

Ministry of Education

**Operational Review Report
Superior-Greenstone District School
Board**

March 2011

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Executive Summary

This report details the findings and recommendations of the Operational Review of Superior-Greenstone DSB (the school board or SGDSB) conducted by the Operational Review Team composed of external consultants from PricewaterhouseCoopers LLP and Ministry of Education staff. The Operational Review was conducted over three days beginning September 21, 2010.

Introduction

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

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

From 2009 to 2010, the school board's results have shown improvement in most areas assessed through the EQAO process. However, the results remain below the provincial average in many areas. From an operations perspective, the review team found that the school board has adopted a number of the leading practices. Noted strengths include a process for the establishment of a multi-year strategic plan, formal policies and procedures guiding the recruitment, selection, and hiring of employees, and a focus on timely maintenance and cleaning of school board facilities.

A summary of the findings and recommendations for each of the functional areas reviewed follows. Details can be found in subsequent sections of the report.

Governance and School Board Administration

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

- A process for the establishment of a multi-year strategic plan.
- A formal process for the establishment and regular maintenance of policies and administrative procedures.
- A current organizational chart, posted on the school board website, which also provides a directory of staff in each department.
- Formal mechanisms for communication and stakeholder engagement.

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

There is a general understanding among the trustees and school board staff that the school board administration is responsible for operations, and the Board sets policies and strategic direction. The school board has established a policy which outlines the roles and responsibilities for the Director of Education. However, there is no formal policy statement on the role and responsibilities of the Board of Trustees. There is ongoing dialogue between the senior administration and the Board regarding the respective roles and responsibilities.

The Director of Education prepares and presents the performance goals each year to the Board. The Director's performance goals address the academic and nonacademic priorities of the school board, with a number of specific and measurable goals supporting them. However, management does not develop an annual operating plan for the school board. This would establish specific and measurable objectives aligned with strategic priorities of the school board, and provide indicators of success and timelines.

Leadership, succession and talent development strategies and initiatives have been focal areas for the school board over the last several years. The school board has implemented several initiatives to support succession and talent development, such as the leadership development program. The leadership development program initiated several years ago included a significant training component. In 2010, management made the first step in formalizing the leadership succession plan, with assistance from retired school principals. The development of the leadership succession plan will be facilitated by the Board Leadership Development Committee.

Recommendations:

- The school board should continue to delineate the roles and responsibilities of the Board and the Director of Education and the Senior Administration. The roles and responsibilities should be clearly defined and documented. The school board's governance model should reflect the roles and responsibilities mandated by the Student Achievement and School Board Governance Act, Bill 177.

- The Director of Education should enhance the annual planning process by developing an annual operating plan of the school board's goals/priorities which incorporates both academic and non-academic areas. The plan should be aligned with the Board's multi-year strategic plan and have goals that are specific, measurable, achievable, relevant and timely. The plan should also assign responsibilities and accountability for goals and key activities.
- The school board should continue to align its leadership development programs and activities with the Ministry's leadership initiatives. It should finalize the development of a formal leadership development and succession plan for key management positions in all academic and non-academic areas.

Human Resource Management and School Staffing/Allocation

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

- The school board has established positive working relationships with the unions, supported by open lines of communication.
- The trustees are not involved in negotiations. Management provides the Board with regular updates during the bargaining process.
- The school board has up-to-date pay equity plans for all staff groups.
- The school board implemented an attendance tracking module within its financial system, which helps to record and analyze attendance trends.
- The staff allocation process monitors adherence to key Ministry and board policy parameters, such as: class size, prep time, collective agreement requirements, and other school board directives.

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

The HR department follows an informal process each year to establish operating goals for the department. However, the department does not establish a formal departmental operating plan with specific measurable goals, assigned responsibilities, and timelines.

The school board has established a policy on selection, recruitment and hiring. The policy outlines the composition of hiring panels. For permanent positions (teaching or non-teaching), the Coordinator of HR is involved in the selection committee, while parent council representatives and trustees are also involved in hiring committees for principals.

The school board has established a formal performance appraisal process for teachers, principals and vice-principals, and support staff. However, formal procedures and processes have not been established for superintendents, other management staff, and the Director of Education.

Management noted that disciplinary issues are addressed on a case-by-case basis in accordance with collective agreements. There are no formal policies, procedures, or guidelines on disciplinary processes.

