

**Ministry of Education**

**Operational Review Report  
Superior North Catholic District School  
Board**

**September 2010**

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## Executive Summary

This report details the findings and recommendations of the Operational Review of the Superior North Catholic District School Board (the school board) conducted by the Operational Review Team composed of external consultants from Deloitte and Ministry of Education staff. The Operational Review was conducted over three days beginning March 22, 2010.

## Introduction

The Ministry plans to perform Operational Reviews of the 72 district school boards across the province. The initiative supports Ministry goals and will increase confidence in public education. The Ministry's goal is to enhance management capacity within school boards by encouraging good stewardship of public resources and by the leveraging and sharing of 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 implemented many leading practices. Noted strengths include the school board's staff performance evaluation framework, financial calendar, and use of time-in-motion studies for custodial staff. 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 many leading practices in governance and school board administration, including:

- A governance model that supports an effective working relationship and clearly delineates the division of duties and responsibilities between the Board and the Director of Education.

- The board of trustees and senior administration have appropriate processes for decision making, to address student achievement targets and operational performance.
- The organizational structure of the school board is up-to-date, and includes clearly defined organizational units, including related roles and responsibilities.
- Senior administration and individual trustees actively engage internal and external stakeholders, on a regular basis.

In 2005, the school board developed a strategic plan for the 2005-2008 school years. It has not developed a multi-year strategic plan since then. Following the 2010 Board election, the school board plans to undertake a strategic planning process similar to the one followed in 2005. The board is encouraged to follow through with that plan.

Each department at the school board is responsible for creating its own operating plan. An overarching Board Improvement Plan (BIP) includes some aspects of an operational plan, though it deals mainly with academics. The school board should develop a formal annual operating plan that will enhance operational effectiveness, by demonstrating the alignment of the plan to the Board's multi-year strategic plan. Once these plans are developed, senior administration should report annually to the board of trustees on their status and outcomes.

Existing school board policies are updated, and new policies are introduced as required by Ministry directive, or if recommended for review by school board senior administration. The Board should implement a formal process and refresh cycle for all policies.

The school board does not have a formal plan for succession planning and talent development, and remains at the pre-implementation stage with respect to the Ontario Leadership Strategy. To date, the school board has focused its succession and talent development efforts internally, on academic staff. The school board should develop a formal succession and talent plan for all staff groups.

### **Recommendations:**

- The board of trustees, using a consultative process, should develop and communicate a multi-year strategic plan that provides a framework for annual planning. This will provide direction to all staff on the Board's goals, and clear steps towards achieving them.
- Once the overarching strategic plan is developed, the school board should develop a formal annual operational plan aligned with the Board's multi-year

strategic goals. This will also enable all departments to track and report progress on their defined priorities and goals throughout the year.

- Senior administration should report to the Board of Trustees annually on the status and outcomes of the school board's strategic plan and annual operating plan, once they are developed.
- The school board should consider establishing a formal refresh cycle for its policies, to ensure periodic review of all policies across functional areas. This could include forming a policy committee to consider policies for review or development.
- The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators. This should include senior staff in both academic and non-academic functions.

### **Human Resources Management and School Staffing/Allocation**

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

- HR management builds staff capacity in understanding of HR policies and administrative procedures, and has processes to monitor compliance of policies.
- The Director's office maintains and communicates strong employee performance evaluation processes that apply to all staff in collaboration with HR.
- Management of HR and payroll data is adequately controlled, tracked, and reviewed.
- HR management track and report on actual allocation of staff compared to the original approved allocation, and allocations are adjusted as necessary.

The department has not outlined its goals and priorities in an annual departmental plan. Instead, the HR department pursues objectives set in the department's calendar, which outline required actions and tasks. The department's activities are also monitored and directed by senior administration, and monthly reports are presented to the Board. The department should expand on its calendar by developing an annual departmental plan, complete with measurable targets, designated accountabilities, and target timelines.

While the school board's annual recruitment process is strategic, (and includes targeting academic staff at specific teacher's colleges and universities) the school board should develop a formal recruitment policy. This policy would cover organizational objectives



and preferred sources of recruitment, for both academic and non-academic staff. A formal recruitment policy will also ensure that the school board meets its staff recruitment and retention goals.

HR management and the Board have not established a labour-management committee. To provide an informal labour-management mechanism, the school board should establish a labour-management committee of HR management, the Board, and the associated unions.

The school board produces attendance management statistics for senior administration annually. These reports are not tied to targets or initiatives that are driven by a formal attendance support program or strategy. The school board should formalize an attendance management program, and report to the Board on employee attendance, in comparison with set targets and in relation to the effectiveness of key attendance support initiatives.

The school board intends to conduct internal audits of all large-scale costs and charges placed through its insurance carrier. The school board should continue with its audit plans, and should consider conducting third party compliance audits of the school board's insurance carrier, to ensure adherence to the benefit plan's terms and conditions

HR does not formally conduct staff surveys. Management does not formally conduct exit interviews in any department for their staff. Although the school board has a low staff turnover rate, practices such as exit interviews and staff surveys can provide management with valuable input, for both professional development and policies impacting future employee relations.

The school board's staffing process is not centrally coordinated. Staffing policies and procedures are informal. Management should formalize the processes that govern the development of an annual staffing plan and allocation process, reflecting the priorities of the Board and Ministry initiatives.

### **Recommendations:**

- The HR department should consider developing an annual departmental plan aligned with the school board's operating plan and overall strategic direction. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
- Management should develop a recruitment policy and ensure it is reviewed annually to align staff planning with student achievement.

- HR management and the board of trustees should establish labour management committees.
- Management should continue to develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance across all employee groups.
- Management should periodically report to the Board and senior management on the effectiveness of its attendance management program, once it is in place.
- Management should consider conducting compliance audits of the school board's insurance carrier to ensure adherence to the benefit plans terms and conditions. This will ensure accuracy and validity of claims paid.
- Management should consider developing staff satisfaction surveys which would include all employee groups. 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.
- The school board should implement policies and procedures to govern the development of an annual staffing plan and allocation process so that it reflects the priorities of the Board and Ministry initiatives.

## **Financial Management**

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

- The finance department has clearly defined organizational units, and delineates the respective roles and responsibilities for its staff.
- Departmental staff are appropriately trained, and maintain significant experience with the school board.
- The department provides ongoing education regarding financial policy, supported by monitoring of compliance of these policies.
- The annual budget development process is transparent and clearly communicated, incorporating input from key stakeholders including staff, management, trustees, and the community.

- Adequate controls are in place for the management of school-based funds.
- Controls are used to safeguard non-grant revenues, while ensuring the proper reporting of revenues and expenditures from all sources.
- The school board actively participates in purchasing consortia/ cooperatives and group buying initiatives.

The finance department uses an annual planning calendar, but has not developed a formalized annual department plan. Management should consider developing an annual department plan, complete with measurable targets, designated accountabilities, and target timelines.

The department does not document all significant risks associated with budget planning, nor does it develop strategies to mitigate these risks. Although there are a number of processes in place to mitigate budgetary risks, including strict monitoring of financial records, they are not formalized in a risk management policy. The department should consider consolidating key risks and mitigation strategies in a single risk plan.

The school board produces monthly interim financial reports, which are developed by the manager of finance for senior administration and the Board beginning in January. These reports compare actual over budgeted estimates, and include notes explaining variances of material difference. However, these reports do not include calendarized reporting (a snapshot of the year-over-year spend comparison) or a formal sign-off by senior management. The school board should include both.

The school board does not have an internal audit function. An internal audit function would provide added assurance that the internal financial management processes established by management are operating effectively, and comply with policies and procedures. Establishing a mandate for an internal audit function would assist the senior administrative team and the Board in their overall governance and accountability roles. Once this function is established, all audit plans and processes should be clearly documented, and recommendations should be acted upon by management.

The school board's budget committee currently acts as an audit committee. There are currently no external members on this committee. The school board should create a separate audit committee with external members.

The school board has not consolidated school bank accounts in one institution, primarily because of geographic limitations. A number of remote locations only have reasonable access to one community bank, which are often not the same financial institution as the school board's. Despite these challenges, the school board should consider consolidating cash management activities with a single institution, where feasible.

The school board does not maintain approved procurement policies or procedures aligned with the Supply Chain Secretariat's Supply Chain Guideline (SCG) Version 1.0. However, the school board's current purchasing administrative regulation does have components of the guidelines in place. The school board should develop a procurement policy aligned with the SCG that clearly communicates a procurement code of ethics. The policy should also be approved by the Board, communicated to staff with purchasing authority, and periodically reviewed and updated.

The school board does not maintain a policy that indicates the workflow of purchasing approval, nor does it specifically reference purchasing by dollar threshold or role. The school board should build this detail into the policy through the review process.

The school board does not currently have a PCard program. The finance department intends to evaluate the potential benefits of a PCard program in the near future. The school board should perform this analysis of low-dollar spending to determine whether the risk and cost of adopting PCards would be justified by the reduction in administration cost of processing high-volume, low-value purchases.

Management is encouraged to investigate the benefits of an electronic supplier interface for ordering, processing, and payment. This could present opportunities for the school board to increase process efficiencies.

The school board does not currently use Electronic Funds Transfers (EFT) for payments. Management recognizes that EFT opportunities should be explored to maximize efficiency within the Finance department.

### **Recommendations:**

- The finance department should consider developing an annual departmental plan aligned with the school board's annual operating plan and overall strategic direction. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
- The finance department should consider consolidating key budget risks and mitigation strategies into a single risk plan.
- The department should develop calendarized reporting that uses historical expenditures as a benchmark for comparison. This will provide more accurate information on whether variances are in line with historical spending trends.
- The school board should ensure interim financial statements are formally signed off by senior management to ensure the integrity of financial reporting.

- Management should consider establishing an internal audit function giving consideration to the emerging Ministry direction to establish regional models for internal audit across the school board sector.
- When the school board establishes an internal audit function, it should ensure any internal audit plans are clearly documented and that internal audit report recommendations are followed up and acted upon by management.
- Management and the Board should consider including external advisors on the Board's audit committee in accordance with the Ministry's emerging direction.
- The school board should consolidate cash management activities with a single institution, where feasible.
- The school board should review existing supply chain and procurement policies, ensuring they aligned to the Supply Chain Guideline 1.0, communicated to staff with purchasing authority and are periodically reviewed and updated.
- Management is encouraged to develop guidelines that ensure purchasing authorization levels are commensurate with job roles and responsibilities and that such levels are monitored for compliance by a supervisor or department head.
- The school board is encouraged to consider implementing the use of PCards for appropriate school staff. PCard use can reduce the volume of supplier invoices to be processed and can be a more efficient means of local purchasing. Appropriate control procedures would be put in place to support the use of PCards.
- Management is encouraged to implement an electronic supplier interface for ordering, processing, and payment. This is an opportunity for increased process efficiencies.
- Management should continue to explore additional Electronic Fund Transfers (EFT) opportunities to maximize efficiencies.

## **School Operations and Facilities Management**

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

- Management has processes in place to educate and monitor compliance regarding operations policy by all staff and management.
- The school board develops and communicates a multi-year plan for major maintenance and renewal projects.

- An automated work-order system evaluated by senior administration.
- The development, implementation and monitoring of a security and health plans.
- On-going monitoring and maintenance of data, including using SFIS and ReCAPP methodology to support and develop multi-year capital plans.
- Cost effective practices in the design and use of facilities, project management controls, and maintaining and updating lists of contractors and service providers.

The manager of operations uses ReCAPP, as well as input from principals and custodial staff, to establish annual departmental priorities. These priorities do not incorporate measurable targets with specific timelines or identified responsibilities. Management should consider developing an annual departmental plan, complete with measurable targets, designated accountabilities, and deadlines. This plan should align with the annual operating plan, which in turn would roll up to support the overall school board strategic plan, once these documents are developed.

The department does not currently have approved cleaning standards. The school board should develop cleaning standards to maintain consistency in site cleanliness across its sites. Having measurable cleaning standards will also allow the school board to monitor, manage, and report on results.

The school board has not implemented a formal green clean program. It has begun using different green cleaning products across its schools to evaluate their effectiveness. At a number of shared school facilities, the coterminous school administration aims to use all-green cleaning supplies in their schools. The department has increased the rate of adoption of green cleaning supplies in these school facilities more than others. The school board should move towards the implementation of a formal green clean program across all sites, using the Ministry's Green Clean Program Resource Guide as a starting point.

The department does not have an inventory system to track its major cleaning or maintenance equipment. The school board should develop an inventory system to track and control major cleaning equipment, as well as to ensure that appropriate maintenance is provided for each piece of equipment.

The school board does not have an energy management plan, and does not have defined targets or goals to meet energy management objectives. However, it is actively pursuing cost avoidance measures including automated energy system controls and energy audits. The school board should combine its various energy initiatives in an overarching energy management plan, including a procurement policy that incorporates references to energy efficient products. Once these are in place, the school board

should communicate its energy management initiatives to the board of trustees, schools, and other school boards.

