teacher, when qualifications, performance evaluations and principal recommendations are equal.

New occasional hires are provided with information packages that include their collective agreement and school officials' contact information list. The new occasional hires receive one-on-one orientation with HR staff regarding the hiring procedure for permanent and long-term positions. Also, the school board holds an occasional teacher orientation day on the first professional development day of the school year.

Once a teacher is hired into a permanent secondary or elementary teaching position, they meet with HR for information on the applicable collective agreement and completion of benefits forms. The school board also holds an orientation for new teachers as part of its New Teacher Induction Program (NTIP).

Labour Relations

The trustees and school board senior leadership participate in collective agreement negotiations. At the time of the review, the board of trustees and management had reached tentative agreements with bargaining agents representing all of its collective agreements. The school board maintains four different collective agreements with its employee groups, consisting of:

1. Canadian Union of Public Employees (CUPE), representing the custodial maintenance group
2. Ontario English Catholic Teachers' Association (OECTA) elementary bargaining unit, representing elementary teachers
3. OECTA secondary bargaining unit, representing secondary teachers
4. OECTA occasional bargaining unit, representing all occasional teachers.

HR staff indicates that labour relations at the school board are positive and healthy. The school board has a Labour-Management Committee (LMC) for its CUPE bargaining

unit. The LMC meets every two months. School board staff intends to establish LMCs for the remaining bargaining units in early 2009.

The school board has a policy regulating the grievance process that was last reviewed in 2006. The policy complements details of the grievance process outlined in the collective agreements. The school board's collective agreements highlight timeframes and designates. The Board's grievance and appeal presentation policy ensures a consistent, orderly and fair approach to grievance and/or appeal presentations across the school board. According to the policy, all grievances and appeals are heard *in-camera*. As well, it indicates that the appropriate union representative present the grievance or appeal with appropriate rationale and documentation to the trustees. Similarly, HR staff presents the school board's version of the facts to the trustees with the appropriate rationale and documentation.

The Chair of the board of trustees receives questions of clarification by trustees, administration or union representatives. Trustees deliberate on the issue and render a decision to deny or sustain the grievance. The administration personnel designated in the collective agreement forwards in writing the decision of the trustees within the time frames outlined in the appropriate collective agreement.

Employee Performance Evaluation Processes

The school board's policy on performance and progressive discipline was last reviewed in 2008. The school board has developed two separate APGs and eight separate forms on performance appraisals for teachers, occasional teachers, principals, vice principals and all other employees. The HR department maintains a schedule of appraisal due dates and notifies supervisory staff in advance.

In line with the Ministry of Education's 'Supporting Teaching Excellence' document, the school board evaluates its experienced teachers on a five-year cycle. New teachers are reviewed during the first and second year as part of the NTIP.

The school board has endeavored to reflect a similar appraisal cycle for its non-teaching employees. Accordingly, staff represented by CUPE undergo two performance appraisals in their first two years, and one every five years thereafter. Similarly, nonteaching non-unionized staff (including principals, vice principals and superintendents) are reviewed annually for their first four years with the school board and every fifth year thereafter. All performance appraisals are signed off by the appropriate superintendent.

Principals are evaluated to ensure that schools operate according to the Education Act, Ministry regulations and school board policies. The areas of evaluation for school principals include:

- Curriculum development and implementation
- In-service sessions as per priorities set out in the School Improvement Plan; Teacher classroom timetables and rationale
- School budget and inventory.

The school board recognizes that monitoring executive performance is synonymous with monitoring organizational performance against board policies on expected outcomes. The board of trustees evaluates the Director to determine the degree to which board objectives/targets are being fulfilled.

A given policy may be monitored in one or more of three ways:

- An internal report: documentation of compliance information to the board from the Director;
- An external report: documentation of compliance information by unbiased, external auditor, inspector or judge who is selected by and reports directly to the board; and
- A direct board inspection: documentation of compliance information by a board member, a committee or the board as a whole. This is a board inspection of documents, activities or circumstances directed by the board which allows a “prudent person” test of policy compliance.

As decided by the board of trustees, any policy can be monitored by any method at any time. However, the board of trustees regularly communicates with the Director regarding his/her performance.

Attendance Management Processes/Programs

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

The school board inherited its attendance management program from its predecessor school board, the Sudbury District Roman Catholic District School Board. This includes the legacy of implementing the program with the CUPE employee group only. As a next step, the school board should expand its attendance management program to all its employee groups.

Over the last five years, the school board has worked to review its attendance management program. This review included the completion of a needs analysis of the program. However, the identification of staff to support the program continues to be a significant challenge. Several proposals were proposed as part of the 2008-09 budget process including the creation of a health and safety officer position and some clerical support staff to assist with disability and attendance management. However, these proposals were deemed not financially feasible.

The school board has developed an APG on employee attendance. The attendance management procedures direct teaching staff and educational assistants to call the Substitute Employee Management System (SEMS) for absences. The system calls out replacement staff with the appropriate qualifications and ensures compliance with collective agreement requirements. All other staff enter absences into a different system and require approvals from appropriate supervisors. These absences are imported into the HR and payroll software system weekly.

Closely related to attendance is the concept of wellness. The school board defines wellness as “physical, mental, spiritual, and social attributes required to cope successfully with challenges to health and functioning¹.” In March 2008, the school board developed and implemented a wellness policy, which is supported by a wellness APG. The policy recognizes school board staff as the most valuable organizational resource, and as such identifies the need to support employees in achieving and maintaining optimum personal wellness levels.

Accordingly, the school board has established a wellness committee and created a new wellness and abilities coordinator position to implement its wellness strategy. Importantly, the wellness committee includes union representation. This is a good practice as it promotes communication and buy-in from internal stakeholders.

The school board’s current wellness strategy is to implement the following initiatives:

1. Employee Wellness;
2. Employee Disability Management (occupational and non occupational); and
3. Employee Attendance Management Support.

The wellness committee and Wellness Coordinator are mandated to build on the disability management practices initiated in 2007-08 for non-occupational short-term disability with a strong focus on the prevention of absences. One priority of the Wellness Coordinator is to enhance absence reports by developing a baseline for the school

¹ Sudbury Catholic District School Board Wellness Policy, 2008

board. This will support the school board's ability to measure the success of its initiatives and benchmark its results against other school boards.

Management of HR and Payroll Data

The HR department has implemented the Integrated Payroll and Personnel System (IPPS) to manage employee records. This HR and payroll software system is currently on schedule to be upgraded in March 2009.

The payroll function resides within the Financial Services branch and reports to the Superintendent of Business and Finance through the Manager of Financial Services. This ensures segregation of duties between the HR and payroll functions. Payroll staff does not have access to the system to ensure system-level segregation of duties. Upon hire, payroll staff sends physical files to HR to set up employee files in the system. Similarly, updates to personnel records for pay and benefit changes or other compensation adjustments are performed by authorized HR staff only.

Payroll deposits are made to employee bank accounts through electronic funds transfer (EFT). As well, all employees receive electronic pay statements with a few exceptions such as the occasional and lunchroom supervisor employee groups.

A job evaluation committee assesses newly created positions and reviews current positions when an incumbent requests a review. In a letter of understanding, the school board has committed to complete job evaluations for all its CUPE positions by August 2012. School board staff indicates there is no pay equity plan in place for CUPE staff because CUPE is in agreement that there are no pay equity issues in the union.

In 1999, the school board hired KPMG to develop a job evaluation tool to support job classification for non-unionized employees and to develop a pay equity plan for the school board's non-unionized staff. However, the plan has not been regularly reviewed.

In the near future, the school board intends to issue a request for proposals for a thorough review of its non-union compensation, including job evaluations and pay equity reviews. As a next step, the HR management should undertake regular reviews of the school board's pay equity plan.

Teacher qualifications in employee files are automatically synchronized with the Ontario College of Teachers database once a year. As well, individuals may bring qualification updates to the attention of HR by submitting a re-evaluation form issued by the Qualifications Evaluation Council of Ontario.

Management of the Board's Benefit Plans

The school board offers a generous benefits plan to all permanent employees. For instance, the school board pays 100% of dental and extended health plan costs. Management engages an external consultant to assist with reviewing the benefits providers' administrative processes. The consultant also analyzes benefits plan usage and trends. This supports the school board's ability to control costs and secure appropriate changes during fee negotiations with benefits providers. As well, the external consultant ensures that all eligible employees are on insurance carrier records.

The external consultant represents 12 other school boards, and uses their collective information to advocate for the use of school board trends to set premiums. This has typically resulted in lowering premium costs.

The school board is currently forming committees to provide for employee input on improvements to the benefits plan. The committees will also review cost containment measures. In addition, the school board is considering moving to administration services only managed plans. The school board intends to perform a cost-benefit analysis to determine if this would reduce costs.

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

Monitoring Staff Satisfaction

In October 2008, the school board published the results of a stress survey of all staff from the prior spring. The survey had a response rate of 65% and indicated that 46% of respondents experience above mid-level stress. This compared with 23% of respondents with below mid-level stress, and the remaining 31% with mid-level stress. The survey also identified top stressors (work overload) as well as top stress reducers (exercise).

In addition, management periodically surveys employees after each professional development day or workshop to gauge effectiveness, support continued improvement and gain input on future topics. As a next step, management should consider developing formal plans to periodically survey staff for feedback on school board priorities and general attitudes.

Management does not conduct formal exit interviews. Practices such as staff surveys and exit interviews can provide management with valuable input for staff professional development and policies impacting future employee relations.

Recommendations:

- The HR department should continue developing a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This would provide management with a consistent and structured approach to improve attendance, including positive reinforcement for employees and standardized practices across all employee groups.
- Management should consider developing a formal plan for periodic staff surveys. This would improve communication with staff and provide input for professional development plans and HR policy.
- Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy as well as process and program improvement.