The school board has implemented a module within the financial system to track attendance. The HR department has analyzed this data to identify and report on key attendance trends and issues to the Senior Administration. The school board has not implemented a formal attendance support program.

The school board uses the services of an external benefit consultant to negotiate the annual renewal with the benefits carrier, and compare its benefits plans with those of other organizations. The external benefits consultant also provides an annual report to the school board. The school board has not conducted independent compliance audits of its benefits plan carrier to ensure compliance with the plan's terms and conditions.

The HR department has not conducted staff surveys to obtain feedback on general attitudes of staff and staff satisfaction. The HR department does not conduct exit interviews.

Each year the school board follows standard practices for staff planning and allocation. The Board of Trustees provides direction for annual staff allocation, such as program offering, use of quadruple grade classes, and special education spending. However, there are no formal policies and procedures guiding the staff allocation process.

Recommendations:

- The HR department should develop an annual departmental operating plan which is aligned with the school board's annual operating plan. The departmental plan should reflect specific and measurable targets and indicators, and assign responsibilities and timelines for key activities.
- Management should review the hiring policies and procedures to clarify the roles of trustees and school board staff in the hiring process. Trustees should provide strategic policies to govern staffing and recruitment, but should not sit on hiring panels with the exception of hiring the Director.
- The HR department should establish a formal employee performance appraisal process for management staff, superintendents and the Director of Education.

The formal process should be supported by documented policies and procedures.

- The HR department should re-examine and further investigate developing a formal disciplinary procedure or guidelines which would reflect the provisions of collective agreements as appropriate. The procedure or guidelines should be communicated to all staff.
- Management should implement a formal attendance support program which would utilize the available attendance data.
- Management should develop a way to assess and report on the effectiveness of the attendance support process/programs to senior administration and the Board.
- Management should periodically conduct independent compliance audits of the board's insurance carrier to ensure adherence to benefit plan's terms and conditions.
- Management should conduct periodic and confidential staff surveys to improve communication with staff and provide input for professional development plans and HR policy.
- Management should also conduct exit interviews with all staff leaving the school board to obtain input for HR policy, as well as process and program improvement. Management should consider developing formal policies and/or procedures for conducting exit interviews.
- Management should document policies and procedures which govern the development of an annual staffing plan and allocation process.

Financial Management

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

- In 2009 the school board adopted the interim financial reporting template developed by the Interim Financial Reporting Committee (IFRC). At the time of the operational review, management had completed a full cycle of reporting using the template.
- The school board monitors and mitigates the financial risk related to cash and investment management.

- Management ensures adequate controls are in place to safeguard non-grant revenue and coordinate the annual reporting of revenues and expenditures from all sources.
- The school board has established policies and management guidelines for purchasing, travel and hospitality. In 2010, the policy was reviewed and updated to reflect the Ontario Broader Public Sector Supply Chain Guidelines (SCG). As part of the purchasing policy review process, the school board has also adopted a Code of Ethics.
- The school board's financial system supports three-way matching (purchase order, receipt/invoice, and inspection) before invoices are paid.

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

The Finance department follows an informal process each year to establish operating goals for the department. However, the department does not establish a formal departmental operating plan with specific measurable goals, assigned responsibilities and timelines.

Management incorporates all identified risks in the budget estimates. It discusses various risks (such as retirement gratuities) with trustees throughout the budget development process. However, management does not formally document the risks and proposed mitigation actions. Overall, management noted that it takes a prudent approach to developing budget estimates, underpinned by conservative enrolment projections.

All interim financial reports are reviewed by the Senior Administration during the agenda-setting meeting prior to presentation to the Board. However, the reports are not formally approved by the Director and the Superintendent of Business.

The Finance department of the school board has been conducting internal audits (reviews) of various aspects of school board operations, with particular focus on management of school-based funds. However, the school board does not have an independent internal audit function. Management has provided the Board with updates on progress in implementing the regional internal audit model. The Audit Committee Regulation came into effect in September 2010, and requires the establishment of audit committees in school boards by January 31, 2011, following the fall trustee elections. The school board should continue to become familiar with the new Audit Committee Regulation and the Ministry's internal audit initiative, including the establishment of Regional Internal Audit Teams and the development of a risk assessment to establish priority areas for internal audit activities.

Management noted that the school board has limited investment activity. There is no formal policy statement on investment activity.