The school board does not have a formal energy conservation plan, and as such has no annual reporting of conservation measures. The school board should develop a plan for reporting, to ensure that energy is being used efficiently and meeting the school board's conservation goals.

The department does not have system to budget expenditures, track and regulate consumption, or identify opportunities for future savings related to energy management. The school board has a centralized system that automates energy regulation in some schools, and should use it to help develop, track, and report energy conservation goals.

Vendor billing is not consolidated from each utility, and multiple separate bills are currently being received. Management should ask the utility companies to provide consolidated billing in an electronic format.

The school board does not have an overarching environmental policy to encourage the protection of the school environment. Some schools participate in the EcoSchools programs, which encourages environmental stewardship among students. The school board should develop an overarching environmental policy that addresses both environmental education and responsible management.

The school board has implemented a number of practices to ensure mandated occupational health and safety requirements are met. There is no occupational health and safety plan in effect. A joint health and safety committee has been established, which includes representation from unions, non-union and management. Building on this committee and its work, the school board should develop, implement, and monitor an occupational health and safety plan that reflects its occupational health and safety policies and administrative procedures.

### **Recommendations:**

- The operations department should consider developing an annual departmental plan aligned with the operating plan and overall strategic directions. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
- The school board should implement cleaning standards for schools and develop a standard process to monitor, manage and report on results. Once this in place, management should also report to senior administration on the results of the compliance reviews.

- The school board school review the Ministry's Green Clean Program Resource Guide and use it to develop a formal green clean program as part of its overarching Education Environmental Policy.
- The operations department should develop and maintain an inventory for its major cleaning and maintenance equipment.
- The school board is encouraged to establish a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.
- The school board should enhance its procurement policy to support energy management goals.
- Successful conservation techniques currently used by the school board should be communicated across all schools and with other school boards, to enhance recognition of energy management across the system.
- Management should provide formal annual reporting to the Board on the energy conservation savings achieved against the plan once it has been developed.
- The school board should develop a system to track consumption, budget expenditures, and identify opportunities for further energy management savings.
- The plant department should work with its major utility providers to consolidate billings for schools to one periodic invoice per utility and use the Ministry's Utility Consumption Database to help consolidate their billing and track energy consumption.
- The school board is encouraged to develop an overarching environmental policy that addresses both environmental education and responsible management.
- The school board should develop an occupational health and safety plan, to ensure compliance with associated health and safety statutory requirements.



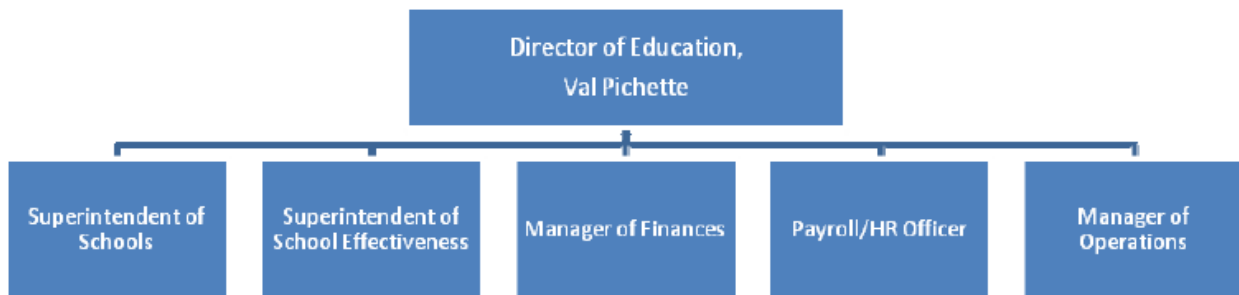
# 1. Background and Overview

## 1.1 School Board Profile and Structure

The Superior North Catholic District School Board is committed to one common goal: success for every student. The collective goal of parents, teachers, support staff, administration, and trustees is to support, challenge, and inspire every student to achieve their full potential. Responsible for providing public education to 688 students, the school board offers a diverse range of programs in its 9 schools.

Since 2002-03, enrolment has declined by approximately 164 students or 18.7 per cent. The school board’s enrolment continues to decline.

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



## 1.2 Key Priorities of the School Board

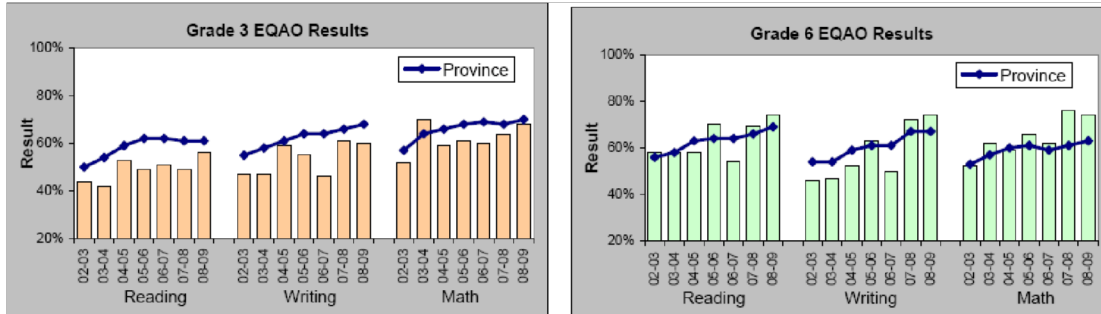
The Superior North Catholic District School Board developed the following mission statement:

“The Mission of the Superior North Catholic District School Board is to provide superior Catholic Education in which students and staff reach their full potential through devotion to gospel values, active partnerships and the celebration of excellence.”

## 1.3 Student Achievement

The EQAO results for the school board show that students’ Grade 3 scores are below the provincial average, with one exception in Math scores in 2003-2004. EQAO scores for Grade 6 in reading and writing have fluctuated at levels above and below the provincial average, while math scores are equal to or above the provincial average.

The school board maintains no secondary schools. The following charts show the school board’s elementary student EQAO results over the last seven years.



## 1.4 Fiscal Overview

The school board has presented balanced budgets to the Ministry for the past two years although in 2009/2010 updated projecting indicated a deficit position.

The school board has been actively monitoring its ability to finance its capital commitments. The school board has completed its Capital Liquidity template, which demonstrates that its existing capital debt is fully funded. Management will continue to work with Ministry staff on any new capital projects.

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

### Summary Financial Data (Revenues)

Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Legislative Grants	\$11,013,695	\$12,233,265	\$12,684,766
Local taxation	\$1,580,146	\$1,299,585	\$1,315,025
Board Revenues	\$903,278	\$849,855	\$739,695
Other Operating & capital Grants	\$652,935	\$598,565	\$1,131,448
<b>Total Revenues (Schedule 9)</b>	<b>\$14,150,054</b>	<b>\$14,981,269</b>	<b>\$15,870,934</b>

### Summary Financial Data (Expenditure)

Expenditures	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Operating expenditures	\$12,354,423	\$13,694,025	\$14,357,806
Capital expenditures - Before transfers from reserves	\$1,080,280	\$1,522,054	\$1,760,045
Transfer to (from) Reserves	\$417,012	\$108,204	-\$114,873
<b>Total Expenditures</b>	<b>\$13,851,715</b>	<b>\$15,324,283</b>	<b>\$16,002,978</b>

Expenditures	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
In-year Surplus (Deficit)	\$298,339	-\$343,014.00	-\$132,044.00

### School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Retirement Gratuities	\$580,282	\$523,257	\$514,946
Reserve for Working Funds	\$172,460	\$172,460	\$172,460
School Activities	\$103,568	\$113,770	\$63,058
Miscellaneous	\$968,836	\$825,890	\$659,166
Pupil Accomodation Debt Reserve	\$486,002	\$491,280	\$493,780
GPL Reserve	\$2,583,841	\$2,473,317	\$2,498,091
<b>Total Reserve Funds (Schedule 5)</b>	<b>\$4,894,989</b>	<b>\$4,599,974</b>	<b>\$4,401,501</b>
Reserve for Classroom Expenditures	\$559,961	\$335,473	\$180,453
Special Education Reserve	\$238,510	\$228,406	\$229,906
Energy Efficient School - Operating	\$0	\$66,357	\$0
Energy Efficient School - Capital	\$0	\$94,733	\$0
<b>Total Deferred Revenues (Schedule 5.1)</b>	<b>\$798,471</b>	<b>\$724,969</b>	<b>\$410,359</b>
<b>Total Board Reserves and Deferred Revenues</b>	<b>\$5,693,460</b>	<b>\$5,324,943</b>	<b>\$4,811,860</b>

### 1.5 Key School Board Statistics

The following table highlights key statistics for the school board. There has been a declining enrolment trend since 2002-03.

#### Day School Enrolment

Day School Enrolment	2002-03 Actual	2009-10 Revised Estimates
Elementary Day School ADE	839	688
Secondary Day School ADE	0	0
<b>Total Day School Enrolment</b>	<b>839</b>	<b>688</b>

## Primary Class Size

Primary Class Size	2003-04	2009-10
% of Classes Less Than 20	88%	100%
% of Classes Less Than 23	95%	100%
Average Class Size - Jr/Inter	19.73	15.48
% of 3/4 Classes 23 & Under	83%	100%
% of Combined Classes	79%	54%

## Staffing

Staffing	2003-04	2009-10
School Based Teachers	61	79
Teacher Assistants	26	18
Other Student Support	6	12
School Administration	8	8
School Clerical	6	8
School Operations	9	12
Other Non-Classroom	7	9
<b>Total Staffing</b>	<b>123</b>	<b>146</b>
<b>Teacher - Pupil Ratio</b>	<b>1:14</b>	<b>1:09</b>
<b>FTE Staff per 1,000 Pupils (ADE) <sup>1</sup></b>	<b>146.6</b>	<b>212.2</b>
<b>Total Salary &amp; Benefits as % of Net Operating Expenditures</b>	<b>65.1%</b>	<b>76.2%</b>

## Special Education

Special Education	2003-04	2009-10
Special Education Incremental Expenditures	\$1,095,140	\$1,613,086
Special Education Allocation	\$936,391	\$1,527,727
<b>Spending above Allocation (Reserve)</b>	<b>\$158,749</b>	<b>\$85,359</b>

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

## School Utilization

<b>School Utilization</b>	<b>2003-04</b>	<b>2009-10</b>
Number of schools	10	9
Total Enrolment (ADE)	839	688
School Capacity (Spaces)	2,065	2,032
<b>School Utilization</b>	<b>40.6%</b>	<b>33.9%</b>
<b>Board Area (Km<sup>2</sup>)</b>	<b>18,716</b>	<b>18,716</b>
<b>Number of Trustees</b>	<b>9</b>	<b>8</b>

## 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, director, senior administration and community stakeholders support both student achievement and effective school board operations.

Governance and school board administration processes are reviewed to:

- Understand how the governance model supports operational effectiveness and delineates the division of duties between the Board and the administration;
- 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 how policies and related procedures are generated and maintained;
- Determine whether staffing levels and organization structures provide for clarity of roles and accountability sufficient to carry out the school board’s objectives;
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

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

## Establishment of an Effective Governance Model

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

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

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees, using a consultative process, develops and communicates a multi-year strategic plan that provides a framework for annual planning.	No
The director of education and senior staff develop an annual operating 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
The senior administration periodically/annually report to the board of trustees on the status and outcomes of the board strategic plan and annual operating plan.	No

## Decision-Making Processes

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees and senior administration have appropriate processes for decision making to address student achievement targets and operational performance.	Yes
The board of trustees and senior administration have appropriate processes for the establishment and regular maintenance of policies and administrative procedures for the efficient and effective operation of the board.	No

## 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

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
A departmental organization chart (supplemented with a directory of key staff contact information) is publicly available on the board’s website.	Yes

## Succession and Talent Development

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

## Stakeholder Engagement

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees and senior administration 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 staff from all functional areas are members and participants in sector committees of provincial associations and/or Ministry workgroups.	Yes

## Establishment of an Effective Governance Model

The governance structure of the Superior North Catholic District School Board is supported by nine experienced trustees. The Chair has recently been elected to the position. As a result, the working relationship between the Chair and the rest of the Board of Trustees (the Board) continues to develop. The relationship between the Director and the Chair of the Board (the Chair) is collegial and collaborative.

The school board follows a governance model which clearly separates policy from service delivery. The Board sets and maintains policy, and senior administration develops and implements operating plans and procedures. The governance model is laid out in the bylaws of the Board Handbook, including descriptions of trustee responsibilities. The Chair reported that there will be a review of the bylaws, including a detailed examination of roles and responsibilities of trustees and senior administration, before the 2010 Board elections. The review will seek to ensure all Board bylaws are aligned with the new “Bill 177: An Act to amend the Education Act with respect to student achievement, school board governance and certain other matters” (Bill 177).