3.3 School Staffing/Allocation

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

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

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

Planning and Processes for Annual Staff Allocation

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

Monitoring and Reporting on Staff Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Systems are in place and accessible by both HR and Finance staff to establish and track an approved level of staff.	Yes
Systems and processes monitor adherence to key Ministry and board policy parameters, such as: class size, prep time, collective agreement requirements and other board directions.	Yes
Management periodically reports on the actual allocation of staff, compared to the original approved allocation plan and budget (FTE's by function, department and program, actual versus budget).	Yes
Procedures are in place to enable adjustment of staff allocations for school-based staff, if estimates for enrolment and funding change after budget approval.	Yes
Plan for student support services and staffing are based on student-needs analysis.	Yes

Benchmarking Costs with Other Boards and Funding

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

Planning and Processes for Annual Staffing and Allocation

The school board has procedures to govern the determination and allocation of total staff requirements. These procedures are driven by enrolment projections, student need, class size requirements, preparation time and alignment to collective agreements. However, the annual staffing allocation process at the school board is not fully documented. This is because many of the steps are documented in the school board's four collective agreements and other disparate documents. Also, staff perform some steps as a matter of routine, rather than process. There is an opportunity for the school board to document its staffing allocation process in one clear procedure manual. This will ensure clarity of roles and responsibilities among school board staff.

Enrolment projections are prepared by the Manager of Financial Services beginning in February. These projections for both the elementary and secondary panels are discussed with the Superintendent of Employee Relations and the Superintendent of Business and Finance. The finalized projections are used to populate the elementary teacher staffing spreadsheet (Lotus-based) and the secondary teacher staffing spreadsheet (MS-Excel based).

The Superintendent of Employee Relations, HR staff and the Manager of Financial Services collaborate throughout the entire staffing process. Several iterations are produced and compliance for Primary Class Size (PCS) is monitored throughout. The projections are validated by the school principals using initial registration data, to get a comprehensive estimate of the enrolment figures. In April, principals provide input with school-level projections. As the budget proceeds with input from the school level, any significant change in the enrolment forecast is incorporated.

Enrolment projections are also used to make staffing decisions for school operations and facilities management, since an enrolment-based custodial staffing formula is part of the CUPE collective agreement. The enrolment data along with the staffing information is incorporated into the annual budget preparation process.

Monitoring and Reporting on Staff Allocation

Staffing levels are consistently monitored by the central board office in collaboration with school administrators. Since the school board uses a central hiring model, staffing decisions are made at the school board level through senior administration. An updated spreadsheet for staff allocation, average class size calculation and student full time equivalent (FTE) enrolment is maintained for each school.

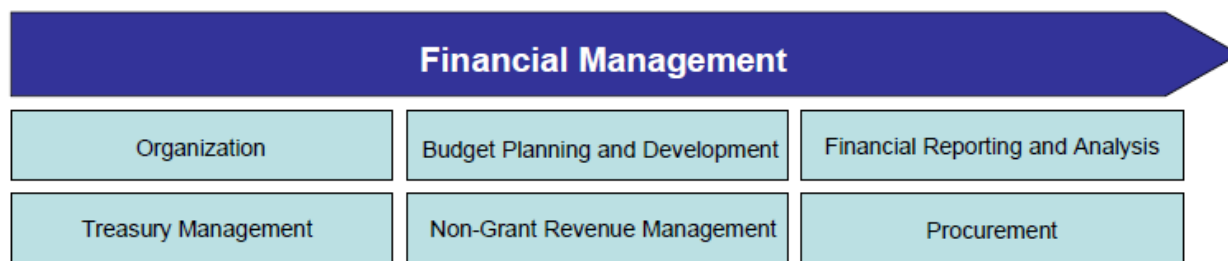
The Superintendent of Employee Relations is directly involved with the staffing of teachers. The other superintendents are responsible for the staffing of non-academic positions related to their respective portfolios. For staff who belong to the CUPE bargaining unit, the Manager of Facility Services handles all custodial, maintenance, and warehouse personnel staffing. Job postings are approved by a superintendent, with the exception of CUPE postings, which are approved by the Manager of Facility Services.

Management tracks the planned versus actual allocation of staff regularly. Active collaboration between the HR department and Financial Services branch ensures that the actual data is reflected in the financial results. The general ledger and financial reports are used to monitor resource utilization. Reports produced monthly show variances in actual dollars versus budgeted dollars. There is a separate general ledger account number used for replacement staff. Managers review the financial reports to ensure costs stay within budget.

Benchmarking Costs with Other Boards and Funding

The school board compares its staffing costs with similar-sized boards during the collective agreement negotiation process. The school board also reviews and analyzes compensation and staff cost data supplied by the Ministry of Education.

4. Financial Management – Findings and Recommendations



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

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

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

4.1 Finance Organization

The purpose of reviewing the organization of the Financial Services branch is to assess:

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

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

Development and Reporting of Annual Goals and Priorities

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

Monitoring and Communication of Policy

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

Development and Reporting of Annual Goals and Priorities

The Business and Finance department at the school board includes both the Financial Services branch and the Facilities Services branch. In the absence of a BIP that addresses the non-academic operations of the board, the Business and Finance department has not developed an annual departmental plan that includes issues, action required, designated lead along with timelines. However, the department did develop three goals for 2008-09:

1. To develop recommendations for budget sustainability in a declining enrolment environment

2. To develop a budget reporting format for each superintendent's area of responsibility
3. To develop a five-year capital plan identifying system requirements and outlining proposals to meet these needs.

In turn, the Financial Services branch has identified six objectives:

1. Realign the financial management system cost centres to reflect the current school board structure
2. Review the format of the interim variance report provided to the Board
3. Implement the upgrade to the Integrated Payroll Personnel System
4. Manage the financial affairs of the school board
5. Implement full accrual accounting
6. Meet new and existing Ministry OnSIS (Ontario School Information System) requirements for 2008-09.

The Financial Services branch's objectives are not aligned with the overall goals of the Business and Finance department. Further, the Financial Services branch objectives are not supported by clear accountabilities, timelines or performance measures. However, the existence of the objectives provides the foundation for the branch to build a plan in the future.

Organizational Structure and Accountability

The Financial Services branch reports to the Superintendent of Business and Finance through the Financial Services Manager. The Manager oversees financial services, purchasing and payables, and payroll. The payroll unit is led by a supervisor, who reports to the Manager. The financial services, and purchasing and payables staff report directly to the Manager of Financial Services.

Staff in the Financial Services branch have appropriate financial designations and relevant experience to perform their roles. The retiring Manager is a Certified Management Accountant and the replacement Manager has a Masters of Business Administration. In addition, the branch includes a financial analyst position which is currently staffed by a Certified General Accountant. An up-to-date organizational chart of the branch provides a general outline of the roles and responsibilities of branch staff.

Monitoring and Communication of Policy

The Financial Services branch maintains a set of policies and APGs covering aspects of financial management, including budgeting and forecasting, procurement, and credit card use. These policies and APGs are available on the school board's website and intranet respectively. The policies are revised as part of the school board policy review cycle. The management of the Financial Services branch has proactively initiated reviews of finance-related APGs to ensure they are up-to-date. The procurement policy is scheduled for immediate review.

The Financial Services branch does not provide formally scheduled training sessions to ensure school board staff are informed of financial policies and procedures. However, management provides training and information sessions upon request for school staff on the school board's procurement policies. Changes to APGs are communicated to affected individuals or departments through e-mails, oral communication or through the HR department. An opportunity exists for the Financial Services branch to provide regularly scheduled policy training sessions in order to support awareness.

Finally, the Financial Services branch continually monitors compliance with its key policies, especially in the areas of procurement and accounting. Policy compliance is maintained through a combination of manual reviews and approvals. For instance, the Financial Services Manager manually reviews all requisitions and approves them before purchase orders are issued.

Recommendation:

- The Business and Finance department should develop a departmental plan that aligns with the objectives in the BIP. The departmental plan should set targets, timelines and assigned responsibilities for key activities in the Financial Services branch. This would enable management to track and report progress of its defined priorities and goals throughout the year.

4.2 Budget Planning and Development

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

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

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

Annual Budget Development Process

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

Enrolment Forecasting Linked to Budget Development

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

Identification of Risks and Mitigation Strategies

Leading Practices – Budget Planning and Development	Evidence of Adoption?
Management identifies and documents all significant risks during the budget planning process, and develops strategies to mitigate the risks of spending beyond authorized/budgeted levels.	No

Annual Budget Development Process

Budget planning at the school board begins with the communication of key timelines to school board staff and the trustees. The process includes some input from key stakeholders such as principals. However, there is no Board committee with oversight of

the budget process. Overall, the annual budget planning process at the school board is neither transparent nor well documented. The Financial Services branch has not documented all the key activities undertaken to produce the budget. As well, a number of the key budget tasks have, at least historically, been manually performed by a single individual within the Financial Services branch. This represents a business continuity risk for the organization. There is an opportunity for the school board to document its budget development process to ensure transparency to the board of trustees and clarity of roles and responsibilities among school board staff.

The budget process extends from January to June every year. In mid-January, a hardcopy budget package is sent to all senior school board administrators (with the exception of the Facilities Services branch, which inputs data directly into the financial management system). The budget package includes the prior year's estimated and actual numbers, and a memo from the Superintendent of Business and Finance. In the future, the school board should formally add a step in the budget planning process to ensure alignment between specific budget goals and the goals outlined in the department plan.

After receiving the budget package, each department manually changes or updates various sections. The completed budget package is received from the department managers in mid-February. The Financial Services branch then proceeds to:

- Input the budgeted expenditures from each area into the budget package to establish a first pass at the budget
- Analyze any new or discontinued initiatives
- Analyze any increases or decreases in costs.