Management follows standard processes in tracking school-generated funds and reporting on revenues and expenditures. The school board has implemented specialized software to support management of school cash, but has not established policy and procedures for school-generated funds. However, there is a policy and management guidelines on fundraising activities.

There is no central purchasing function at the school board. The Plant Services department and the IT department undertake most of the purchasing for the school board, and manage the purchasing process at the departmental level.

Management started examining options for using electronic supplier catalogues. Currently, the school board uses paper catalogues for purchases of custodial supplies.

The school board has also started working with its new financial institution to establish EFTs with vendors. It plans to test the EFTs for payment of employee's expense reports, and gradually introduce EFTs for transportation and other vendors.

Recommendations:

- The Finance department should develop an annual departmental operating plan which is aligned with the school board's annual operating plan. The departmental plan should reflect specific and measurable targets and indicators, and assign responsibilities and timelines for key activities.
- Management should consider providing a budget process initiation presentation (containing an outline of budget timelines and stages) to the Board each year. This would help ensure that the budget development process is clearly communicated and understood by all trustees. Throughout the budget development process, management should provide information to trustees on key stages in the budget development process. This would provide the trustees with an opportunity to provide formal feedback and input and enhance their understanding of the draft budget estimates presented for approval in June.
- Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels.

- The school board should establish approval procedures for interim financial statements, and implement a formal sign-off process of these statements by senior management.
- Management should continue working with the regional audit team on the development of a risk assessment to determine priority areas for internal audit activities.
- Management should work with the regional audit team to ensure annual audit plans are clearly documented. Audit report recommendations should be followed up and acted upon by management. Where management chooses not to implement an audit recommendation and to accept the risks associated with an audit finding, the justification should be clearly documented and agreed to by the audit committee.
- The Board should establish an audit committee and recruit external advisors to sit on the audit committee in accordance with the new Audit Committee regulation.
- The school board should establish a formal investment policy and procedures. Management should periodically report to the Board on the performance of the investment activity in accordance with the investment policy.
- The school board should develop formal policy and procedure for management of school-generated funds. This would establish adequate controls to safeguard school-based funds, and coordinate the annual reporting of revenues and expenditures from schools and school councils. Management should consider using the School Generated Funds Guidelines developed by OASBO for the development of procedures.
- The school board should continue to improve its monitoring of purchasing activities to ensure compliance with the Board's procurement policies and procedures. For example, management could consider exploring opportunities with the co-terminous school board to establish a shared purchasing function as part of a cooperative arrangement.
- Management should continue identifying opportunities for implementation of the electronic supplier interface for ordering, processing and payment.
- The school board should continue working with its bank to establish EFTs with vendors, where feasible.

School Operations and Facilities Management

The Plant Services department has implemented some of the leading practices:

- The custodial staffing allocation model is based on several factors. The model is reviewed each year and updated as needed.
- The Plant Services department develops and tracks a five-year capital/renewal plan that identifies major capital and maintenance/renewal priorities. Management provides annual reports to the Board on completed capital/renewal projects.
- The school board purchased and implemented training software to provide mandatory training to custodial and maintenance staff as well as other employee groups.
- Each site of the school board maintains an inventory of cleaning and maintenance equipment. There is a standard template which is used by each site to track equipment.
- The Plant Services department uses standardized cleaning products across all schools. All purchases of custodial supplies are made through the purchasing system using system contracts.
- The Plant Services department has implemented an automated work order system using specialized computer software.
- The school board has established an Occupational Health and Safety policy which is updated each year. There are site-based occupational health and safety committees across all schools, as well as the board-wide health and safety steering committees.
- The school board has approved a Facilities Partnership Policy. The Community Use Outreach Coordinator is responsible for overseeing the policy and facility partnership projects and initiatives.
- The Plant Services Manager is responsible for updating SFIS and ReCAPP data.
- Management uses cost-effective designs, standard footprints, energy conservation and economical construction practices to minimize construction and future maintenance and operation costs.
- In undertaking construction projects, management has implemented some principles outlined in the manual *From Concept to Classroom – Leading Practices Manual for School Construction in Ontario*.

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

The goals and priorities of the Plant Services department are identified during the budget development process. At the end of each year (as part of preparation for the Director's Annual report) the Plant Services department prepares a summary of achievements and objectives for the new year. However, the objectives identified in the summary are not accompanied with timelines, assigned responsibilities and indicators of success.