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

- School Year Calendar Committee
- Staff Recognition Committee
- Grievances Committee
- Friends & Advocates of Catholic Education (FACE) Committee
- Transportation Committee
- Principal Contract Committee
- Special Education Advisory Committee (S.E.A.C.)
- Policy Committee
- Budget Committee
- Native Advisory Committee
- Negotiations Committee
- Religious Education Credit Advisory Committee
- Accessibility Working Group
- Employee Family Assistance Program (EFAP)
- Parent Involvement Committee (PIC)
- Suspension/Expulsion Appeals

The Chair uses information acquired from school principals and from senior administration to conduct an annual performance appraisal of the Director. The appraisal report is submitted to the Board and compared to the Director's documented performance goals. After consultation with the Board, the Chair provides a final performance appraisal to the Director.

Components of a code of ethics, including inappropriate trustee behaviour, are found in the Board's bylaws. A formal code of ethics will be developed as part of the Board's planned Bill 177 bylaw update. The Board should continue with its planned by law

review, ensuring updates of bylaws with key elements and requirements of Bill 177. A committee of Trustees has been formed to create a Board policy/procedures for a Trustee 'Code of Conduct'.

## **Development and Reporting of Annual Goals and Priorities**

In 2005, the school board developed a strategic plan for the 2005-2008 school years, but it has not since developed a multi-year strategic plan. Following the 2010 Board election, the school board plans to undertake a strategic planning process similar to the one followed in 2005.

The school board used an external consultant to help focus the 2005 strategic planning process, refining the school board's plan through consultation with key stakeholder groups. The strategic plan covered both academic and non-academic functions, setting five core goals: Catholic nature of system, governance and policy effectiveness, operational and fiscal effectiveness, academic excellence, and staff and leadership excellence. The plan contained operational components, designated responsibilities and timelines. The school board should follow processes, (including the stakeholder consultation and similar formats) used for the development of its 2005 strategic plan, and should include similar components in its current plan.

The Director has pursued ongoing education, and has used Ministry mentoring training, attending professional development at other school boards to further develop her abilities in strategic and operational plan development. Currently, each department is responsible for creating its own operating plan. The school board maintains a Board Improvement Plan (BIP) which includes some aspects of an operational plan, though it deals mainly with academic components.

The school board should develop a formal annual operating plan that will enhance operational effectiveness by demonstrating the alignment of the plan to the Board's multi-year strategic plan. This plan will increase accountability for senior administrative staff, requiring periodic reports to the Board on achievements and would cover all operations, human resources, financial management, and facilities management. This will also enable the various departments to track and report progress of their defined priorities and goals throughout the year. In addition, the annual operating plan will assist departments in developing annual plans that can be refreshed regularly without altering the overall strategic plan. Once these plans have been developed, senior administration should report annually to the board of trustees on their status and outcomes.

## **Decision-Making Process**

The Board and senior administration have appropriate processes in place for the establishment and regular maintenance of policies and administrative procedures. The school board's decision-making process is routine, and involves monthly departmental

updates to the Board. Board meeting agendas are presented to the trustees one week prior to Board meetings. The agenda setting process is organized through the Director's office by the executive assistant to the Director, who collects input on the agenda from senior administrative staff and trustees. Carry-over items from the minutes of the previous month's meetings are considered when developing the draft agenda that is then reviewed and approved by the Director and Chair. Once approved, the agenda is mailed to all Trustees. The school board has regular senior administration team meetings.

The Board considers issues that have policy implications, while issues of procedure or protocol are addressed by senior administration. The Board considers policy changes as recommended by the Director and senior staff, who help identify policies in need of review or updating. Existing policies are updated and new policies are introduced as required by Ministry directive. The Board should implement a formal process and a refresh cycle for all of its policies. The review cycle or schedule should be managed centrally and made available to all internal stakeholders to ensure periodic review of all policies across functional areas. This could include forming a policy committee.

### **Organizational Structure and Accountability**

The organizational structure and the roles and responsibilities of the school board's senior administration team has been formally defined and documented through HR job description documents. Job descriptions for all staff have been updated due to a recent pay equity review.

The organizational chart and contact information for school board staff is available to the public on the school board website. The school board's organizational chart provides details of responsibilities and clear reporting guidelines of school board staff.

The Director is supported by a team of five senior staff, including:

- Superintendent of Education
- Superintendent of School Effectiveness
- Manager of Finances
- Manager of Operations
- Payroll / HR Officer
- Student Success Leader (Principal)

## **Succession and Talent Development**

The school board does not have a formal plan for succession planning and talent development, and remains at the pre-implementation stage with respect to the Ontario Leadership Strategy. The school board reported that its succession and talent development efforts are largely focused internally, and that it attracts new staff primarily by targeting local institutions such as universities. All hiring and dismissals are presented by the Director as a recommendation to the Board for approval.

The school board has focused its efforts on academic staff to date. For example, the “Principal Leadership Incentive” policy and corresponding school board procedures were passed in 2004. The policy includes financial support for principals to complete parts I and II of the Additional Basic Qualification Principals’ Course, as well as professional development opportunities for principals who have been employed with the school board for more than two years. Despite the introduction of this incentive, which was developed to respond to the school board’s shortage of principals in 2004, the school board reports that attracting qualified principals remains a challenge.

The school board should develop a formal succession and talent plan for all staff groups. Components of succession planning processes exist and are currently in use, such as the “Principal Leadership Incentive”, but the school board should continue with its efforts, particularly with regard to its formalizing processes for academic staff and program capacity for non-academic staff. This plan will help build and sustain leadership capacity across all aspects and departments of the school board.

## **Stakeholder Engagement**

Management actively consults with stakeholders and receives input from Parental Involvement Committees (PICs) and the Ontario Parents Association. The school board reported recent challenges in recruiting for PICs, and has approached school councils to encourage parent engagement. Community input is obtained through the Board, as each trustee represent the constituents of one school. The school board reports that trustees maintain open communication with their communities, and constituents are aware that concerns raised with trustees will be considered at the Board level.

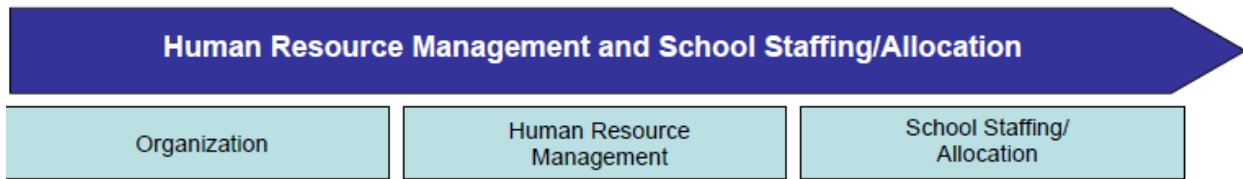
The school board’s community outreach efforts include a school year calendar highlighting all key school dates and events. The calendar is distributed throughout the school board’s various communities and to the family of each child. The school board sends a newsletter home to families once every three months during the school year. Local media take an active interest in the school board and individual school activities. The Director is using local radio appearances to increase the awareness of the school board across the region.

Members of the senior administrative team are actively involved at various provincial and national forums, including membership in the Northern Ontario Education Leaders (NOEL) and the Council of Ontario Directors of Education (CODE) among others such as OCSOA.

**Recommendations:**

- The board of trustees, using a consultative process, should develop and communicate a multi-year strategic plan that provides a framework for annual planning. This will provide direction to all staff on the Board's goals, and clear steps towards achieving them.
- Once the overarching strategic plan is developed, the school board should develop a formal annual operational plan aligned with the Board's multi-year strategic goals. This will also enable all departments to track and report progress on their defined priorities and goals throughout the year.
- Senior administration should report to the Board of Trustees annually on the status and outcomes of the school board's strategic plan and annual operating plan, once they are developed.
- The school board should consider establishing a formal refresh cycle for its policies, to ensure periodic review of all policies across functional areas. This could include forming a policy committee to consider policies for review or development.
- The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators. This should include senior staff in both academic and non-academic functions.

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



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

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

#### 3.1 Human Resources 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 departmental 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 organization and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a “No” indicates that an improvement opportunity exists.

## Development and Reporting of Annual Goals and Priorities

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

## Monitoring and Communication of Policies

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

## Development and Reporting of Annual Goals and Priorities

The Human Resources (HR) department pursues the objectives set in the department's calendar, which outlines required actions and tasks. The department does not develop a formal annual plan, but its activities are directed and monitored through senior administration and monthly reports to the Board.

The department should expand on the departmental goals calendar by developing an annual departmental plan, complete with measurable targets, designated accountabilities, and target timelines. The departmental plan should link department priorities with unit and individual performance measures and accountabilities, facilitate clear definition of roles, enable collaboration among the team members, and provide a roadmap for the department. The plan should be aligned with the school board's strategic plan and operating plan, once they are developed.

## **Organizational Structure and Accountability**

The department's organizational chart is current. As a result of a recent pay equity review, most school board staff job descriptions have been updated with the exception of the payroll/HR officer and executive secretary.

Department staff are qualified through a combination of work experience and degrees, which include individuals with CPA Payroll and HR Management Certificate Programs. The school board should examine whether the HR department maintains sufficient capacity to meet the requirements and needs of the school board with respect to the strategic plan objectives as they are developed.

At the time of the review, most activity within the HR department was aligned with supporting daily transactional functions and complying with mandatory Board and Ministry initiatives. As the department becomes more engaged in strategic level planning, the organizational structure should be re-examined to ensure that the HR department has sufficient capacity to adequately support new initiatives.

## **Monitoring and Communication of Policies**

HR has responsibility over a number of policies, including, hiring, employee family assistance program, criminal background checks, performance appraisal, allocation of staff, and employment equity. Compliance with HR policies, including those in collective agreements, is managed by superintendents, principals and HR staff. The HR department is required to provide information updates to the Board at monthly meetings.

Through initial new-hire orientation packages, new school board staff are aware of HR policy and administrative procedures. Issues arising from new legislation or Ministry requirements are communicated to staff via memos. New training requirements are also updated through the school board's online professional development (PD) system. The online system facilitates some training requirements for staff, and permits central management of all staff training records.

## **Recommendation:**

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



### 3.2 Human Resource Management

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

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

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

#### Staff Recruitment/Hiring

Leading Practices – Human Resource Management	Evidence of Adoption?
Recruitment policies and administrative procedures are reviewed annually, and are aligned with staff planning in support of student achievement.	No
The hiring policies and administrative procedures are standardized into one package for the respective staff groups.	Yes

#### Labour Relations

Leading Practices – Human Resource Management	Evidence of Adoption?
HR management and the board of trustees have established labour/management committees.	No
HR management has established policies and procedures to minimize grievances.	Yes

### Employee Performance Evaluation Processes

Leading Practices – Human Resource Management	Evidence of Adoption?
HR management has policies and procedures for an employee evaluation/performance system for all staff.	Yes
HR management maintains and communicates formal disciplinary policies and procedures for all staff.	Yes
The HR department actively supports the professional development activities of the school board.	Yes

### Attendance Management Processes/Programs

Leading Practices – Human Resource Management	Evidence of Adoption?
The school board maintains appropriate processes and systems to monitor staff attendance on a timely basis.	Yes
Attendance management processes/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 processes/programs to senior management and the board.	No

### Management of HR and Payroll Data

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

### Management of School Board’s Employee 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.	No
Employee data is automatically synchronized between the board and the external carriers (i.e. OTPP, OMERS and the board’s benefit provider).	Yes

Leading Practices – Human Resource Management	Evidence of Adoption?
Policies and/or procedures ensure the board's benefit plans are managed appropriately.	Yes

## Monitoring Staff Satisfaction

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

## Staff Recruitment/Hiring

The school board uses a mix of recruitment practices for academic staff. This includes attending recruitment fairs where applications are accepted on site. In addition, the school board posts all positions internally and externally (academic and non-academic) using local and regional newspapers, the school board website, and online job sites. Recruitment is on-going, although the department employs focused recruitment efforts at certain points throughout the year (e.g. in January, the department attends recruitment fairs at the regional university). All applications are tracked with paper records. The department accepts unsolicited applications during the year.

As part of the recruitment process, new academic staff are offered a forgivable three year loan to help cover the cost of moving expenses. This loan is contingent upon three years of full time employment with the Board, and is only considered fully repaid after those three years of employment. The loan program was implemented to help attract teachers to the school board from outside the region.

Although the school board maintains recruitment processes that meet its present needs, it should develop a formal recruitment policy to enhance existing processes, and overcome potential future recruitment challenges. This policy would cover organizational objectives, personnel policies, preferred sources of recruitment, the needs of the organization, recruitment costs, and financial implications. A formal recruitment policy will also ensure that the school board meets its long term staff recruitment and retention goals.