The budget package typically requests that departments include descriptions of expense changes and provide supporting calculations used to derive new numbers. Budget line items with large variances from the previous year are identified by the Financial Services Manager. Appropriate department leads are contacted to ensure the accuracy and integrity of the data. The Financial Services branch then enters the data into the financial management application and runs draft figures.

The manual nature of the input process represents a significant risk to the integrity of the data. As a next step, the Financial Services branch should consider electronic data capture for the budget input process. This would decrease the input time required by the current manual process and reduce the risk of misstatement.

Once the school board's revenue is confirmed against the proposed Grants for Student Needs (GSN), planned budget expenditures are reviewed and rationalized. When the March student enrolment data is compiled at the beginning of April, the enrolment and

staffing allocation projections are adjusted and the preliminary budget is developed. This is revised by the Financial Services Manager for accuracy and then sent to the Superintendent of Business and Finance for approval. The administrative council then reviews the budget in order to discuss and compare to the previous year.

The budget document is delivered to the trustees one week before the budget approval meeting. The document identifies how the budget supports the school board's priorities, including how staffing is aligned to support key goals. The document also includes highlights regarding key changes in comparison to the previous year, such as whether total operating expenditures have increased or decreased as well as the key drivers responsible for these changes.

Finally, the budget document indicates whether or not a draw from the school board's reserves is required to balance the budget. Once the budget is approved by the board of trustees, it is submitted to the Ministry of Education. Any budget revisions are presented to the board of trustees in August as information items. The revisions are generally in response to changes in the staffing model or funding changes announced by the Ministry.

Enrolment Forecasting Linked to Budget Development

In developing enrolment forecasts, school board administration conducts environmental scans in collaboration with an external consultant to gather information on subdivision/community developments and yields. These projections are then validated by input from the school principals using initial registration data, to get a comprehensive estimate of the enrolment figures.

The enrolment forecasting process begins in February, when the Manager of the Financial Services branch prepares enrolment forecasts at the system level based on historical data and the long-term enrolment projections used in the capital plan. The system-level projections are provided to the Superintendent of Business and Finance and the Superintendent of Employee Relations for discussion.

Based on the finalized projections, teacher staffing allocations are then determined at the school-level for classroom organization by each grade and program. The two superintendents and the Manager of Financial Services monitor and revise iterations to ensure compliance to factors such as PCS and collective agreement-determined prep time. Enrolment projections are also used for custodial staff based on a staffing formula in the CUPE collective agreement. These projections are used for budget forecasts and reporting.

In April, principals provide input to school-level projections. As the budget development proceeds with input from the school level, any significant change in the enrolment forecast is incorporated in the budget.

Identification of Risks and Mitigation Strategies

One key risk faced by the school board is the relationship between enrolment and grant revenue. The Financial Services branch mitigates the risk of spending beyond authorized/budgeted levels by closely monitoring enrolment forecasts versus actual enrolment.

The risks of spending beyond authorized or budgeted levels are mitigated through the procurement and budgeting controls of the current financial system, which has commitment accounting. A purchase requisition that results in an over-budget situation is flagged by the system and the requisition is forwarded to the Purchasing Supervisor for further review.

As a next step, management is encouraged to document and share budget risks, to ensure that trustees unable to attend meetings are aware of the potential risks and proposed mitigation strategies.

Recommendations:

- The Financial Services branch should document the budget planning process to provide additional transparency for trustees and clarity for staff regarding roles and responsibilities.
- Management in the Financial Services branch should consider migrating the department budget input process from a manual to an automated system.

4.3 Financial Reporting and Analysis

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

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

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

Integrated System for Variance Analysis and Financial Reporting

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

Interim and Annual Financial Reporting

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

Audit

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

Integrated System for Variance Analysis and Financial Reporting

The school board uses a customized, integrated financial system, Financial Management System (FMS), to record, track and report financial data. The system integrates general ledger, accounts payable, accounts receivable, budget and purchasing modules. The financial system also facilitates variance analysis and management reporting.

Financial services staff set up the chart of accounts in the financial system, maintain aliases and manage access rights to the system. The financial system allows the budget holders (i.e. principals, managers and superintendents) to access and print their own budget tracking reports.

While staff are satisfied with the capability and performance of the in-house system, the school board faces business continuity risks because there is only one individual inside the organization (and the original developer outside the organization) who can maintain the system. The school board should examine the cost, benefits and risks associated with the ongoing maintenance of this application relative to the cost/benefit of a new, off-the-shelf system.

Interim Financial Reporting Accountability

A number of factors (including variances in actual enrolment versus projections, contract negotiations, macro-economic trends, and Ministry directives) can result in in-year variances between budget estimates and actual costs. Interim financial reporting allows management to track such variances and communicate them to the trustees and other key decision-makers. To that end, Financial Services staff at the school board prepares financial reports for review by the administrative council and school board management monthly.

Quarterly expenditure variance reports are prepared for the board of trustees as information items. These reports provide explanations for any variances (positive or negative) over 10%. The report includes monthly and annual budget versus actual lines for expenses and revenues. It also identifies the percentage of expended budget up to that point in the year. However, the report does not provide variances against the benchmark of previous year's spending trends. This would provide critical information on whether variances are in line with historical trends.

The format of monthly or quarterly financial reporting varies significantly among school boards. As with other school boards in the province, the school board's interim financial reporting can be enhanced to provide additional information to support informed decision-making. A more informative format would include:

1. A comparative benchmark percentage for each expenditure/revenue category. This would reflect what the "expected spending to date" should be, relative to either historical averages, prior year's experience or, in the case of salaries and benefits, the number of staff and pays processed to date.
2. Written explanations to explain any significant variations from the normally expected percentage spent to date. Management would need to define what is "significant" for the reporting of variances.

3. Confirmation that the projected fiscal outlook is in a balanced position for the year, or explanation of an anticipated variance.

The level of detailed expenditure and revenue presented will depend on the preferences of management and the board of trustees. At the least, reports would include a summary of the major expenditure and revenue categories similar to those reported in Ministry financial reports.

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

Internal Audit Function

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

The school board currently does not have an internal auditor. Management noted a lack of available funds to sustain such a position. Nonetheless, establishing the mandate for an internal audit function would assist administrative council and the board of trustees in their overall governance and accountability roles. An internal auditor can also help to develop performance measures and indicators for programs and services. The function should report to a finance audit committee of the board of trustees. The annual audit plans would be presented and approved by the committee, and all reports would be presented to the committee.

Audit Committee

The board of trustees does not have an audit committee. Serious consideration should be given to the establishment of an audit committee. Many school boards have established or are now establishing discrete audit committees. A typical audit committee acts on the board of trustees behalf to:

- Review the annual audited financial statements
- Review and understand the accounting complexities inherent in their preparation
- Gain a more detailed understanding and appreciation of the significance of maintaining a system of internal control in the relevant areas of the school board's operations

- Review the annual external auditor's appointment, the annual audit plan, the management letter and other matters related to the annual audit of the financial statements;
- Review the quarterly treasurer's report
- Review other corporate matters.

Along with significant changes in accounting in recent years, the complexity of the annual financial statements is increasing. Audit committee members must understand what constitutes sound internal accounting and operational control processes. Consideration should be given to including external members on the audit committee to act as advisors. The external advisors would not be voting members, since current legislation only recognizes trustees as voting members on school board standing committees. The professional backgrounds of the external members could include professional accountants, lawyers or other professionals, depending on the needs of the committee and its mandate. This will ensure that an objective third-party view is applied to the review of financial statements, auditor's report and in-year reports produced by management.

Recommendations:

- Management should perform a cost-benefit analysis of moving from a customized financial software system to a vendor-supported suite of software applications. This would increase the functionality of the school board's financial system.
- Financial services staff should consider providing an expanded level of interim reporting, as in the format suggested in section 4.3 of this report. This would simplify communication and increase the Board's focus on key issues during the reporting of year-to-date results.
- Management should consider formalizing the internal audit function. This would include a broader audit of financial and management controls and adherence to board policies. Management could start by identifying options for its mandate and scope and the estimated cost for each option.
- Management and the Board should establish an audit committee. The audit committee should include at least two external members to advise and contribute to its overall effectiveness.

4.4 Treasury Management

The purpose of reviewing treasury management processes is to assess:

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

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

Cash and Investment Management

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

Management of School-Based Funds

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

Cash and Investment Management

The Financial Services branch has consolidated the school board's cash management activities with a single institution, and has maintained this relationship since the inception of the school board. Management tendered its banking services five years ago to ensure that its rates were competitive.

The school board maintains one account that generates a daily interest rate of 2% less than prime. Furthermore, the school board's agreement with the bank involves no banking fees. Staff has reviewed Ontario Association of School Business Officials (OASBO) and Council of Senior Business Officials (COSBO) surveys to compare their banking rates to industry standards. Consequently, Financial Services staff is confident of the competitiveness of the school board's banking terms.

Cash balances are monitored daily and daily bank reconciliations are performed by the finance clerk. The school board does not have a formal cash flow forecasting / management process or cash management model, because its cash balance is always positive. Still, the school board should investigate whether a more focused approach to cash management could identify short-term investment opportunities for surplus cash. As well, the school board should develop an investment policy in accordance with the Education Act for appropriate guidance in the management of its cash position.

The school board also maintains reserve funds to attend to unforeseen circumstances. Management requires board of trustee approval to move funds from the reserves to operating funds. The school board's reserves have been drawn upon in the last few years to address unforeseen circumstances, such as health issues (mould) in schools and unplanned capital spending. The board of trustees and management should establish a guideline on a healthy reserve level specific to the school board, and consider developing a plan to replenish the working fund reserve, as required.

Management of School-Based Funds

While schools have the option of using the same banking institution as the school board, there is no policy in place which requires them to do so and schools are responsible for maintaining their own bank accounts. However, the school board does track the financial records of school-specific fundraising activities, and Financial Services staff review the bank reconciliations of schools monthly to ensure the integrity of accounting for schoolbased funds. As well, external auditors review all schools' bank reconciliations, and may send additional requests to small samples of schools to verify proper approval processes.