The school board maintains both a hiring policy and administrative procedure that set out the requirements of the hiring process. At the outset of the recruiting process, all positions must be posted internally. Internal candidates are given first consideration over external candidates for unionized positions. Applications are then reviewed and screened by the Director or hiring principal. On-site interview committees are

assembled when hiring academic staff, and may consist of a subset of the hiring school principal, other principals, superintendent, Director, and often, the local trustee. The committee interviews candidates forwarded from the initial Director or Principal resume screen, using standard interview questions, and makes recommendations to the Director, who in turn makes its recommendation to the Board. All new hires must be approved through the Board.

The department should consider developing a scoring system for the interview processes' standardized questions. These scores will increase the transparency of the process, and would provide a record in case any grievances arise from the hiring or promotion process.

### **Labour Relations**

The HR department and the Board have not established a labour-management committee. The school board should establish a labour-management committee composed of members of HR management, the Board, and the associated unions. This will provide an informal mechanism where management and unions can discuss labour issues and help mitigate potential grievances. In addition, these committees can also provide a platform for the school board to get feedback on potential policies being developed.

The manager of finance and legal counsel negotiates all collective agreements with input from the negotiations committee which includes trustees. The school board reports that proactive measures are taken to manage labour relations, including meetings between the Director and union leadership.

### **Employee Performance Evaluation Processes**

Presently, all academic staff are reviewed every five years and the school board reports that it is moving towards the five year cycle for all staff evaluations. The school board maintains employee performance and evaluation procedures for nearly all employee groups, including academic staff and the Director. The school board has yet to implement a performance evaluation process for superintendents and suggested that this is a priority for the coming school year. The school board should continue with its plan to develop a formalize superintendent evaluation process.

For new hire academic staff, the New Teacher Induction Program (NTIP) is used for training and evaluations. Information is sent to the Ontario College of Teachers as new teachers complete the NTIP. All academic staff evaluations are kept centrally by the Director of Education, while custodial evaluations are kept locally by the school principal.

Progressive discipline processes and standard HR letter templates are used by the school board, and these policies are communicated to all staff. The school board should consider tailoring the current generic progressive discipline process more specifically to its needs, as well as develop an HR binder that contains all discipline policies. The HR binder would be used internally and would help demonstrate and facilitate consistency and standardization of performance evaluation processes for supervisors and employees across the school board.

The school board provides PD for teaching and non-academic staff. PD is not centralized in one department, but is managed between HR, the superintendents, and school principals. PD takes place on an “as required” basis for academic staff. Requests for PD come from principals to superintendents and unions also provide input on PD to the school board.

The operations department maintains its own PD schedule and processes through the online PD system. Principals maintain independent, minimal PD budgets that can be used for their academic staff. *Ad-hoc* professional learning committees may be established at schools, when required by principals, to help address staff learning needs and help align academic PD with students’ needs. The principals have access to their own budget for their personal PD needs.

The school board continues to explore partnership opportunities with coterminous school boards, to provide PD programs for staff. HR does not set mandatory hourly requirements for PD, but rather monitors and facilitates mandatory and legislatively mandated training.

### **Attendance Management Processes/Programs**

The school board maintains appropriate processes and systems to monitor staff attendance. Day-to-day monitoring of staff attendance takes place at individual schools. Employees are required to call their supervisor when absent, and call-outs for replacement academic staff are conducted by school administration.

School attendance records are transmitted to HR monthly and input by departmental staff into the HR attendance management system. Through these monthly reports, department staff monitor accumulated staff sick days, and alert school administration if any member of staff is nearing his or her maximum allowable sick days. Senior administration is responsible for approving staff vacation days, while HR department staff track staff vacation days. The school board should consider increasing the frequency of school absenteeism reporting to HR department staff to enable closer monitoring of staff sick day usage. This change in procedure could be part of an updated comprehensive attendance management program.

School board-wide attendance management statistics are reported to senior administration annually. The attendance report permits an in-depth look at absenteeism statistics by employee group or location.

The school board is undertaking efforts with its long term disability (LTD) service provider to proactively return employees to their work environments. The provider has run sessions in each of the school board's communities, and reports regularly to senior administration on LTD issues. While the department may report attendance trends, these reports are not tied to targets or initiatives that are driven by a formal attendance support program or strategy. In this regard, the school board should formalize the program and then report to the Board on employee attendance, in comparison with set targets and in relation to the effectiveness of key attendance support initiatives. It is also recommended that the school board explore efficiencies in their attendance management systems, particularly concerning automated call-out processes.

### **Management of HR and Payroll Data**

The school board's payroll function is administered by the HR department, with compensating controls requiring all changes be approved by the manager of finance, thereby ensuring an appropriate segregation of duties. All full-time school board and part-time staff are enrolled in a direct deposit system, with only a small handful of casual staff opting out of using the direct deposit service.

New hires to the school board are required to produce necessary employment certification. The department synchronizes these teacher qualifications annually with the Ontario College of Teachers database. The school board reports that adjustments to payroll are occasionally required due to delays by the Qualifications Evaluation Council of Ontario (QECO) in updating teacher qualifications in HR records.

The HR department administers a pay equity plan for all employees. The most recent pay equity review (March 2009) updated the school board's existing pre-amalgamation pay equity plans.

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

The HR department reports that the school board's insurance carrier policies will soon be audited internally. A third party has provided the school board with a quote for an external audit, but the service was deemed cost prohibitive.

The school board will conduct internal audits of all large-scale costs and charges placed through its insurance carrier. The school board should continue with its review plans, and should consider conducting third party compliance audits of the school board's insurance carrier to ensure adherence to the benefit plan's terms and conditions. These in-depth external reviews can ensure accuracy and validity of claims paid.

The HR department transmits employee and employer contributions to the Ontario Teachers' Pension Plan (OTPP) and the Ontario Municipal Employees Retirement System (OMERS). This is done monthly, and accounts are reconciled yearly, ensuring accurate and timely enrolment of all eligible employees.

The school board has developed procedures to ensure that its disability plans are managed appropriately through HR management, school administration, and third party monitoring. School principals, along with HR management, administer disability management plans, and both parties, with the help of OTIP, manage and lower WSIB and LTD costs. Disability plans are managed as an Administrative Services Only (ASO) arrangement, and there is periodic reporting to the Board on the cost of such plans. Staff do not benchmark plan costs with other school boards, although ongoing comparisons and monitoring is provided by the school board's third party plan providers. The school board should continue with this practice, while exploring more direct comparisons with other school boards.

### **Monitoring Staff Satisfaction**

HR does not formally survey staff for feedback or measurement of general attitudes or for levels of satisfaction with the services of the HR department, and there are no formal exit interviews conducted by management of any department.

While the school board experiences a low turnover, practices such as staff surveys and exit interviews can provide management with valuable input for PD and policies that impact future employee relations. The school board should consider implementing both practices.

### **Recommendations:**

- Management should develop a recruitment policy and ensure it is reviewed annually to align staff planning with student achievement.
- HR management and the board of trustees should establish labour management committees.
- Management should continue to develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance across all employee groups.
- Management should periodically report to the Board and senior management on the effectiveness of its attendance management program, once it is in place.

- Management should consider conducting compliance audits of the school board’s insurance carrier to ensure adherence to the benefit plans terms and conditions. This will ensure accuracy and validity of claims paid.
- Management should consider developing staff satisfaction surveys which would include all employee groups. 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.

#### Processes for Annual Staff Planning and Allocation

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



## Monitoring and Reporting on Staff Allocation

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

## Processes for Annual Staff Planning and Allocation

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

The school board’s staffing process is not centrally coordinated. Staffing levels for different staff groups are authorized by different departments and members of senior administration. Education Assistant (EA) allocation is determined by the Director, in consultation with the superintendent of education. Custodian allocation is determined by the manager of operations. The Director is solely responsible for the final allocation of teachers and all other staff.

Changes to academic staffing allocations are submitted by principals to the Director each year by the end of April. The process for academic staffing is managed using the school board’s “Proposed Organization Chart”, which provides comparisons of current year staffing levels versus proposed staffing levels for the coming year. Principals complete these charts and submit them to the Director. The Director then consults with the individual principals and makes changes to the draft charts. Once approved, the Director forwards the charts to the manager of finance, who builds staff allocations into the budget, along with staffing allocations for EAs, custodial, and other staff.

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

The school board has recently formed a Joint Staffing Committee, a union–management working group whose task is to provide input to staffing allocations. Yearly staff allocations are presented to the Board through the budget package.

#### Elementary Academic Staff

The allocations for elementary teachers are determined by enrolment projections, legislated class size requirements, collective agreement provisions, and program and student needs. Allocations are reviewed by the Director. Staffing is aligned with the special education allocation to ensure that the needs of students in this area are met.

#### Secondary Academic Staff

N/A

#### Principal and Vice-Principal Staffing

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

#### Educational Assistants (EAs)

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

#### Secretarial Staffing

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

#### Custodial Staffing

The allocation of custodial staff is based on square footage, number of rooms, enrolment and staff at each school, set against the amount of available funding. Custodial staff allocations are not included in collective bargaining and are done in conjunction with the manager of operations.

#### Para-Professional Staff

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

## Non-union Board Staff

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

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

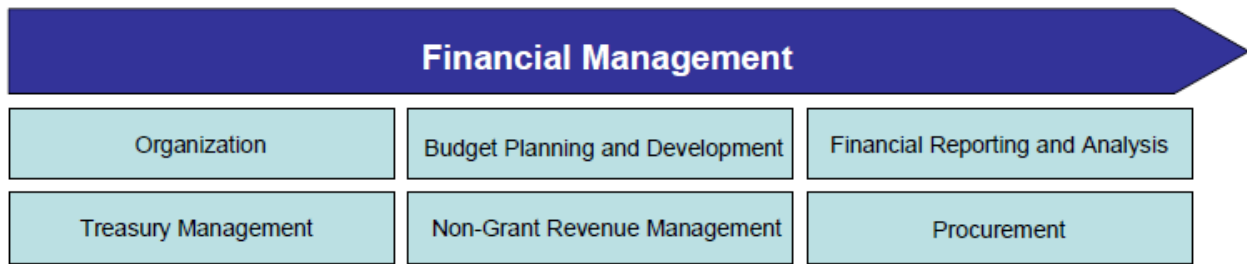
Systems are in place and accessible to both HR and finance to track staff levels. The director receives monthly staffing reports, including summary of staffing levels at each school. Allocation reports are made to the Board, though there are no mandated requirements for such reporting. Only the secretarial staff allocation model is approved by the Board. In-year changes to allocation models are made once they are approved by the Director. Contingencies are built into EA budgeting for changes to in-year special education requirements.

Management's plan for providing student support services and staffing is ensured through ongoing monitoring of student success measures and feedback from school principals, as well as academic staff. EQOA results are presented to the Board and trustees are provided with the results of their individual schools.

### **Recommendation:**

- The school board should implement policies and procedures to govern the development of an annual staffing plan and allocation process so that it reflects the priorities of the Board and Ministry initiatives.

## 4. Financial Management – Findings and Recommendations



The financial management of the school board ensures the efficient and effective use of fiscal resources. Financial management ensures that the annual budget is developed within the Ministry’s allocation and is aligned with student achievement targets. It also ensures that appropriate financial policies and procedures are in place to manage resources. Financial and related business processes contribute to an appropriate level of transparency in the allocation and use of the budget by the various departments. They also ensure that the reporting of results to the Board 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 fieldwork, which included interviews with all key finance management staff, as well as follow-up and confirmation of information.

### 4.1 Finance Organization

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

- The establishment of policies and procedures to support the key finance functions, activities and required business priorities and their alignment with student achievement targets;
- Financial department support of the overall goals/priorities and accountability measures established by the school board;
- The efficiency and effectiveness of department 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 operating plan accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified accountability.	No

### Organizational 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 Policies

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

### Development and Reporting of Annual Goals and Priorities

The manager of finance manages departmental goals through an annual calendar that tracks tasks and responsibilities. The department has not developed a formalized annual departmental plan. The calendar is updated yearly and in collaboration with senior administration providing an ongoing up-to-date account of managerial responsibilities. During the year, the manager of finance attends principal and Board

meetings to capture items that may be included in the departmental calendar or annual budget.

Management should consider developing an annual departmental plan, complete with measurable targets, designated accountabilities, and target timelines. Although the calendar uses indicates day-to-day responsibilities, a departmental plan would be aligned with the school board's annual operating plan and in turn be guided by the overall strategic plan. This plan would help link department priorities with performance measures and accountabilities, facilitate clear definition of roles, enable collaboration among the team members, and provide a roadmap for the department.

### **Organizational Structure and Accountability**

The finance department reports to the manager of finance. Department staff have updated and clearly defined job descriptions delineating roles and responsibilities on account of a recent pay equity review. Up-to-date contact information for key finance staff is posted on the website, and the organization chart is current. The manager of finance has the appropriate experience to perform his duties and is a Chartered Accountant.