Recommendations:

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

4.5 Non-Grant Revenue Management

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

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

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

Policies and Procedures and Planning to Support Non Grant Revenues

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

Procedures for all Non-Grant Revenues

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

Policies to Support Non-Grant Revenues

The Financial Services branch tracks and reports on non-grant revenue received by the school board. The school board has the following potential sources of non-grant revenue:

- Adult and continuing education
- Community use of schools
- Tuition agreements with band councils
- Visa students
- Leases.

Non-grant revenues at the school board amount to roughly \$200,000. This represents less than 0.5% of the school board's annual budget. The school board has not experienced receivables collection issues, and manages risk through post-dated payments. Standard terms and conditions in lease agreements also help to ensure that there is a commitment on behalf of the lessee to adhere to school board policies on things such as facility use and health and safety.

Technology to Support Registration and Collection of Revenue

Due to the small amount involved, the school board currently does not use automated systems to collect non-grant revenue. Similarly, the registration process for the continuing education program is manually tracked by staff on an Excel spreadsheet. The systems in place are appropriate, given the small amount of funds involved. Nonetheless, the school board should perform a cost-benefit analysis in relation to

migrating toward an online permitting system for community use of schools. This would also support periodic management reporting and enhance the overall client experience.

Monitoring Procedures for all Non-Grant Revenue

The school board monitors its recorded revenues for adult and continuing education courses through the attendance of students to ensure continued enrolment. This also allows the school board to perform a cost-revenue analysis to ensure that courses are not run at a loss.

The school board has not experienced revenue collection issues with its receivables.

Managing the EPO Grants

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

EPO grants received by the school board are designated to appropriate superintendents and/or project leads. A new project code is created for each EPO grant in the financial system and assigned a G/L code with revenue and expense lines. The project leader closely monitors the account and tracks in-year expenses.

4.6 Procurement

The purpose of reviewing procurement processes is to assess:

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

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

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

Procurement Policies and Procedures

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

Participation in Buying Consortia

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

Purchasing Levels of Authority

Leading Practices – Procurement	Evidence of Adoption?
Purchasing authorization levels are commensurate to job title/role, and are monitored for compliance by a supervisor or department head.	No

Policies and Procedures for PCard/Corporate Card Use

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

Accounting for Completeness of Purchase/Payment Cycle

Leading Practices – Procurement	Evidence of Adoption?
Automated three-way matching (purchase order, receipt/invoice and inspection) is used.	Yes

Leading Practices – Procurement	Evidence of Adoption?
Commitment accounting is in place to monitor budget utilization.	Yes
Management has implemented electronic supplier interface for ordering, processing and payment, including the use of supplier portals.	Yes

Use of Electronic Funds Transfer for Greater Efficiency

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

Procurement Policies and Procedures

The Superintendent of Business and Finance has overall responsibility for establishing and maintaining appropriate purchasing practices. The purchasing policy has been developed to ensure that:

- Maximum value is obtained for each dollar spent on equipment, supplies and services
- All requisitions by users are handled in an efficient and expeditious manner
- The operating cost of the purchasing function is kept to a minimum
- Academic and administrative staff are kept informed of new technological developments in equipment, supplies and services
- All approved suppliers have an equal opportunity to sell to the school board
- All purchasing activities are carried out in accordance with APGs as well as applicable laws and legislation
- Good public relations are maintained with all suppliers of goods and services.

As stated in the policy, the school board endorses the procurement of local and Canadian manufactured supplies and equipment. The acquisition of equivalent, foreign manufactured supplies and equipment is not supported, unless the price is substantially less or the items are not available from Canadian sources.

Financial services management ensures that school board staff is oriented with purchasing policies by providing training sessions upon request. The school board is currently reviewing its purchasing policy, last revised in 2007.

The school board has approved APGs on its web site in accordance with the direction given by the Ministry in the spring of 2007. The following have been adopted and posted on the school board's web site:

- Corporate credit cards (April 2007)
- Travel and Expense Claims (April 2007)
- Hospitality (April 2007)
- Advertising (April 2007)

Participation in Buying Consortia to Reduce Acquisition Costs

The school board is a member of the Sudbury Regional Buying Group (SRBG). The school board purchases photocopier paper, lamps and ballasts as well as gas and diesel fuel through the SRBG. The consortium jointly invites tenders, proposals or quotations for commonly used items to leverage volumes for cost reduction.

The school board has collaborated with its coterminous school boards for the acquisition of student transportation, pupil supplies, first aid supplies and physical education supplies. The school board also maintains an online catalogue for use by the staff at the school board and schools.

Purchasing Levels of Authority

The purchasing policy outlines the following dollar thresholds / requirements for purchasing:

- For purchases between \$1,000 and \$4,000 a minimum of two verbal quotes are requested from the suppliers list.
- For purchase orders between \$4,000 and \$15,000 a minimum of three written quotations will be used. The school board maintains a master list of approved vendors/suppliers from which to obtain the quotes.
- For purchase orders in excess of \$15,000, publicly advertised tender calls are placed in local newspapers and/or in at least one newspaper with provincial circulation

The school board's policy indicates the Manager of Financial Services may at any time use the publicly advertised tender process, when it is judged to be in the best interest of the school board. The purchasing policy does not require a mandatory posting of the tender request or the request for quotation on electronic bulletin boards. This practice would ensure the widest market exposure for the supply of goods or services. This

would also apply where the school board is purchasing through one of the consortia, although the consortia may already be required to do such advertising.

Policy requirements are monitored for compliance by purchasing department officials and through the requirement for Financial Services staff to approve requests in the financial system. However, the policy does not outline specific purchasing authorization levels for staff within the school board. Management should consider revising the policy to include approval levels that are commensurate to job titles/roles. As well, in comparison to many school boards, the thresholds noted above are low. The school board should consider performing a review of these thresholds to ensure that current procurement needs can be met efficiently in an appropriate control environment.

Policies and Procedures for Purchase Card/Corporate Card Use

The school board has clearly communicated a policy for the use of corporate credit cards, current as of April 2007.

All requests for corporate credit cards must be approved by the Superintendent of Business and Finance. Cardholders must sign and return a copy of the Corporation Credit Card Agreement form prior to receiving cards. The Superintendent also determines the appropriate limit for a cardholder.

The employee is responsible for verifying monthly statements and taking appropriate action to correct any errors. Furthermore, the employee is responsible for keeping all supporting documentation (such as corporate credit card receipts, credit notes, and invoices) related to purchases for reconciliation and audit purposes. Monthly statements and supporting documentation are submitted to the individual's supervisor for authorization. In the case of the Chair of the board of trustees, authorization is received from the Vice Chair. The Director of Education receives authorization from the Chair of the board of trustees. The superintendents' authorization stems from the Director of Education.

There are a total of 61 credit cards in use by the administration - 14 credit cards held by the Facilities Services staff to purchase fuel, services for the plant department vehicles, and commercial purchases at specific retail stores. Credit card limits range from \$500 to \$10,000 with a total of three cards authorized for the \$10,000 limit, which are assigned to superintendents. The pool of cards is capped at a total limit of \$50,000.

Spend limits *per diem* are listed in collective agreements. However, there are no category limits built into cards such as limits on alcohol. Also, the school board automatically pays off the cards before cardholders perform their monthly reconciliations.

The school board currently does not issue PCards because it believes it is meeting the same objectives through its credit card program. However, this is an opportunity area for the school board because PCard programs can be specifically tailored to the purchasing needs of specific individuals. This enhances control over the validity of all purchases. Where transactions fall outside the scope of a PCard program, the use of personal credit cards with reimbursement of business expenses through the regular expense reimbursement process is a preferred practice. The school board should review its current credit card policy to ensure financial control and the validity of corporate credit card expenditures.

As a next step, the school board should also perform an analysis of all credit card expenditures to identify the type and level of spend by individual. It should supplement this analysis with an assessment of purchase orders by user, by department, by transaction value, and by purchasing category. These steps would allow the school board to develop an optimal PCard program that maximizes purchasing efficiency while ensuring budgetary control.

Accounting for Completeness of Purchase/Payment Cycle

The school board uses the procurement module in its finance system to process its purchase-to-payment cycle. An electronic copy requisition is created at the schools through the Requisitioning System (RQS). The RQS is the interface to FMS at the school level. The requisition is reviewed for policy compliance and budget availability by Financial Services staff within a 24-hour period.

The creation of an electronic requisition in the system creates an accounting commitment. Once the requisition has been approved and submitted online, it automatically encumbers those funds against the budget. A requisition that results in an over-budget situation is flagged by the system, and the requisition is forwarded to the purchasing supervisor for further review.

All other requisitions are posted and are automatically considered as official purchase orders (POs). The POs are printed by the Financial Services staff the same day and after approval and signature from the Manager of Financial Services are forwarded to the appropriate vendor, either by fax or by mail. Management should consider whether the review of the PO by the Manager of Financial Services adds value to the process given the previous requisition approval at the departmental level.

The goods are shipped directly to the site except when bulk purchases are made by the central school board office, in which case the goods are received at the school board office. At the receiving location, all goods are checked immediately on receipt to determine whether:

1. The goods arrived in proper condition

2. The shipment is complete – i.e. there are no shortages
3. The goods agree with the description on the packing slip and with the purchase order information available in RQS (computer screen)
4. Any unauthorized substitutions were made.

At the receiving location, the goods receipt is recorded in RQS to demonstrate that the goods received match the goods ordered. The school board office receives the invoice from the vendor and manual matching of the invoice to the goods receipt is performed to enable vendor payment.

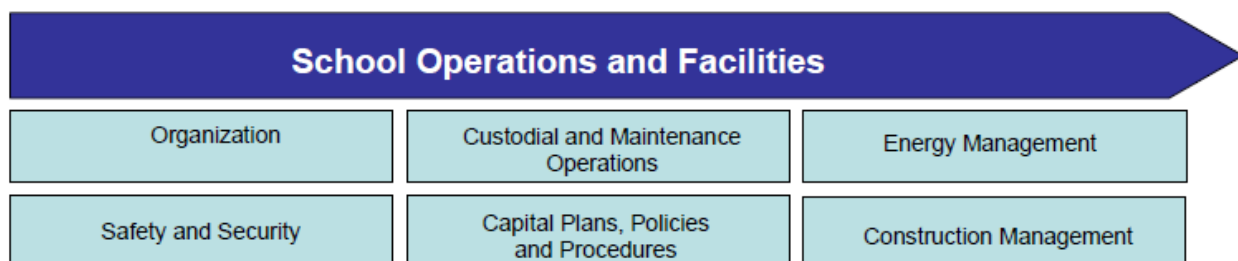
Use of Electronic Funds Transfer for Greater Efficiency

The school board currently employs electronic funds transfer (EFT) to process payroll remittances while other payments are made by issuing cheques. An increase in the use of EFT for vendor payment is an opportunity for the school board to increase process efficiencies and potentially reduce costs.

Recommendations:

- The school board should review its purchasing policy to determine whether approval limit thresholds are commensurate to job titles/roles. This would ensure alignment with the needs of the school board and consistency with other school boards.
- Management should consider mandatory posting of tenders and Requests for Proposals (RFPs) on the electronic advertising bulletin boards, for the widest circulation of its tenders.
- The Board should review its current policy for the use and distribution of corporate credit cards.
- The school board should use PCards for small dollar purchases to reduce the volume of supplier invoices processed by accounting and to avoid reliance on corporate credit cards. It should perform an analysis of all credit card expenditures to identify the type and level of spending by individual. It should supplement this with a transaction/spend analysis of purchase orders. This would identify optimum threshold limits to maintain budgetary controls and manage the volume of invoices.
- Finance staff should implement EFT payments to all appropriate suppliers to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.

5. School Operations and Facilities Management – Findings and Recommendations



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

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

5.1 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 operations and facilities department's goals and priorities are documented in an annual department plan that is aligned to the annual board improvement plan and is accessible by key stakeholders. The plan incorporates measurable targets, specific timelines, and identified accountability.	No

Organizational Structure and Accountability

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

Monitoring and Communication of Policy

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

Development and Reporting of Annual Goals and Priorities

The Facilities Services branch, which sits under the Business and Finance department, has not developed an annual plan that includes issues, action required, accountability or deadlines. However, the Business and Finance department has developed one highlevel goal related to Facilities Services:

- Develop a five-year capital plan identifying system requirements and outlining proposals to meet these needs.

The Facilities Services branch in turn has identified six objectives meant to align with the single goal of developing a five-year capital plan:

1. Assist the Superintendent of Business and Finance in developing the capital plan
2. Implement the destination conservation program and modify to reflect the annual cost saving proposed changes
3. Complete the custodial procedure binder and present to the custodial staff
4. Assist the custodial staff with the water flushing program by implementing an auto flush system
5. Assist the academic superintendents with their program priority facility needs
6. Review the possibility of updating the facilities management system to include a module for custodial operations.

The branch's objectives are aligned with the overall goal of the Business and Finance department, but they are not supported by clear accountabilities, timelines or performance measures. Yet, the existence of the high-level objectives supports the branch's ability to operate with some strategic coherence. These goals provide a starting point from which the branch should build a more comprehensive plan.

Organizational Structure and Accountability

The Facilities Services branch reports to the Superintendent of Business and Finance through the Manager of Facilities Services. The Manager oversees the functions of energy management, facility management, capital planning, operations, warehousing and health and safety. Each of these functions is generally aligned with a coordinator or foreperson who leads these activities and reports to the manager. The Manager is also assisted by a Facilities Administrator, three full-time support staff and one part-time support person. The school board has 10 maintenance/trades-persons and about 95 custodial staff (including casual employees) managing sites across the system.

The up-to-date organizational chart of the branch provides a general outline of the roles and responsibilities of staff. While most job descriptions in the Facilities Services branch have been recently updated, some job descriptions are currently being re-defined by the HR department. Key facilities services staff have appropriate professional designations and related field experience.

Monitoring and Communication of Policy

The school board has various policies, related operating procedures and APGs to manage its facilities and operations. Policy areas include pupil and school accommodation review, and tendering capital construction and renovation projects. APGs cover areas such as the acquisition of school facilities, community use of school sites, energy conservation, water intrusion and mould prevention measures.

Management primarily communicates policies to custodial staff through the provision of an operations training manual. The manual includes all policies and procedures including health and safety guidelines, cleaning procedures and custodial responsibilities. As well, all new employees are provided with training on seven basic items:

1. Workplace Hazardous Materials Information System (WHMIS)
2. Asbestos management
3. Accident reporting;
4. Safety footwear
5. Standard of conduct
6. Hours of work and rest periods
7. Appearance.

The Facilities Services branch uses on-line training tools to assist with policy awareness training sessions for staff in remote facilities, where travel costs are prohibitive. In addition, the branch holds an annual conference for all staff in June that includes training sessions and policy and procedure reviews. The contents and priorities of the agenda are determined by requests from managers and recent changes in school board policy. The agenda is also influenced by Ministry directives, such as Safe Schools Program requirements (lockdown drills), APG's and provincial or federal legislation. The training agenda is usually supplemented with Education Safety Association of Ontario (ESAO) training packages for WHMIS, orientation, asbestos handling and other related topics.

Management oversight ensures that policy is being followed. This involves spot checks by forepersons who have the authority and the expertise to inspect both operations/custodial and maintenance work for compliance with policy and standards. Forepersons inspect any maintenance work that was recently performed, and review cleaning logs, water flushing and sanding records for winter months. Monthly and annual inspections are also conducted by health and safety teams.

The Facilities Services Manager is a member of the OASBO Operations/Maintenance committee, and through his participation stays informed of regulatory changes and other initiatives or policies pertinent to facilities management.

Recommendation:

- The Facilities Services branch should develop a departmental plan that aligns with the objectives of the BIP. The Business and Finance departmental plan should set targets, timelines and assigned responsibilities for key activities within the Facilities Services branch. This would enable management to track and report progress of its defined priorities and goals throughout the year.

5.2 Custodial and Maintenance Operations

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

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

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

Staffing Model Supports the Board's Cleaning and Maintenance Standards

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The board has adopted cleaning standards and has developed a standard set of processes and tools to monitor, manage, and report on results.	Yes
Management's custodial/maintenance allocation model optimizes the use of staff.	Yes

Development of Annual/Multi-Year Maintenance Plan

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

Training to Support Skills Development and Safety

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

Standardization of Cleaning and Maintenance Supplies

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
An inventory system tracks and controls major cleaning and maintenance equipment.	No
Common standards ensure efficient procurement of supplies to minimize costs and promote energy and operating efficiency.	Yes

Project Management, Monitoring and Support Systems

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
A work-order system and process records, monitors, and evaluates projects ensuring the effective use of resources.	Yes

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Management regularly evaluates the overall effectiveness and efficiency of its maintenance and custodial service practices.	Yes

Staffing Model Supports the Board's Cleaning and Maintenance Standards

Custodial staffing is primarily dependent on FTE student enrolment. In cooperation with union representatives, management has developed a model to allocate custodial hours to schools, based on enrolment thresholds for the elementary and secondary schools. For instance, if a school's enrolment is between 100 and 134 FTE students, the model allocates 40 hours of custodial staff time per week to the school.

The school board has included this model in its collective agreement with its CUPE staff. The school board also considers additional factors such as portables, pods and employees on modified work schedules to establish additional staffing allocation for specific schools.

To help maintain levels of cleanliness, the school board has developed a set of cleaning standards and procedures that include estimated durations of specific cleaning activities. The custodial training manual also outlines the cleaning schedule for custodial activities and the associated procedural steps for each cleaning task.

The cleaning schedule for each school is reviewed by each principal as required. Principals assist foremen with site inspections, using a standard checklist to ensure the cleaning standards are maintained. Ongoing inspections are performed by forepersons who also inspect schools prior to the beginning of the school year.

To optimize the use of staff and limit spending on custodial overtime, the school board, in agreement with the union, hired a custodian to work during off-schedule hours twice a week in one highly-used facility. The custodian then supported the school board's warehouse during regular hours for the remaining three days. This position also covers any required non-replacement hours. In this unique resourcing case, off-schedule hours are considered as regular hours and the cross functional position is not seen as problematic by the union.

Facilities services management is currently reviewing replacement systems. The school board should continue with the process of selecting an automated system that would provide a more appropriate replacement for the unsupported legacy system that was recently decommissioned.

The staffing assignment and supporting budget established annually by the school board meets the needs of the organization. However the budget set by the school board exceeds the Ministry allocation by 7%.

Development of Annual and Multi-Year Maintenance Plan

Management develops an annual plan of renewal and maintenance projects to address its preventative, critical and deferred maintenance. The annual plan is based on based on inspection reports, work orders, and health and safety issues.

Management initiates the annual planning process through a review of the high priority items in the work order system such as current deficiencies or potential health and safety issues. Renovations and replacements are based on cycles established in the ReCAPP database. This database is updated on a regular basis and is a key tool for identifying, prioritizing and tracking major maintenance and renewal projects. Deferred projects are updated in ReCAPP and rolled-over annually.

Consultations with program leads and principals also ensure that the annual plan supports curriculum program initiatives, makes schools more inviting and functional, achieves energy and utility savings, and enhances health and safety for staff and students. Initiatives are then incorporated into the annual plan, based on priority and the availability of funding, starting with Good Places to Learn (GPL) funding. Once the plan and budget have been developed by Facilities Services and approved by the Superintendent of Business and Finance, renewal projects are provided to the board of trustees as an information item and GPL projects are approved by Board motion.