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

The department is responsible for developing finance and administrative policies, including:

- Catholic school tax support
- Transportation
- Travel expenses
- Purchasing
- School fundraising
- Disposal of surplus material
- Use of corporate credit cards

Department policies and procedures are monitored for compliance by the manager of finance, and are enhanced by training provided to school board employees and school staff. Departmental training builds staff capacity in the understanding of finance policies and procedures. An example of staff training included updating principals on a newly released Ontario Association of School Board Officials (OASBO) manual, "Guidelines on School Generated Funds". To ensure full adoption, one chapter of the manual was

released per month, accompanied by finance department training and support. The school board reports its purchasing policy is closely monitored for compliance.

**Recommendation:**

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

**4.2 Budget Planning and Development**

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

- Understand the linkages between the Board’ 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.	Yes
Management has adopted an integrated (at school board and school levels) approach to enrolment forecasting that drives the budget process.	Yes
Budget development processes account for all required cost and revenue changes.	Yes
Staffing costs are compared with similar school boards and the funding model to ensure efficient use of resources.	Yes

## Risk Mitigation and Board Approval

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

## Annual Budget Development Process

The school board maintains an annual budget development process that is transparent, clearly communicated, and incorporates input from key stakeholders. The budget development process begins with enrollment projections developed by finance department. The school board reports it is experiencing an ongoing three to five percent decline in enrollment annually. These projections take into account regional demographic and economic trends, and are organized in a departmental spreadsheet. Proposed organization charts, describing staffing allocation scenarios are collected from principals all schools. Staffing and enrollment projections are used to prepare costing estimates for the following year.

After the department identifies staffing cost estimates, grant and Ministry initiative information is considered to calculate individual school budgets. All grants are tracked in a departmental spreadsheet that allows comparison over previous years. Reports comparing yearly grant levels are produced monthly and help inform the budget monitor process. Utility costs are also considered when developing the budget, and there is a cost centre that usually changes year over year. The draft budget is reviewed line-by-line with the Director prior to being shared with the trustee budget committee. The manager of finance presents summary highlights of the budget to the board, along with comments from the budget committee, for approval. The school board reported that a key area of focus for trustees is staffing costs. It also reported the department explored options for comparisons of staffing and other costs with comparable school boards, but did not find a school board of similar size or location.

## Risk Mitigation and Board Approval

The department is aware of some key risks faced by the school board, and takes steps to monitor financial records appropriately. The school board tries to build contingencies into budget planning, although have in past years relied on special purpose reserves and a program enhancement budget in case of over budget spending. Over spending risks are mitigated by monitoring financial transactions and records by the finance



department and senior administration. Departmental oversight ensures that budget holders are made aware of spending that could bring them close to their budget maximum prior to giving approval. The department also mitigates budget risks by producing monthly budget-line reports for principals and senior administration.

Although there are a number of processes in place to mitigate budgetary risks, they are not formalized in a risk management policy or document. The department should consider consolidating key risks and mitigation strategies in a single risk plan. This risk plan would be documented and presented to senior management and to the Board as part of the budget development process. The key opportunities for risk identification and mitigation occur throughout the year at periodic reporting stages, where senior administration and trustees review any variances on accounts.

Board members are well informed of the budget development process. Prior to the budget presentation, trustees receive budget documents, including a specially developed highlight document, which provides a high level overview of the budget and focuses on areas of interest. It is reported that the Board has a high degree of confidence in the budget committee's review of the budget document and involvement in the budget development process. As such, the budget presentation to the Board focuses entirely on the highlights document. Yearly budgets are linked to Board Improvement Plans and capital plans, and are closely linked to school board priorities once developed. The Board is kept apprised of the budget throughout the year, and any in-year changes require special approval of the Board.

Suggested enhancements to the budget risks reporting process:

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

At the beginning of the budget cycle:

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

Throughout the budget cycle:

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

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

**Recommendation:**

- The finance department should consider consolidating key budget risks and mitigation strategies into a single risk plan

**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 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.	No
Management completes and files all financial reports in accordance with established timelines.	Yes

## Audit

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Management maintains an independent internal audit function.	No
Internal audit plans are clearly documented. Internal audit report recommendations are followed up and acted upon by management.	No
The board has an audit committee with external members 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.	Yes

## Integrated System for Variance Analysis and Financial Reporting

The school board uses an integrated financial system to record, track, and report financial data. Over the years, the system has been upgraded by the software provider to suit the needs of all of its school board clients. General ledger, procurement, accounts payable, and payroll recording functions are part of the overall financial management system that is hosted internally at the board. The same system is in use at the coterminous English public school board, although both the systems have become incompatible as a result of changes and updates made to each system independent of one another. The manager of finance creates and manages all general ledger accounts, and produces monthly reports on each cost centre.

## Interim and Annual Financial Reporting

A number of factors, including variances in actual enrolment versus projections, contract negotiations, macro-economic trends, and Ministry directives, can produce in-year variances between budget estimates and actual costs. Interim financial reporting allows

management to track these variances, and communicate them to the trustees and other key decision-makers.

The school board produces monthly interim financial reports which are developed by the manager of finance for senior administration and the Board. These reports compare actual over budget estimates. Reports are only provided by the department monthly from January to August. The manager includes notes explaining any variance of material difference in the monthly report. Reports are not produced monthly from September – December as it is early in the budget year.

Interim financial reports are distributed to trustees one week prior to the Board meeting. However, they do not include calendarized reporting, which is a snapshot of the year-over-year spend comparison. The reports also do not include formal sign-off by senior management.

In this regard, the school board should ensure interim financial statements are formally signed off by senior management, to ensure the integrity of financial reporting. The department should also expand on existing financial report templates, to incorporate the recommendations made by the Committee on Interim Financial Reporting for School Boards, released September 2009. Enhancements should include calendarized reporting, with historical expenditures as a benchmark for comparison. Ensuring financial reports provide detail over same period of the previous year will permit the school board to bench-mark against its self. This benchmarking will ensure a clearer picture as to the school boards financial performance year-over-year. It is suggested that the school board explore automating this process within their financial management system so to provide for easily accessible year-over-year comparisons and the ability to comment on year-over-year variances.

## **Audit**

The school board currently does not have an internal auditor, nor does it maintain the capacity to delegate such responsibilities. An auditor would provide added assurance that the internal controls established by management are operating effectively, and are in compliance with policies and procedures. Developing a mandate for the internal audit function would assist the senior administrative team and the Board in their overall governance and accountability roles. The internal audit function could also help develop performance measures and indicators for programs and services. The proposed internal auditor would report to the Board's audit committee. Annual audit plans should be clearly documented and audit report recommendations should be followed up and acted upon by management. Audit plans should also be approved by the audit committee.

The ministry's direction on internal auditing in school boards continues to evolve, with a regional model emerging as the preferred option. The school board should further

enhance its internal audit capabilities, once there is a clear boundary on the scope of the function and the associated delivery / funding model.

The school board has a separate budget committee that acts somewhat as an audit committee. However, they reported that they do not yet have external members on this committee. The creation of a separate audit committee and the addition of external advisors to serve on the committee should be considered.

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

The committee has reviewed the responses to the tender for third party auditors. The current auditor provides the Board with a management letter which is followed up by the manager of finance with a presentation before the Board. The external auditor has in the past presented findings directly to the Board. The Board should consider having the auditor present its findings to the audit committee, who would then be responsible for presenting findings to the Board.

### **Recommendations:**

- The department should develop calendarized reporting that uses historical expenditures as a benchmark for comparison. This will provide more accurate information on whether variances are in line with historical spending trends.
- The school board should ensure interim financial statements are formally signed off by senior management to ensure the integrity of financial reporting.
- Management should consider establishing an internal audit function giving consideration to the emerging Ministry direction to establish regional models for internal audit across the school board sector.
- When the school board establishes an internal audit function, it should ensure any internal audit plans are clearly documented and that internal audit report recommendations are followed up and acted upon by management.
- Management and the Board should consider including external advisors on the Board's audit committee in accordance with the Ministry's emerging direction.

## 4.4 Treasury Management

The purpose of reviewing treasury management processes is to assess:

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

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

### Cash and Investment Management

Leading Practices – Treasury Management	Evidence of Adoption?
Existence of an efficient cash management process to maximize interest income, using short-term investments where appropriate and to ensure that the board’s debt service costs can be met to maturity.	Yes
Cash management activities are consolidated with a single institution.	No
Management periodically reports to the board on the performance of the investment activity and the approved investment policy in accordance with the <i>Education Act</i> .	Yes
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.	Yes

### Cash and Investment Management

The school board’s cash management process is efficient, minimizing idle cash by monitoring daily cash flows against forecasts. The manager of finance manages school board banking online, and through a close relationship with the school board’s bank. The department holds the majority of its cash in a current account and multiple designated reserve accounts. These accounts require Board approval for use. The school board reports on its investment activities annually as required by legislation.

The school board makes minimal use of manual cheques, which require two approved signatures. There are no standard practices for the control of school-based cheques, other than the department encouraging principals to take precautionary measures. The manager of finance completes reconciliations of municipal taxes across its 10 municipalities, and compares them against the municipal distribution of taxes at the end of the fiscal year.

All of the central school board's banking is done with one financial institution. Management has not, however, consolidated cash management activities for all schools. The current banking structure is due to the geographical size of the school board and the number of remote locations that only have reasonable access to one community bank, which may not be the same financial institution. The school board should consider consolidating cash management activities with a single institution, where feasible. The school board last issued a Request For Proposal (RFP) for its banking services at amalgamation, and has compared its arrangement with other boards. The findings show it is receiving favourable rates.

Management monitors cash management practices for risk and unusual transactions. The department prints cheque registers and reviews all cheques. A separate report of cheques over \$5,000 is printed from the system. The Board does pay some of its debenture payments via on-line wire transfers, which are prepared by the Manager of Finance. A printout of the transaction is signed by the Director as secondary approval function. Otherwise there are no wire transfers used. No internal or external audits are conducted of the school board's treasury management system.

**Recommendation:**

- The school board should consolidate cash management activities with a single institution, where feasible.

#### **4.5 School-Based Funds and Non-Grant Revenue Management**

The purpose of reviewing school-based funds and non-grant revenue management processes is to:

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

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

### Management of School-Based Funds

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

### Management of Non-Grant Revenue

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

### Management of School-Based Funds

The department ensures adequate controls are in place to safeguard school-based funds, and follows OASBO guidelines. Annual reporting of revenues and expenditures from schools and school councils is reviewed by the manager of finance. The school board reports trustee involvement in school councils ensures that all funds raised are used for intended purposes. The school board maintains an administrative regulation regarding fundraising that details rules and procedures for establishment of funds, accounting for funds, receipts, payments, reporting and verification of funds. This document clearly outlines expectations and responsibilities for all parties involved in fundraising at the school level, including the requirement for all funds to be deposited in full to the school bank as soon as possible.

Schools principals submit petty cash receipts to the department of finance, and cash is then reimbursed to the school through the Secretary. All school-based funds are kept by school secretarial staff, in locked areas when available.



## Management of Non-Grant Revenue

The school board collects very little non-grant revenues, and has formal controls in place to safeguard non-grant revenue and coordinate the annual reporting of revenues and expenditures from all sources. The school board reported that non-grant revenue is received through interest payments, tuition fees, and Workplace Safety and Insurance Board (WSIB) payments. No revenues are currently received from community use of the schools. Since the school board recently purchased an online booking system for school facilities and is considering ways to increase their use, this policy may bear reexamination. The school board reports little bad or outstanding debt, and maintains processes to control for bad debt, including reminder statements sent to outstanding accounts, should this situation occur. The secretary/transportation officer is responsible for the regular deposit of all cheques received.

Education Program – Other (EPO) grant information is received by the manager of finance, who creates special accounts for each grant in the school board’s general accounts. The EPO grant is designated to a budget holder and this information is transmitted to appropriate staff. As funds are used, purchase orders are made against the EPO account. The superintendents review monthly EPO grant reports from the manager of finance to ensure funds are spent for the purpose of the grant.

### 4.6 Supply Chain/Procurement

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

- Whether supply chain/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 support the procurement and related payment process;
- Whether school board processes ensure value for money from all acquired goods and services;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

## Policies and Procedures

Leading Practices – Supply Chain	Evidence of Adoption?
Approved supply chain/procurement policies and procedures are clearly communicated to staff with purchasing authority and are periodically reviewed and updated.	No
Approved procurement policies clearly outline circumstances under which the board will use competitive versus noncompetitive procurement methods.	Yes
Contract award criteria include elements other than the lowest cost, such as total cost of ownership, value, quality, vendor performance, etc.	Yes
Purchasing managers monitor purchasing activities for compliance with the Board's procurement policies and procedures.	Yes

## Participation in Group Purchasing Initiatives

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

## Purchasing Levels of Authority

Leading Practices – Supply Chain	Evidence of Adoption?
Purchasing authorization levels are commensurate to job roles and responsibilities and are monitored for compliance by a supervisor or department head.	No

## Policies and Procedures for PCard and Corporate Card Use

Leading Practices – Supply Chain	Evidence of Adoption?
Policies and procedures for the use of PCards and corporate credit cards are documented and communicated to users through regular training and monitoring.	No

## Accounting for Completeness of Purchase/Payment Cycle

Leading Practices – Supply Chain	Evidence of Adoption?
The school board's finance department performs three-way matching (purchase order, receipt/invoice and inspection) before invoices are paid.	Yes
Commitment accounting is in place to monitor budget utilization.	Yes
Management has implemented electronic supplier interface for ordering, processing and payment.	No

## Use of Electronic Funds Transfer

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

## Policies and Procedures

The school board does not maintain approved procurement policies or procedures that are aligned with the Supply Chain Secretariat's Supply Chain Guideline 1.0. However, the school board's current purchasing administrative regulation does have components of the guidelines in place. For example, the school board's regulation document outlines procedures for purchasing, though it does not detail a procurement code of ethics for school board staff. However, OASBO purchasing documents are followed, and include some level of ethics guidelines.

The school board should develop a procurement policy that clearly articulates a procurement code of ethics. Once this is developed, the policy should be communicated to staff with purchasing authority, and periodically reviewed and updated.

The travel expense guidelines apply to all school board staff and the Board. School board staff travel expenses are approved by their supervisor or the Director, while the Director's travel costs are approved by the Chair. The Chair also approves the travel costs of the other trustees. The Chair's travel costs are approved by the manager of finance. Five members of the senior administrative team and the secretary/transportation officer have access to one corporate travel card, which the executive secretary reconciles. All expense reimbursements are processed by the finance department.

The school board's purchasing administrative guideline does outline circumstances where the school board uses competitive versus non-competitive procurement. Single sourcing is used by the IT department when long standing contracts or purchase

agreements are in place. POs are not required for purchases under \$200, and RFPs are used for all purchases above \$5,000. All purchases or contracts for school construction must be tendered publicly and the school board outsources all of its tendering to a third party. The school board does not maintain a formal vendor of record (VOR) list, though such a list is kept informally through the operations department.

### **Participation in Group Purchasing Initiatives**

The school board has developed strategies to increase purchasing power and minimize the costs of goods and services procured. The school board participates in purchasing consortia, including membership in the Northern Ontario Educational Leaders (NOEL) organization, whose members collaborate on joint purchasing and PD activities. Five of the school board's nine schools facilities are shared with the *Conseil Scolaire de District Catholique des Aurores Boréales*. The school board does not uniformly share purchasing practices across all shared schools, though it is reported that some schools share custodial product purchasing, while other schools will combine to share purchases of photocopiers and other equipment.

Past joint purchasing agreements between the school board, a coterminous board, and a number of local municipalities encountered logistical problems because of the difference in size of the groups' members, as well as the vast geographic distances involved. As a result, this group was disbanded. The school board has begun a relationship with the Ontario Education Collaborative Marketplace (OECM), signing agreements for office supplies and paper products.

### **Purchasing Levels of Authority**

All purchasing submitted through PO's must be approved by the manager of finance. Given the limited number of steps involved in purchase approval, the board purchasing policy does not provide any information regarding approval thresholds by role. The school board should ensure that the requirements for single level approval by the manager of finance and the dollar thresholds for purchasing employees are clearly stated in the purchasing policy.

The school board has budget controls within the financial system and guidelines for the use of POs and tendering. These should include approval levels that are commensurate with all job titles/roles, with the authority to create or approve purchases in the new policy. In this regard, the school board should consider reviewing thresholds to ensure that current procurement needs can be met efficiently.

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

The school board does not currently have a PCard program, but indicates it will evaluate a potential PCard program in the near future. The school board noted that

some vendors in its jurisdiction may not have the capacity to accept PCards, and that this would be considered in its evaluation. The school board currently uses a petty cash system for small dollar purchases, and one corporate credit card is used for senior administrative staff.

A preferred practice used extensively across the school board sector is to target low dollar value transactions through a PCard program. The use of petty cash creates additional labor-intensive work for all staff, and also exposes the school board to increased risk. The school board should perform an analysis of low dollar spending, to determine whether the cost of adopting PCards would be justified in the reduction of administration, and risk, for both high-volume, low-value invoice transactions and petty cash purchases.

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

POs and cheque requisitions are used for the majority of purchases and three-way matching is performed by the finance department through a manual paper system.

The process begins when a request is made, typically at the school level. Requisitions or draft POs are created by the requester using the Board's word processing template. The draft PO is then signed by the requester's supervisor or principal, who then sends it to the manager of finance for review and approval provided there is sufficient budget. A copy of the requisition is kept at the school as a record of the original request.

Once a requisition has been approved by the manager of finance, the requisition is converted to a PO in accounts payable, where it is assigned a PO number and entered in the financial system, creating an encumbrance against a budget line. Accounts payable will then fax or mail a copy of the PO to the vendor and keep a copy for accounts payable records. A yellow copy is then printed and sent to the original requester as confirmation that the PO has been dispatched to the vendor.

The majority of goods are drop-shipped to schools. Once received, orders are manually confirmed by the requester, matching the packing slip to the school PO record and the yellow paper PO received from accounts payable. The purchaser will send a copy of the packing slip to accounts payable along with a copy of the PO indicating which items have been received. Accounts payable will match it against their invoice before payment is made and the encumbrance is relieved. Partial shipments only receive partial payments. When all items are received or when a PO is to be closed, the original yellow copy of the PO is sent to accounts payable. All vendor payments are made via cheques, printed through the financial system and mailed to the vendors.

Although the school board performs three-way matching, it should explore automating the process using the financial system, to avoid the current duplication of manual effort, and reduce the amount of paper and filing required to support the current process.

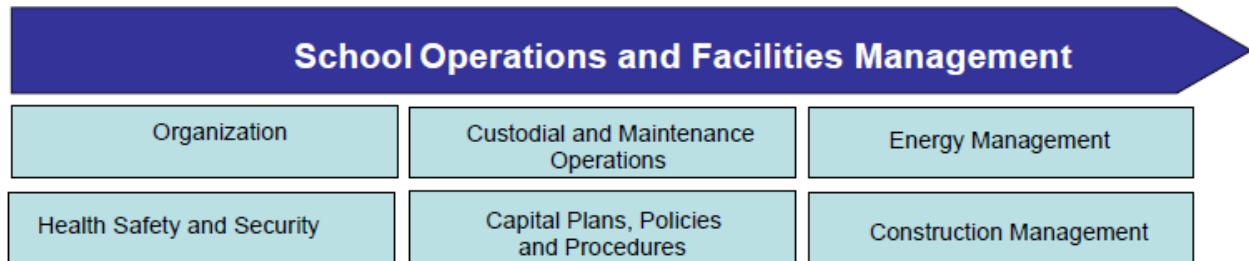
## **Use of Electronic Funds Transfer**

The school board uses Electronic Fund Transfer (EFT) payments for employee payroll. However, it does not use EFT to pay the majority of its suppliers. The school board should expand the use of EFT in the purchasing payment cycle, to maximize efficiency within the finance department.

### **Recommendations:**

- The school board should review existing supply chain and procurement policies, ensuring they aligned to the Supply Chain Guideline 1.0, communicated to staff with purchasing authority and are periodically reviewed and updated.
- Management is encouraged to develop guidelines that ensure purchasing authorization levels are commensurate with job roles and responsibilities and that such levels are monitored for compliance by a supervisor or department head.
- The school board is encouraged to consider implementing the use of PCards for appropriate school staff. PCard use can reduce the volume of supplier invoices to be processed and can be a more efficient means of local purchasing. Appropriate control procedures would be put in place to support the use of PCards.
- Management is encouraged to implement an electronic supplier interface for ordering, processing, and payment. This is an opportunity for increased process efficiencies.
- Management should continue to explore additional Electronic Fund Transfers (EFT) opportunities to maximize efficiencies.

## 5. School Operations and Facilities Management – Findings and Recommendations



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

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 fieldwork, which included interviews with all key school operations and facilities management staff, as well as follow-up and confirmation of information.

### 5.1 Operations and Facilities Organization

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

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

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

### Development and Reporting of Annual Goals and Priorities

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
The School Operations and Facilities Management department’s goals and priorities are documented in an annual department plan. They are aligned to the annual board operating plan, accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified responsibilities.	No

### Organizational Structure and Accountability

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

### Monitoring and Communication of Policies

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

### Development and Reporting of Annual Goals and Priorities

The manager of operations uses the ReCAPP system, as well as input from principals and custodial staff, to establish an annual departmental plan. The departmental plan



does not, however, incorporate measurable targets with specific timelines or identified responsibilities. The manager of operations is held accountable to the department's goals, through monthly reports to the Board.

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

### **Organizational Structure and Accountability**

All staff within the department report directly to the manager of operations. The department's job descriptions are maintained by HR and were most recently updated upon a review of the pay equity process. Each position has a corresponding job fact sheet with associated time-in-motion study results that were developed by the school board to measure time requirements of daily job activities.

Full-time custodial staff are assigned to individual schools, are held directly accountable to the school's principal and are qualified for roles through previous work experience and training. The school board does not employ maintenance staff, since all maintenance and trades work is outsourced.

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

The department has responsibility for a number of policies and procedures, including health and safety annual inspections, daily water flushing, and building and grounds inspection. The department's administrative procedures can be found on the school board's website, and they include inspection forms and guidelines. The conditions of facilities are assessed monthly by the manager of operations. In addition the manager maintains up-to-date ReCAPP information and, with the expertise of an external consultant, conducts full site inspections of each facility every two years.

The department maintains an ongoing professional development (PD) schedule for its staff to facilitate their understanding of operations policies and administrative procedures through its online PD provider.

Much of the department's training is done online or through departmental PD days. External vendors are used to help provide training on new products and custodial supplies.

The Ministry sends all communications regarding newly legislated requirements and procedures to the school board’s executive secretary, who in turn distributes the information to the manager of operations and staff. The Director is copied when messages regarding new policies or procedures are sent to departmental staff.

**Recommendation:**

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

**5.2 Custodial and Maintenance Operations**

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

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

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

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

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The school board has adopted cleaning standards for schools and has developed a standard set of processes and tools to monitor, manage and report on results.	No

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The school board has implemented a formal green clean program as part of its overarching Education Environmental Policy.	No
Management’s custodial/maintenance allocation model optimizes the use of staff and considers various factors (e.g. square footage, portables, gyms, etc).	Yes

### Development of Annual/Multi-Year Maintenance Plan

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Using a consultative process, senior administration develops and communicates a multi-year (three to five years) plan for major maintenance and renewal projects. The plan addresses the board’s preventative and deferred maintenance priorities and optimizes the use of available funding (Annual Renewal Grant and Good Places to Learn funding) The plan is approved by the Board and accessible by the public.	Yes

### Training to Support Skills Development and Safety

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

### Standardization of Cleaning and Maintenance Supplies

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Management uses an inventory system to track and control major cleaning and maintenance equipment.	No
Management has defined common standards to ensure efficient procurement of supplies in order to minimize costs, promote energy and operating efficiency, and environmental sustainability.	Yes

### Project Management, Monitoring and Support Systems

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

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Senior administration regularly evaluates the overall effectiveness and efficiency of its maintenance and custodial service delivery model.	Yes

### **The Board’s Staffing Model/Allocation Supports the Cleaning Standards and Maintenance Requirements**

Management reported that principals are responsible for ensuring that schools are maintained at an acceptable level of cleanliness. Custodial staff use a cleaning chart to ensure tasks are completed when required. An annual formal inspection of school cleanliness is completed by the manager of operations and a representative from the health and safety committee. Although the school board has adopted a standard set of processes and tools to monitor and manage custodial cleaning, they are encouraged to consider increasing the frequency of formal facility inspections. Increasing the frequency of inspections would help ensure the tracking of consistent levels of cleanliness across the school board.

Complaints regarding school facilities are received by the school principal and forwarded to the manager of operations for remedial action. If the manager of operations deems it necessary, they will pass the complaint to the school’s health and safety committee.

The school board has not implemented a formal green clean program. However, it has begun using different green products across its schools to evaluate their effectiveness. This includes testing environmentally-friendly cleaning supplies and floor finishes at selected school facilities.

There are increased pressures to adopt green cleaning products, due to Ministry guidelines and facility upkeep at school facilities shared with the coterminous school board. At a number of shared school facilities, the coterminous school administration aims to use all green cleaning supplies in their school facilities. As a result, the rate of adoption of green cleaning supplies is higher in some school facilities. The school board should move towards the implementation of a formal green clean program at all sites examining the ministry’s Green Clean Program Resource Guide for potential program direction and improvements.