Management estimates the average planning horizon for large maintenance and renewal projects to be roughly between three to five years. Much of the renewal planning and work conducted over the last year has been relatively small. This is because the school board is currently undergoing an accommodation review for several schools. It has therefore been challenging for the school board to plan some maintenance and renewal projects, since it is still uncertain whether specific schools will eventually be closed or expanded. Furthermore, a number of the schools under review are considered prohibitive to repair (PTR). The school board does not currently rely on the facility condition index (FCI) for the purpose of planning or prioritizing maintenance.

After the completion of the accommodation review, the development of a multi-year maintenance and renewal plan would give the school board and its stakeholders a better understanding of the system's needs over an extended period. The annual assessment could be expanded to provide the multi-year perspective of the needs of both planned (regular) and urgent maintenance and renewal requirements. This plan could also be supported by the funding sources available for related costs, which include annual operations, renewal grants and the Good Places to Learn allocation. This would provide management and the school board with a clearer planning perspective.

Training to Support Skills Development and Safety

The school board provides annual professional development conferences for its custodial and maintenance staff. These sessions include training on topics such as lockdown procedures, emergency evacuation procedures, minor maintenance, new cleaning equipment and dispensing system usage. The training agenda is usually supplemented with ESAO training packages, including orientations on WHMIS and asbestos handling. These sessions also include refreshers or updates on related policies and procedures in areas that may need improvement.

Management has been proactive in developing and delivering training programs to the custodial staff specific to the Dearness Conservation initiative. This initiative was undertaken in 2001 to reduce energy consumption and waste water. The training programs include sessions on lighting and water using concepts from the Dearness Conservation building operators training manual. Staff are informed of energy management processes, the role of building operators, and the audit, implementation and monitoring of related HVAC systems. These sessions are also used to share indoor air quality and energy savings reports with the staff.

Prior to working their first shift, new employees are assigned extra hours to certain schools where custodians are given practical training. After a few weeks of working at different locations, the operations foreman follows up with school visits to informally discuss custodian performance, work knowledge and work loading. Additional training is scheduled if needed.

Standardization of Cleaning and Maintenance Supplies

The operations training manual binder has procedures for equipment cleaning, care and usage. Maintenance of equipment is performed in-house by the department staff, and tools are inspected annually. Management does not maintain a complete inventory of major cleaning and maintenance equipment. There is an opportunity for the school board to develop a comprehensive inventory of custodial equipment and cleaning tools.

Custodial supplies are managed centrally through the school board office. The school board tenders its contract for cleaning supplies in collaboration with another coterminous school board every three years. The school board has a preferred suite of products and dispensing systems from two manufacturers but does not maintain a preferred vendor. The school board maintains an inventory of supplies and tracks what is sent to schools. However, the school board does not track or assess the operational efficiency of supply usage by school.

The school board has also initiated green clean pilot programs in three schools. This will enable management to evaluate the effectiveness of using more environmentally

friendly cleaning supplies and methods. Once results have been analyzed, the school board will be well positioned to determine next steps.

Project Management, Monitoring and Supporting Systems

Principals and staff initiate work orders through various channels such as e-mail or oral requests to custodial staff. The custodial staff then initiate the work order in the school board's operations management information system. The order is reviewed by the maintenance supervisor in the school board office, to determine priority and whether the work can be performed by board maintenance staff or must be outsourced. The system notifies the initiator that a work order has been created and allows the initiator to check the status.

The school board's work management system includes guidelines regarding the approximate amount of time it should take to perform specific maintenance activities. This information is used by school board staff to allocate resources among different priorities. The module does not take into consideration the travel time it may take to get to distant schools. As a result, there are variances between the time budgeted and the actual time staff indicate on timesheets to perform tasks. The system is also limited in that it is not linked to purchase orders set up in the system for materials or services provided by outside contractors or trades-people. The Facilities Services branch is investigating work management systems that allow travel time to be tracked separately and provide a more accurate sense of staff performance.

The school board is piloting a program that dispatches maintenance personnel from home, rather than having them travel to the maintenance office to receive work orders. This system has the potential to reduce travel time and result in operational efficiencies for the school board.

Recommendations:

- Management should consider establishing a multi-year maintenance and renewal plan, including the funding available to support the plan. This would provide the school board and its stakeholders with a clear forecast of critical needs over the next several years.
- The school board should develop an inventory of cleaning tools and custodial equipment.

5.3 Energy Management

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

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

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

Energy Management Plan

Leading Practices – Energy Management	Evidence of Adoption?
Management has established a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.	Yes
Purchasing practices support energy conservation objectives (e.g., Energy Star products, leveraging consortia membership).	Yes
Successful conservation initiatives are shared across all schools and with other school boards.	Yes

Tracking and Reporting Energy Conservation

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

Energy Management Plan

Management has a multi-year energy management strategy that includes a five-phase energy management plan. As part of the strategy, the school board has an environmental policy that supports, promotes and implements programs for students and staff to foster the concept of the stewardship of the earth and the wise use of natural resources.

In 1998, management implemented utility accounting software to identify abnormalities in invoices and to assist in budget preparation. The school board also consults with an independent energy solutions company regarding its approach to energy conservation. In 2001, the school board partnered with the Dearness Environmental Society (DES) to utilize the Dearness Conservation (DC) program to assist with the awareness phase of the energy management plan. The plan is modified annually to include improvements along with an annual implementation calendar.

In 2006, DES developed an EcoCentre website tailored to the school board. The website is a one-stop location created to facilitate access to all school board and school-related environmental information (such as DC program resources and materials and energy consumption data) for the entire school population and general public. The energy use of school board as a whole and by each individual school continues to be monitored and shared from year-to-year.

Each year new baseline energy consumption targets are set for each school according to a 5% reduction on their recorded consumption from the previous year. At the end of the year, savings that are realized are returned to schools in the form of funding for ecofriendly school-based projects, to a maximum of 5% of savings.

The energy management initiatives are led by the Energy Coordinator who reports to the Superintendent of Business and Finance through the Manager of Facility Services. In addition, management also provides annual training to conservation leads at each site.

Tracking and Reporting Energy Conservation

Management prepares reports to track the average annual savings achieved by implementing energy conservation initiatives. These include reports that track the consumption of electricity, natural gas and water across all sites.

The reports outline:

- Annual consumption of electricity, natural gas and water at each site against the weather adjusted pre-2001 baseline and prior year baseline

- System-wide annual consumption of electricity (kilowatt-hours), natural gas (cubic metres) and water (Imperial gallons) as compared against a weatheradjusted baseline from the prior year and pre-2001 baseline consumption. (For 2007-08, the school board managed to save approximately \$65,000 in electricity costs, over \$100,000 in natural gas costs and over \$25,000 in water consumption compared to the pre-2001 baseline)
- Water, natural gas and electricity consumption per square feet for the current and prior academic year
- Water, natural gas and electricity consumption per student for the current and prior academic year
- Summary reports of energy related savings generated from energy conservation initiatives adopted since 2001
- Comparative report on energy consumption by type of utility for the last three years across all sites

These reports go to the Superintendent of Business and Finance. Some reports are made available to school principals and the DC team via the EcoCentre website.

To further support the conservation initiatives of the school board, Facilities Services has started installing high-efficiency boilers at selected sites. These sites are identified on a priority list for boiler replacements developed through the annual audits. Management tracks the efficiencies gained through such initiatives by tracking energy consumption at specific school sites before and after replacement.

Additionally, Facilities Services has installed Building Automation Systems (BAS) in several strategic locations. Since 2001, several high consumption locations including St. Anne, St. John, St. Francis, St. Charles College and St. Raphael were installed with BAS. At the time of the installation, these sites were undergoing previously scheduled renovations which reduced the overall cost of the BAS installation. Management continues to install BAS on a priority basis based on need, potential savings and scheduled renovations.

Remote or centralized technology to automate energy regulation in individual facilities is a limited possibility for the school board, because the municipality cannot provide smart metering. In the past, the school board purchased smart meters to monitor and regulate consumption. However, unexplained power spikes made the technology investment less reliable. Currently, the school board experiences a one-week delay when requesting meter reading consumption reports from the municipality.

The billing for the school board is not consolidated from each utility for all school board facilities. The school board should request consolidated billing. This would support more efficient monitoring and forecasting of energy consumption and reduce the workload in the accounts payable department.

Recommendation:

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

5.4 Health, Safety and Security

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

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

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

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

Leading Practices – Health, Safety and Security	Evidence of Adoption?
The maintenance of health, safety and security policies and the development of appropriate plans ensure compliance with statutory health, safety and security requirements.	Yes
The security code policy includes alert codes that reflect the situation and threat level, and identify departmental responsibilities.	Yes
Security incidents are tracked by type of incident (e.g., property damage, intrusion, etc.).	Yes
Operations management follow Ministry guidelines, policy and legislation on healthy schools.	Yes

Leading Practices – Health, Safety and Security	Evidence of Adoption?
Safe school teams responsible for school safety (e.g., PPM 144) are implemented in every school.	Yes
Water and air quality standards are monitored and issues are reported for corrective action.	Yes

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

The school board has developed an APG regarding school lockdown procedures to keep students, teachers and other staff safe in the event of a serious accident, schoolyard threat, violent incident or act of terrorism. Community stakeholders, including the police, were consulted during the development of the school lockdown procedure. Crisis management teams at the school level develop procedures reflective of school structures. The lockdown procedure also requires two practice drills a year in each school.

Each school has a safe schools team, a health and safety committee and bulletin boards to highlight relevant communication. The health and safety portfolio is jointly led by the Wellness Coordinator from the HR department and the Facilities Administrator in the Facilities Services branch. The operations training manual provides staff with detailed health and safety procedures.

The school board also has approved APGs on bullying prevention and intervention, employee safety and school break-ins, damage and theft. Incidents are tracked and submitted to the insurance provider through the Ontario School Board Insurance Exchange (OSBIE) on-line form. Occasionally, the school board consults with School Boards Cooperative Incorporated (SBCI) to better understand its insurance claims' costs. SBCI tracks the school board's health and safety statistics through the management of the school board's Workplace Safety and Insurance Board of Ontario (WSIB) claims.

The operations training manual provides guidelines about water flushing for lead in compliance with Ministry of Environment regulations. In some schools, automated end-of-the-line flushing systems have been installed in order to ensure compliance and maximize custodial capacity for cleaning.

The Facilities Services branch keeps informed of the Healthy Schools Program through newsletters and memos from Educational Alliance for Sustainable Ontario (EASO). The school board has chosen to support the Healthy Schools program by helping with facility needs such as:

- Installing receptacles for new vending machines dedicated to smart food choices

- Providing healthier environments by designing air flow mechanical systems that provide cleaner air flows
- Providing day custodial services to ensure prompt attention to the clean up of spills and accidents and to prevent the spread of germs to building occupants
- Providing friendlier and green cleaning products to encourage healthier environments.

5.5 Capital Plans, Policies and Procedures

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

- Assess whether school capital assets are being utilized effectively and efficiently;
- Assess how well management is planning for future capital requirements, based on enrolment forecasts and the capacity/maintenance issues of the existing asset base, relative to the funding available from the Ministry (i.e. NPP funding);
- Assess whether management is appropriately prioritizing the maintenance and renewal expenditures in light of the available Ministry funding and multi-year capital programs;
- Identify appropriate controls and transparency within the current planning process;
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Development of Annual and Multi-Year Capital Plans

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

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

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

Development of Annual and Multi-Year Capital Plans

In compliance with Ministry requirements, the school board has completed its capital liquidity template, approved by the Ministry in June 2008. The school board has not developed a capital plan. However, the school board is in the process of developing a rolling five-year capital plan that would be updated annually. The development of a five-year capital plan has been identified as a Business and Finance department goal as well as a Facilities Services branch objective for 2008-09. In this regard, the Board has an approved policy for the capital plan for pupil/school accommodation. The policy summarizes key infrastructure, enrolment, capacity, utilization, and demographic data for all system schools organized into three planning areas: south central, east and north west.

The plan considers how population trends and educational program objectives will influence future facility needs over a five-year planning horizon. It also indicates overall system requirements to meet these needs. Furthermore, the plan outlines various approaches/proposals to address future program and facility needs. These proposals typically focus on a group of schools within a school board planning area to facilitate the development of viable and practical solutions for student accommodation. Proposals include plans for new school construction, renovation and consolidation, funding of projects, where students would be accommodated, required changes to existing facilities, availability of programs to the students, and timelines for implementation.

The Ministry provides Good Places to Learn (GPL) to deal with high and urgent needs identified in the Renewal Capital Asset Planning Process (ReCAPP). All ReCAPP and capital projects are recorded with a project identification number in the FMS. These identification tags allow for budget, funding revenue and detailed expenditures to be

entered and reported on. Unplanned projects such as moving portables are recorded against an FMS contingency budget line called “unplanned projects”.

The school board has established a capital planning advisory committee led by the Chair of the board of trustees. The capital planning advisory committee is a standing committee of the school board comprising:

- All trustees wishing to serve on the committee
- The Superintendent of Academic Programs
- The Superintendent of Business and Finance
- The Manager of Facility Services
- The Manager of Financial Services
- a regional parent involvement committee representative
- a parent representative
- a school principal representative
- a teacher representative
- a business/municipal representative.

The school board has an approved policy on pupil/school accommodation that was last updated in May 2007. According to the policy, the Director of Education is required to present a five-year capital plan for pupil/school accommodation to the board of trustees. Further, the Director also presents an annual pupil/school accommodation report which:

- highlights any proposed changes to the existing five-year capital plan for pupil/school accommodation
- provides an update on current and forecasted student enrolment and demographic trends.

In addition, the school board has a policy on pupil/school accommodation review that implements the pupil accommodation review guidelines released by the Ministry of Education in October 2006. The policy is supplemented by a pupil/school accommodation review process, complete with timelines.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

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

Facilities services staff currently use ReCAPP to track projects funded by the Good Places to Learn (GPL) funding. Staff update the ReCAPP database on an ongoing basis and supplement the information with site visits and a review of patterns of work orders to prioritize projects. The long-term capital plan is reviewed in conjunction with the ReCAPP data, and supports the coordination of renewal projects with the capital plan.

5.6 Construction Management

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

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

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

Cost Effective Practices in the Design and Construction of Facilities

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

Monitoring and Reporting on Progress of Construction Projects

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

Maintaining Current Approved Professional Service Providers

Leading Practices – Construction Management	Evidence of Adoption?
Management evaluates and updates the approved list of contractors, architects, and related professionals periodically, ideally in 5-year cycles).	Yes

Cost-Effective Practices in the Design and Construction of Facilities

Management acknowledges the construction challenges related to the school board's remote location. As well, management is well aware of its lack of experience in building new schools, since the school board has not built a new school in the last 10 years. The school board has worked with Rainbow District School Board to benchmark its construction costs. Recently the school board posted expressions of interest for ideal school construction, including designs that would meet LEEDS Certification. As a result, several architectural firms have made presentations to the design committee, comprising representatives from financial services, principals, senior administration, the trustees and the architecture community. The committee makes design decisions that fall within a pre-determined list of standard footprint options. The committee then presents them as information items to the board of trustees. The board of trustees approves the project, its tendering process and cost.

Monitoring and Reporting of Progress on Construction Projects

Once the board of trustees has approved the overall cost of a construction project, the Superintendent of Business and Finance is responsible for the approval of progress payments. Change orders require board of trustees' approval only if they involve cost overruns.

Construction projects at the school board include scheduled milestones. The Superintendent of Business and Finance reports to the Board against these milestones, indicating whether projects are on target, behind or ahead of schedule.

Maintaining Current Approved Professional Service Providers

The school board's policy on tendering capital construction and renovation projects was last updated in September 2007.

According to the policy, tenders shall be called and/or price quotations obtained according to the following guidelines:

- Contracts for projects estimated to cost \$10,000 or less shall be secured by obtaining a minimum of one verbal quotation from a reputable contractor
- Contracts for projects estimated to cost more than \$10,000 and not exceeding \$30,000 shall be secured by obtaining a minimum of two verbal quotations from a list of reputable contractors established and updated regularly by the Superintendent of Business and Finance or designate
- Contracts for projects estimated to cost more than \$30,000 and not exceeding \$50,000 shall be secured by obtaining a minimum of two written quotations from a list of reputable contractors established and updated regularly by the Superintendent of Business and Finance or designate
- Contracts for projects estimated to cost more than \$50,000 and not exceeding \$100,000 shall be secured through publicly advertised tender calls and awarded by the Superintendent of Business and Finance or designate
- Contracts for projects estimated to cost in excess of \$100,000 shall be secured through publicly advertised tender calls and awarded through Board motion.

The procedure for the calling of sealed tenders established by the school board is followed unless otherwise approved by the board of trustees.

Appendices

Appendix A: Overview of the Operational Review

Operational Review Objectives

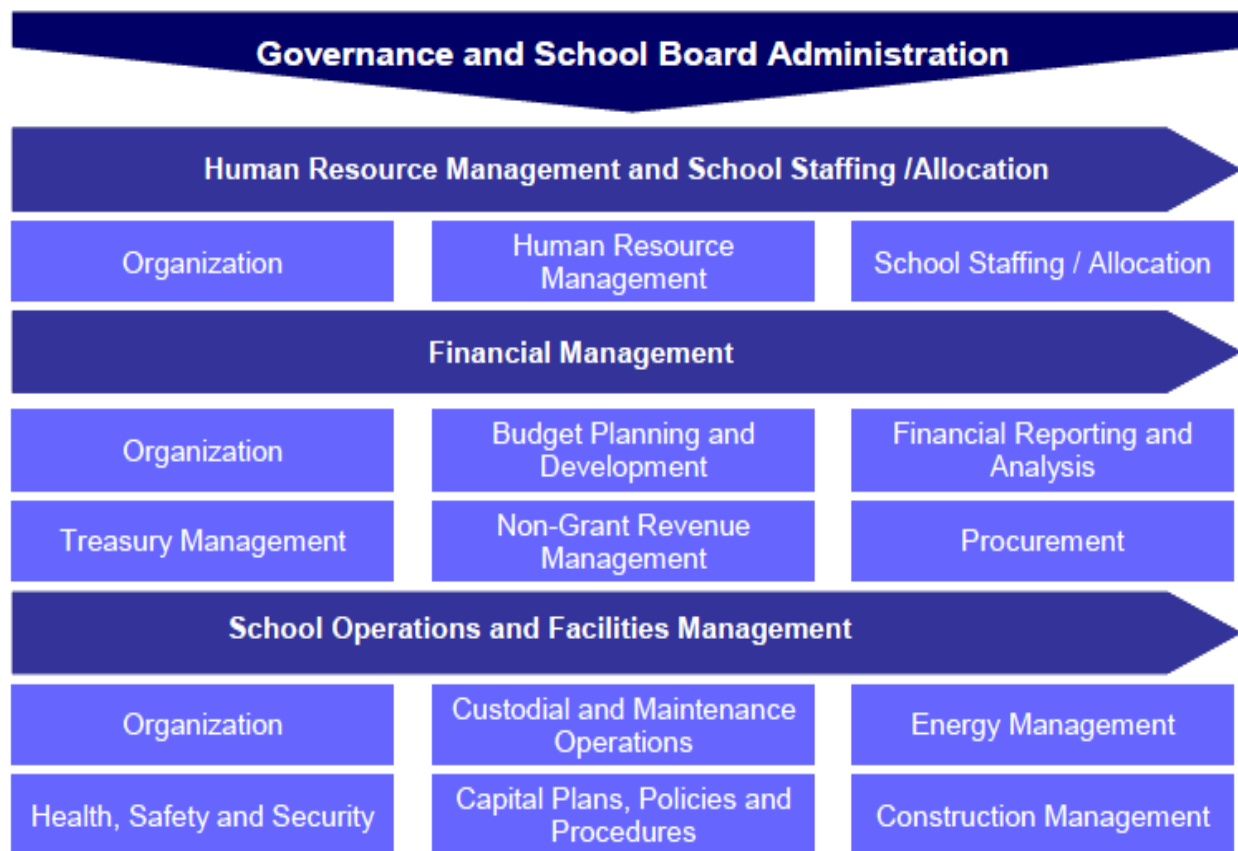
In order to perform an effective and consistent operational review the Ministry has worked with independent consultants to develop a Sector Guide that defines consistent standards and leading practices against which the operational reviews and analysis will be based.