The school board’s custodial staffing allocation model optimizes allocation of its custodial staff, and is based on a predetermined allocation of square footage, number of rooms, enrolment and staff at each school. The school board recently completed a time and motion study of custodial responsibilities, which reduced the area allocated to each custodian. The allocation model has been approved by the Board.

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

Management develops a multi-year maintenance plan for maintenance and renewal projects. The school board's multi-year maintenance plan is developed using a third party online facilities maintenance tool, as well as input from principals and custodial staff. The departmental maintenance tool will be updated in the coming year, with the capacity to plan, schedule and track yearly preventative maintenance. Presently, regular maintenance is tracked using logbooks at individual schools. These logbooks are filled out by trades people, who are contracted to complete work at the various facilities. Purchase orders are used on new construction, maintenance projects and material.

The department clearly distinguishes between regular maintenance and major school renewals that are tracked through the ReCAPP system. As part of the annual budget process, the department allocates budgets to major planned renewal projects, and maintains a separate operating fund that is used for unplanned repairs not classified as capital projects. Principals maintain individual school budgets used for minor school maintenance. Maintenance projects, unless urgent, are completed during the summer months, based on departmental funding.

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

The school board has training programs in place for all custodial staff. Training is completed online and in person during annual PD days. The department staff also attend mandatory PD day training every three years.

The online training is managed by the school board's online PD system, and is monitored by management producing reports when required. Annual online training includes, among other things, ladder safety, electrical safety, and lock out/tag out. Annual PD days cover training modules for water flushing, hot work permitting, and fire protection maintenance. These training days may be attended by department suppliers and vendors, who provide required training on new products or procedures. In addition, every three years, a staff PD day covers confined space awareness, emergency first aid, workplace violence and housekeeping, as well as required updating on custodial procedures.

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

The school board does not have an inventory system to track its major cleaning or maintenance equipment. Rather, the operations manager reports that he knows the location of all major department equipment pieces (e.g. hallway scrubbers).

Maintenance of custodial equipment is done on an as-needed basis, with no schedule maintained. The school board reports that there are very few pieces of custodial equipment that require maintenance as part of their life cycle. The school board should

develop an inventory system to track and control major cleaning equipment, to ensure that appropriate maintenance is provided for each piece of equipment.

Management has defined common standards to ensure efficient procurement of supplies and equipment since all departmental purchasing is done centrally. Custodians will fax orders for custodial supplies to the manager of operations, after having the order approved and signed by the school principal. The manager references orders against existing school custodial budgets, giving approval where appropriate. Once approved by the manager of operations and the manager of finance, the operations department staff assign PO numbers to orders, which are then transmitted via fax to the appropriate vendor. All orders are drop-shipped, as the school board does not maintain a warehouse. The school board should consider standard or joint purchasing with coterminous school boards to increase efficiencies in any shared facilities.

### **Project Management, Monitoring and Supporting Systems**

Management tracks and records its work orders through its facilities maintenance tool. POs are entered through the online portal and approved by the manager of operations, who then assigns appropriate contractors and timelines online. The web-based facilities maintenance tool allows staff to input and track time required for POs. The manager of operations can monitor the progress of particular projects with the online system.

In January 2006, an external consultant examined the quality of custodial work at one shared school, with a detailed time and motion study. The findings of the report allowed for changes to the custodial staff allocation model, and provided a clear picture of departmental staff responsibilities. Additional cleaner positions were subsequently added at some schools.

Maintenance staff are contracted for all major projects, and therefore must comply with contract requirements. These include criminal background checks, to ensure that all contract workers are suitable for work within school environments.

School principals are the custodians' immediate supervisor, dealing with all issues relating to on-the-job performance. When a principal has exhausted their abilities to manage a given situation, the issue is passed on to the manager of operations. There are no modified work requirements for custodial staff, and the school board does not report issues with absenteeism.

### **Recommendation:**

- The school board should implement cleaning standards for schools and develop a standard process to monitor, manage and report on results. Once this in place, management should also report to senior administration on the results of the compliance reviews.

- The school board school review the Ministry's Green Clean Program Resource Guide and use it to develop a formal green clean program as part of its overarching Education Environmental Policy.
- The operations department should develop and maintain an inventory for its major cleaning and maintenance 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?
In reference to the <i>Ontario Green Energy Act, 2009</i> , senior administration has established a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.	No
Procurement practices support the objectives and targets of the energy management plan.	No
Successful conservation initiatives are communicated across all schools and with other school boards.	No

## Tracking and Reporting Energy Conservation

Leading Practices – Energy Management	Evidence of Adoption?
Management provides formal annual reporting on the conservation savings achieved against the plan.	No
A comprehensive system exists to budget expenditures, track and regulate consumption, and identify opportunities for further savings.	No
Billing for all board facilities is consolidated from each utility.	No
The Board has established an overarching environmental policy that addresses both environmental education and responsible management practices.	No

### Energy Management Plan

The school board has attempted to address issues of energy conservation in its schools. Energy conservation is reported to be a principal concern when utility costing and facility upgrades are being considered. In this regard, the school board has implemented numerous initiatives, including automated energy system controls, energy audits, and agreements with third party providers that encourage the tracking of energy consumption.

Senior administration is kept informed of all current and planned projects involving energy management or savings mechanisms. There is no public reporting of energy management costs or savings, and they are not reported to the Board. The department should communicate current energy management and energy reduction activities, and promote further initiatives across all of its schools.

Although some components of an energy management policy are in place, the school board should expand its energy conservation procedures and related procurement practices. The department should combine the multiple pieces while establishing a multiyear energy management plan that incorporates measures to be implemented, and the tools to monitor and manage the plan. Included in the multi-year plan should be a procurement policy that incorporates references to energy efficient products, including (where feasible) a requirement that all new equipment have an appropriate energy efficiency rating. Once a formal plan is in place, the school board should communicate successful conservation initiatives across all schools and with other school boards.

### Tracking and Reporting Energy Conservation

The school board does not have a formal energy conservation plan, and as such has no annual reporting of conservation measures. There is no system in place to budget expenditures, track and regulate consumption, or identify opportunities for future



savings. The school board has a centralized system that automates energy regulation in some schools, and should use it to help develop, track and report energy conservation goals.

Since schools use different utility providers in different regions, vendor billing is currently not consolidated. Management should ask the utility companies to provide consolidated billing in an electronic format, where possible. This would support more efficient monitoring and forecasting of energy consumption.

The school board does not have an overarching environmental policy that encourages the protection of the school environment. Some schools participate in the EcoSchools programs, which encourage environmental stewardship among students. The school board should develop an overarching environmental policy that addresses both environmental education and responsible management.

### **Recommendations:**

- The school board is encouraged to establish a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.
- The school board should enhance its procurement policy to support energy management goals.
- Successful conservation techniques currently used by the school board should be communicated across all schools and with other school boards, to enhance recognition of energy management across the system.
- Management should provide formal annual reporting to the Board on the energy conservation savings achieved against the plan once it has been developed.
- The school board should develop a system to track consumption, budget expenditures, and identify opportunities for further energy management savings.
- The plant department should work with its major utility providers to consolidate billings for schools to one periodic invoice per utility and use the Ministry's Utility Consumption Database to help consolidate their billing and track energy consumption.
- The school board is encouraged to develop an overarching environmental policy that addresses both environmental education and responsible management.

## 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.

### Health, Safety and Security Management

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

### Health, Safety and Security Management

Occupational health and safety (OHS) is the responsibility of HR. There is currently no occupational health and safety plan in effect at the school board. However, the school board has implemented a number of practices to ensure OHS requirements are met.

A joint health and safety committee includes representation from unions, non-union employees, and management. This committee provides oversight of all health and safety related issues throughout the school year. Additionally, it conducts annual

inspections of school board sites to ensure that all health and safety documentation is up-to-date and in order. The school board should go beyond its current practices, however, and develop, implement, and monitor an occupational health and safety plan that reflects its policies and administrative procedures. This will ensure the school board complies with associated occupational health and safety statutory requirements.

The school board maintains procedures for fire, bomb threats, and lock-downs, which are approved by emergency response officials in each school community. Although the school board's emergency response plans embody certain universal procedures (such as evacuation requirements), the characteristics of implementation may differ, depending on the community and guidelines of the emergency and fire staff. Each school is required to practice emergency procedures as part of the safety and security plans.

Security systems are used at all school facilities. Custodial staff will fill out vandalism reports which are filed at the school board's central office. The school board reports no pressing security or vandalism concerns.

The school board has developed a community health plan, which was developed with the local health authorities and updated to reflect H1N1 preparedness. During the recent H1N1 outbreak, the school board developed a combined reporting program with the coterminous French school board for all shared school sites. In September 2010, the school board will introduce a defensive driving course as part of its health strategy for staff. It plans to extend the mandatory training to all trustees. The school board actively tests air quality at its sites and ensures all Ministry health and safety guidelines are followed (e.g. water main flushing).

#### **Recommendation:**

- The school board should develop an occupational health and safety plan, to ensure compliance with associated health and safety statutory requirements.

### **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 plan 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 inventories using SFIS.	Yes
An accurate and current assessment of facility conditions is maintained, based on industry standards (using RECAPP methodology).	Yes
Capital forecasts and related funding plans are assessed annually and adjusted to meet current needs and changes to original assumptions such as enrolment projections and capital grants.	Yes

### Development of Annual and Multi-Year Capital Plans

The operations department develops an annual capital plan through the use of ReCAPP and building inspections. When developing the capital plan, the manager of operations consults with the Director and manager of finance, but does not consult an independent capital planning committee.

The detailed renewal plans are approved by senior administration, after which project budget totals are submitted to the Board for approval. Once approved by the Board, capital renewal plans are shared with Principals. Where capital projects take place at shared schools, the coterminous school board contributes a predetermined percentage of the cost of each project. In compliance with Ministry requirements, the school board has completed its capital liquidity template, and it is appropriately funded.

Since the school board is facing a decline in enrollment, it does not anticipate a need to increase the size of its facilities. On average, and across all facilities, utilization is low. This is in spite of the fact that the majority of school facilities are shared. In one instance, a school is shared with two other coterminous school boards. The school board has approved the Pupil Accommodation Review Guideline and associated school board policy.

### **Ongoing Monitoring and Maintenance of Data to Support Capital Planning**

To maintain the accuracy of capital needs forecasts, the school board keeps accurate and timely inventories of school capacity and utilization through SFIS and ReCAPP. The school board has no Prohibitive To Repair (PTR) schools, which would be identifiable from the Ministry guidelines and through ReCAPP. The manager of operations is responsible for maintaining the SFIS and ReCAPP systems.

## **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 gives full consideration to the use of available school space in their local communities before proceeding to build, purchase or lease other spaces.	Yes
Management uses cost-effective designs, standard footprints, energy conservation, and economical construction practices to minimize construction and future maintenance and operation costs.	Yes
In constructing, acquiring, operating and managing school facilities, the school board is guided by the principles outlined in the <i>Ontario Green Energy Act, 2009</i> .	Yes
Senior administration maintains standard policy and/or procedures to rationalize construction projects, including benchmarking against other school board construction costs and design standards (including coterminous boards).	Yes

## Monitoring and Reporting on Progress of Construction Projects

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

## Cost-Effective Practices in the Design and Construction of Facilities

Management gives full consideration to the use of available school space in local communities before proceeding with the construction, purchase, or lease of other spaces. The manager of operations maintains and uses SFIS data to keep an accurate inventory of available school space. A long-standing relationship with the coterminous *Conseil Scolaire de District Catholique des Aurores Boréales* has resulted in multiple shared facilities. Five of nine schools that form part of SNCDSB are shared with the French school board, and the most recent new school construction project was built together with the French school board. This partnership permits a high utilization of

space by both school boards. It also produces economies of scale at the shared school facilities, especially regarding operating expenses and shared spaces such as gymnasiums.

The school board is now exploring potential opportunities for further community use of school facilities. Accordingly, the manager of operations has recently begun to report on facility utilization to the Board.

Physical updates to school facilities consider energy conservation and economical construction practices. New construction, along with facility and equipment upgrades, includes the standardization of new energy efficient equipment, such as boilers, and energy management systems. Ministry funding has recently been secured for renewable energy projects.

The school board reports that through the NOEL organization, construction costs and information is shared and compared across member school boards. This comparison allows the school board to compare procedures against industry best practices.

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

Management has an effective process in place to monitor and control construction projects and their costs. Architectural firms, which are chosen through a tendering process, act as construction project managers, and provide project timelines and GANTcharts to the school board. Through these processes, the manager of operations provides regular monthly project updates to the Board. All change orders are approved first by the architect, then by the manager of operations, and finally, by the Director and manager of finance.

Change orders that exceed \$15,000 require Board approval. The school board monitors the actual vs. projected costs of each project, in addition to determining square footage costs. The school board builds contingencies into each construction contract.

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

The school board out-sources all of its maintenance work to vendor-of-record trades persons. It also outsources construction contracts through a public advertising process. Contracts for architectural services are tendered when needed.

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

## Appendices

### Appendix A: Overview of the Operational Review

#### Operational Review Objectives

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

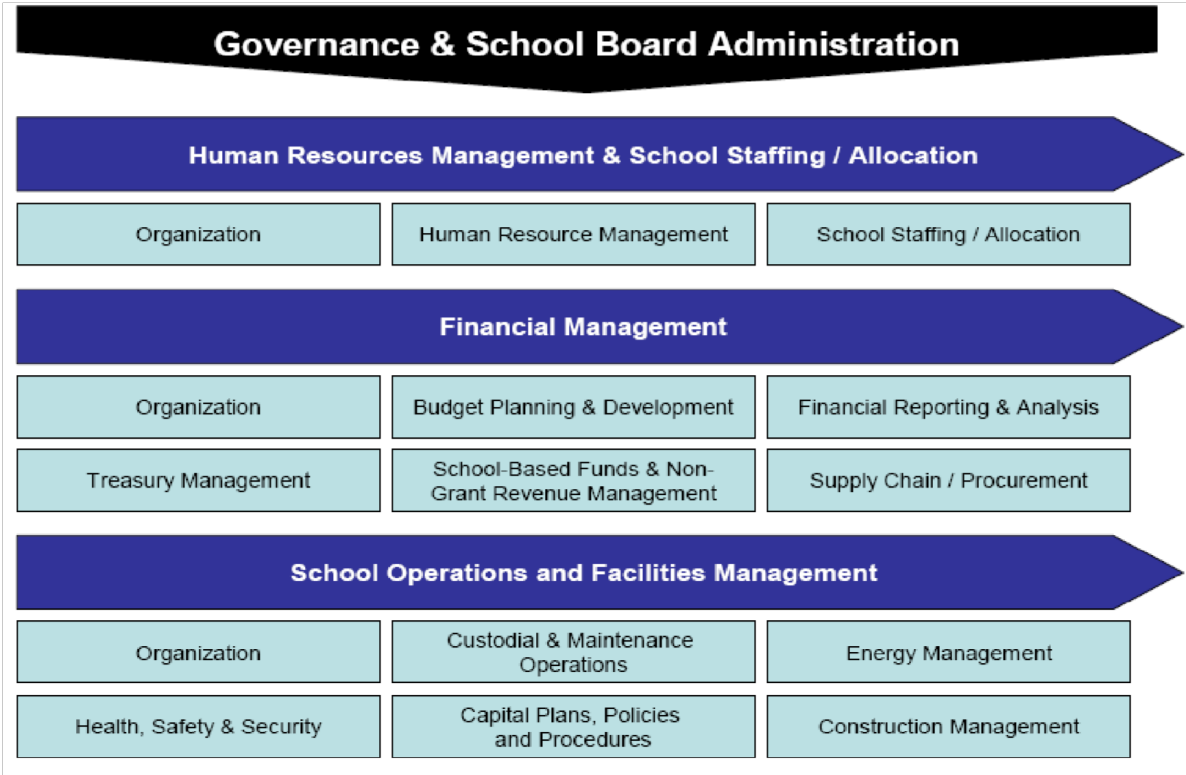
Recognizing the unique characteristics of each DSB, the specific purpose of the Operational Reviews is to:

- Strengthen management capacity in 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.

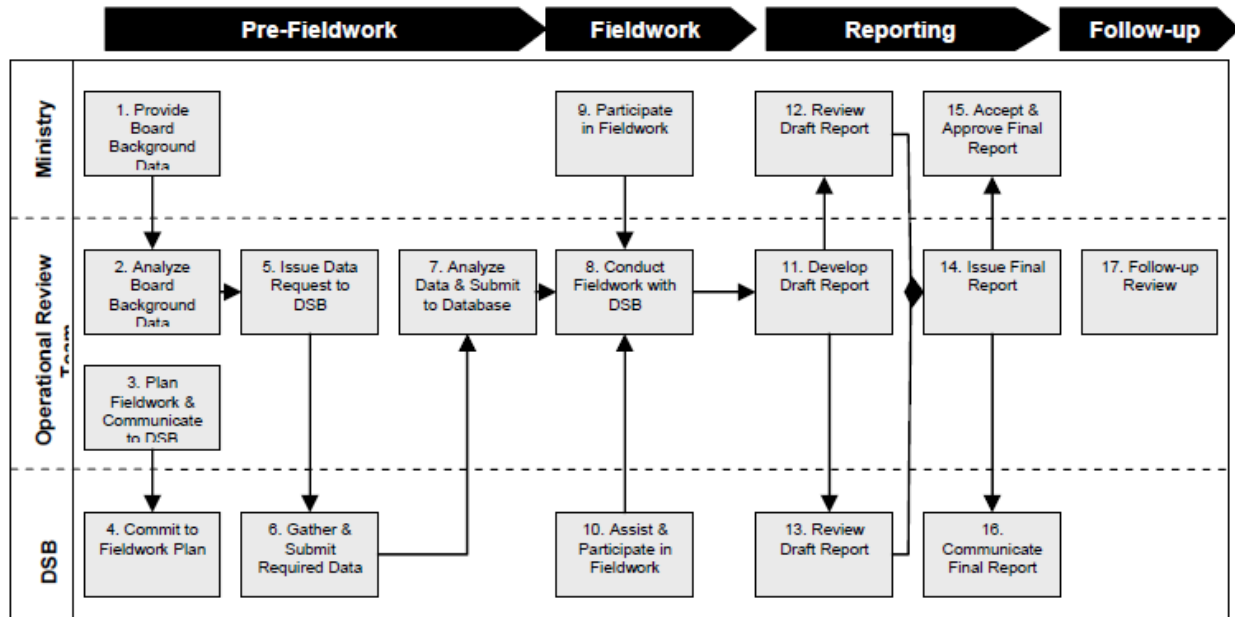




### Operational Review Summary Approach

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 school 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 for all school boards to provide background data prior to the review.
Analyze Board Background Data	Before the start of the fieldwork, the Operational Review team reviews board background data to understand the financial and operating characteristics. This review identifies specific issues and focus areas.
Plan Fieldwork and Communicate to Board	The Ministry and the Operational Review team develop a review schedule that is communicated to boards before the start of the next review cycle.
Commit to Fieldwork Plan	Boards are required to commit to the Operational Review schedule. The Ministry and the review team will attempt to accommodate scheduling conflicts.
Issue Documentation Request to 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.
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 school 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
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.

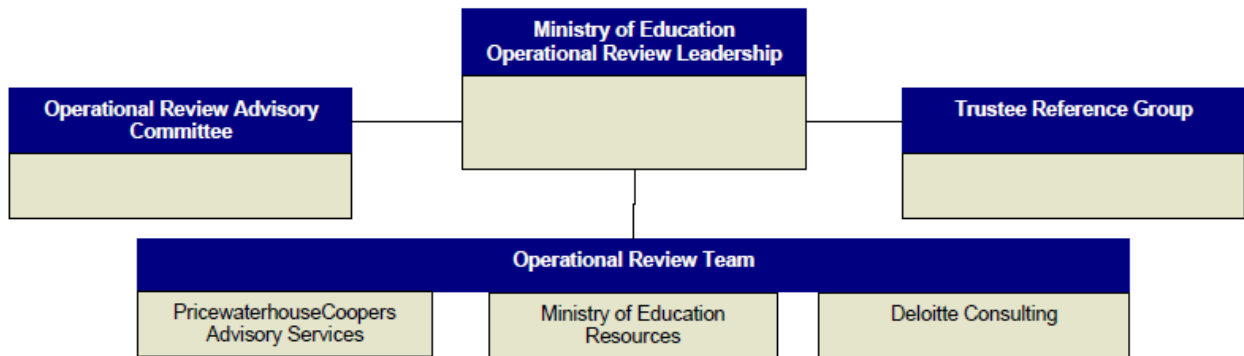
## Phase: Follow-up

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 of the board's adoption and implementation of the recommendations.

## The Operational Review Team

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

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



### Limitations of this Review

The purpose of this Report is to document the results of the Operational Review of Superior North 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, using a consultative process, should develop and communicate a multi-year strategic plan that provides a framework for annual planning. This will provide direction to all staff on the Board's goals, and clear steps towards achieving them.
2.	Once the overarching strategic plan is developed, the school board should develop a formal annual operational plan aligned with the Board's multi-year strategic goals. This will also enable all departments to track and report progress on their defined priorities and goals throughout the year.
3.	Senior administration should report to the Board of Trustees annually on the status and outcomes of the school board's strategic plan and annual operating plan, once they are developed.
4.	The school board should consider establishing a formal refresh cycle for its policies, to ensure periodic review of all policies across functional areas. This could include forming a policy committee to consider policies for review or development.
5.	The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators. This should include senior staff in both academic and non-academic functions.

### Human Resources Management and School Staffing/ Allocation

No.	Recommendation
6.	The HR department should consider developing an annual departmental plan aligned with the school board's operating plan and overall strategic direction. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
7.	Management should develop a recruitment policy and ensure it is reviewed annually to align staff planning with student achievement.
8.	HR management and the board of trustees should establish labour management committees.
9.	Management should continue to develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance across all employee groups.
10.	Management should periodically report to the Board and senior management on the effectiveness of its attendance management program, once it is in place.
11.	Management should consider conducting compliance audits of the school board's insurance carrier to ensure adherence to the benefit plans terms and conditions. This will ensure accuracy and validity of claims paid.
12.	Management should consider developing staff satisfaction surveys which would include all employee groups. This would improve communication with staff, and provide input for professional development plans and HR policy.

No.	Recommendation
13.	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.
14.	The school board should implement policies and procedures to govern the development of an annual staffing plan and allocation process so that it reflects the priorities of the Board and Ministry initiatives.

## Financial Management

No.	Recommendation
15.	The finance department should consider developing an annual departmental plan aligned with the school board's annual operating plan and overall strategic direction. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
16.	The finance department should consider consolidating key budget risks and mitigation strategies into a single risk plan.
17.	The department should develop calendarized reporting that uses historical expenditures as a benchmark for comparison. This will provide more accurate information on whether variances are in line with historical spending trends.
18.	The school board should ensure interim financial statements are formally signed off by senior management to ensure the integrity of financial reporting.
19.	Management should consider establishing an internal audit function giving consideration to the emerging Ministry direction to establish regional models for internal audit across the school board sector.
20.	When the school board establishes an internal audit function, it should ensure any internal audit plans are clearly documented and that internal audit report recommendations are followed up and acted upon by management.
21.	Management and the Board should consider including external advisors on the Board's audit committee in accordance with the Ministry's emerging direction.
22.	The school board should consolidate cash management activities with a single institution, where feasible.
23.	The school board should review existing supply chain and procurement policies, ensuring they aligned to the Supply Chain Guideline 1.0, communicated to staff with purchasing authority and are periodically reviewed and updated.
24.	Management is encouraged to develop guidelines that ensure purchasing authorization levels are commensurate with job roles and responsibilities and that such levels are monitored for compliance by a supervisor or department head.
25.	The school board is encouraged to consider implementing the use of PCards for appropriate school staff. PCard use can reduce the volume of supplier invoices to be processed and can be a more efficient means of local purchasing. Appropriate control procedures would be put in place to support the use of PCards.
26.	Management is encouraged to implement an electronic supplier interface for ordering, processing, and payment. This is an opportunity for increased process efficiencies.

No.	Recommendation
27.	Management should continue to explore additional Electronic Fund Transfers (EFT) opportunities to maximize efficiencies.

### School Operations and Facilities Management

No.	Recommendation
28.	The operations department should consider developing an annual departmental plan aligned with the operating plan and overall strategic directions. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
29.	The school board should implement cleaning standards for schools and develop a standard process to monitor, manage and report on results. Once this in place, management should also report to senior administration on the results of the compliance reviews.
30.	The school board school review the Ministry's Green Clean Program Resource Guide and use it to develop a formal green clean program as part of its overarching Education Environmental Policy.
31.	The operations department should develop and maintain an inventory for its major cleaning and maintenance equipment.
32.	The school board is encouraged to establish a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.
33.	The school board should enhance its procurement policy to support energy management goals.
34.	Successful conservation techniques currently used by the school board should be communicated across all schools and with other school boards, to enhance recognition of energy management across the system.
35.	Management should provide formal annual reporting to the Board on the energy conservation savings achieved against the plan once it has been developed.
36.	The school board should develop a system to track consumption, budget expenditures, and identify opportunities for further energy management savings.
37.	The plant department should work with its major utility providers to consolidate billings for schools to one periodic invoice per utility and use the Ministry's Utility Consumption Database to help consolidate their billing and track energy consumption.
38.	The school board is encouraged to develop an overarching environmental policy that addresses both environmental education and responsible management.
39.	The school board should develop an occupational health and safety plan, to ensure compliance with associated health and safety statutory requirements.