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

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

Operational Review Summary Scope

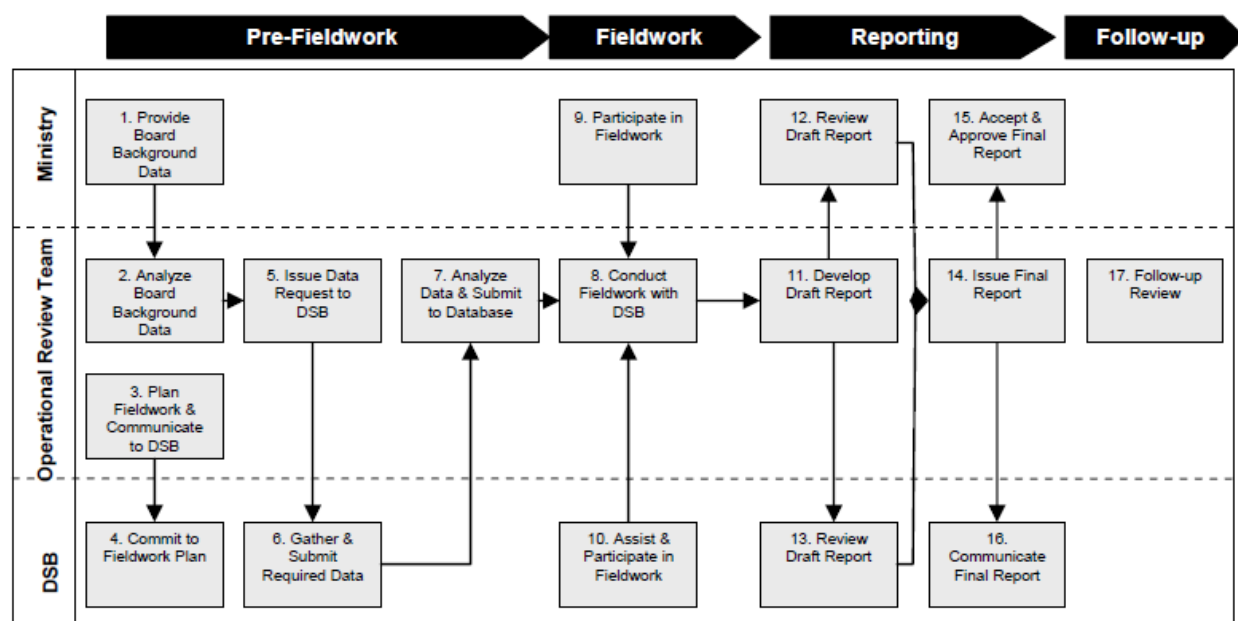
The scope of the Operational Review consists of the following functional areas which have been divided into key processes as shown below. The processes represent the end-to-end lifecycle of activities performed by school boards under each functional area. Each of the processes was examined based on its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



Operational Review Summary Approach

The high level Operational Review approach is shown below. The timing for the end-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 leading practices.



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

Phase: Pre-Fieldwork

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

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

Phase: Fieldwork

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

Phase: Reporting

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

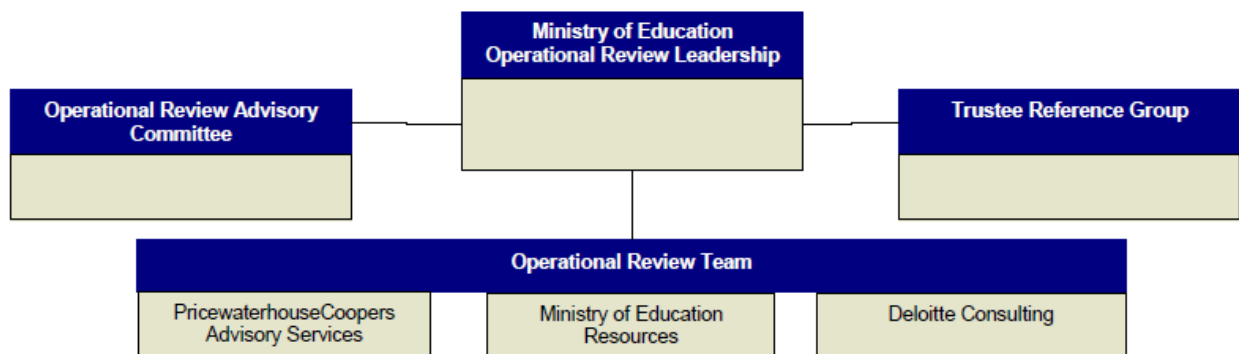
Phase: Follow-Up

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

The Operational Review Team

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

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



Limitations of this Review

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

Appendix B: Summary of Recommendations

Governance and School Board Administration

No.	Recommendation
1.	The board of trustees, in conjunction with the Director, should develop a multi-year strategic plan that defines key objectives, timelines and performance measures for the entire system. This would provide an over-arching framework for the school board to develop an annual BIP, setting the context for school and departmental planning and allowing the Director to report on the achievement of specific outcomes.
2.	The school board should expand the scope of the BIP to cover all aspects of school board operations, including human resources, financial management and facilities management. The BIP should define in-year initiatives that contribute to the achievement of the longer-term goals and demonstrate the alignment of non-academic departments.
3.	The school board should develop a formal succession plan to manage departures of key staff.

HR Management and School Staffing/Allocation

No.	Recommendation
4.	The HR department should develop an annual departmental plan that aligns with the objectives in the BIP. The departmental plan should set targets, timelines and assigned responsibilities for key activities in the HR department. This would enable management to track and report progress of its defined priorities and goals throughout the year.
5.	The HR department should continue developing a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This would provide management with a consistent and structured approach to improve attendance, including positive reinforcement for employees and standardized practices across all employee groups.
6.	Management should consider developing a formal plan for periodic staff surveys. This would improve communication with staff and provide input for professional development plans and HR policy.
7.	Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy as well as process and program improvement.

Financial Management

No.	Recommendation
8.	The Business and Finance department should develop a departmental plan that aligns with the objectives in the BIP. The departmental plan should set targets, timelines and assigned responsibilities for key activities in the Financial Services branch. This would enable

No.	Recommendation
	management to track and report progress of its defined priorities and goals throughout the year.
9.	The Financial Services branch should document the budget planning process to provide additional transparency for trustees and clarity for staff regarding roles and responsibilities.
10.	Management in the Financial Services branch should consider migrating the department budget input process from a manual to an automated system.
11.	Management should perform a cost-benefit analysis of moving from a customized financial software system to a vendor-supported suite of software applications. This would increase the functionality of the school board's financial system.
12.	Financial services staff should consider providing an expanded level of interim reporting, as in the format suggested in section 4.3 of this report. This would simplify communication and increase the Board's focus on key issues during the reporting of year-to-date results.
13.	Management should consider formalizing the internal audit function. This would include a broader audit of financial and management controls and adherence to board policies. Management could start by identifying options for its mandate and scope and the estimated cost for each option.
14.	Management and the Board should establish an audit committee. The audit committee should include at least two external members to advise and contribute to its overall effectiveness.
15.	Management should establish an investment policy for approval by the board of trustees. A formal cash management plan and appropriate procedures to manage surplus cash and optimize investment income should be developed.
16.	The Financial Services branch should develop a formal cash flow model to forecast and monitor the school board's cash flow activities. This would allow the school board to identify opportunities to optimize investment income and minimize interest costs.
17.	The school board should review its purchasing policy to determine whether approval limit thresholds are commensurate to job titles/roles. This would ensure alignment with the needs of the school board and consistency with other school boards.
18.	Management should consider mandatory posting of tenders and Requests for Proposals (RFPs) on the electronic advertising bulletin boards, for the widest circulation of its tenders.
19.	The Board should review its current policy for the use and distribution of corporate credit cards.
20.	The school board should use PCards for small dollar purchases to reduce the volume of supplier invoices processed by accounting and to avoid reliance on corporate credit cards. It should perform an analysis of all credit card expenditures to identify the type and level of spending by individual. It should supplement this with a transaction/spend analysis of purchase orders. This would identify optimum threshold limits to maintain budgetary controls and manage the volume of invoices.
21.	Finance staff should implement EFT payments to all appropriate suppliers to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.

School Operations and Facilities Management

No.	Recommendation
22.	The Facilities Services branch should develop a departmental plan that aligns with the objectives of the BIP. The Business and Finance departmental plan should set targets, timelines and assigned responsibilities for key activities within the Facilities Services branch. This would enable management to track and report progress of its defined priorities and goals throughout the year.
23.	Management should consider establishing a multi-year maintenance and renewal plan, including the funding available to support the plan. This would provide the school board and its stakeholders with a clear forecast of critical needs over the next several years.
24.	The school board should develop an inventory of cleaning tools and custodial equipment.
25.	The school board should ask utility companies to provide consolidated billing in an electronic format.