The school board started examining opportunities and options for the implementation of a green clean program. The Coordinator of Maintenance Services is evaluating various suppliers of green cleaning products and piloting new products. However, the school board has not yet implemented a formal Green Clean program, in line with the Ministry's Green Clean Program Resource Guide. The school board does not have a formal environmental policy.

The school board has established a broad energy conservation goal to maintain flatline spending for utilities. However, the school board has not established a formal energy management plan with measurable goals and targets.

In several of its schools, the school board has installed monitors to display information on energy consumption. However, currently there is no formal communication within the school board or to the broader community regarding energy efficiency projects and initiatives.

The school board does not receive consolidated billing from its utilities providers. However, management is working with the utilities to obtain consolidated billings.

The school board has not established an environmental policy that addresses both environmental education and responsible management practices, including green cleaning and energy conservation practices.

The school board ensures compliance with statutory requirements for occupational and student health and safety. Although the school board has a number of initiatives in place to support compliance with statutory health requirements, there is no comprehensive health strategy that would address promotion of overall health and wellness of both students and all employee groups.

Recommendations:

- The Plant Services department should enhance its annual departmental operating planning process by establishing timelines, assigned responsibilities and indicators of success for all annual goals and priorities.

- The school board should review the Ministry's Green Clean Program Resource Guide and use the guide to develop a formal green clean program as part of its overarching Education Environmental Policy.
- Using the data available through the energy management system, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the *Green Energy Act, 2009*, energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities, with milestones, roles, responsibilities and budgets with a process for ensuring community support.
- Once the formal energy management plan is established, the school board should ensure that its procurement policies and practices support the objectives and targets of the plan. Management should also consider documenting the energy efficiency requirements in procurement policies and procedures and/or the environmental policy.
- Management should provide formal annual reporting on the conservation savings achieved against the multi-year energy management plan.
- Successful energy conservation initiatives currently implemented by the school board should be communicated across all schools and with other school boards, to enhance recognition of energy management across the system.
- As part of the energy management planning, the school board should establish a comprehensive system to budget expenditures, track and regulate consumption, and identify opportunities for further savings.
- The school board should continue identifying opportunities for consolidated billing from utilities and continue to participate in the Ministry's Utility Consumption Database initiative.
- The school board should establish an overarching environmental policy that addresses both environmental education and responsible management practices, including energy conservation.
- The school board should consider establishing an integrated health plan/strategy that would reflect the existing policies and procedures regarding the health of both students and employee groups and aim to promote health and wellness across the school board. Management should also consider coordinating the development, implementation and monitoring of the plan centrally.

1. Background and Overview

1.1 School Board Profile and Structure

The Superior-Greenstone District School Board provides educational services to approximately 1,645 students in 12 elementary and five secondary schools. The school board's administrative office is located in Marathon.

The school board's enrolment decreased by 1,036 students, or about 38.6 per cent, from 2002-03 to 2009-10. This trend is expected to continue over the next several years.

The school board's Senior Administration is as follows:

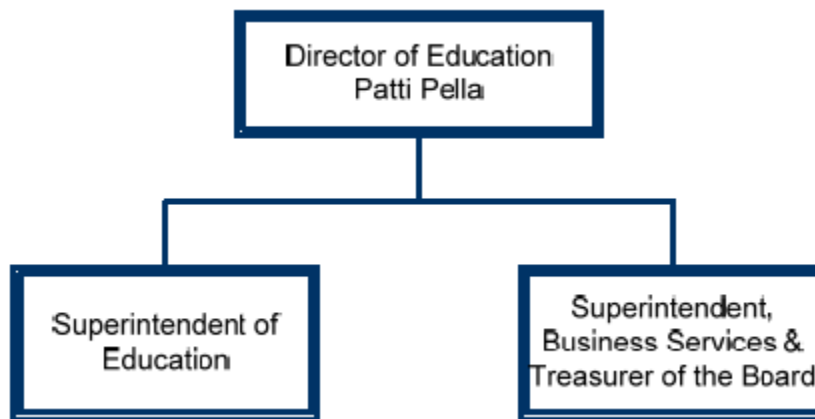


Figure 1 Superior-Greenstone District School Board Senior Administration

1.2 Key Priorities of the School Board

The school board's mission, established in the 2009-2010 strategic plan, is:

"Superior-Greenstone DSB is committed to the success of every student."

The school board has established its vision:

Changing the future....One Student at a Time".

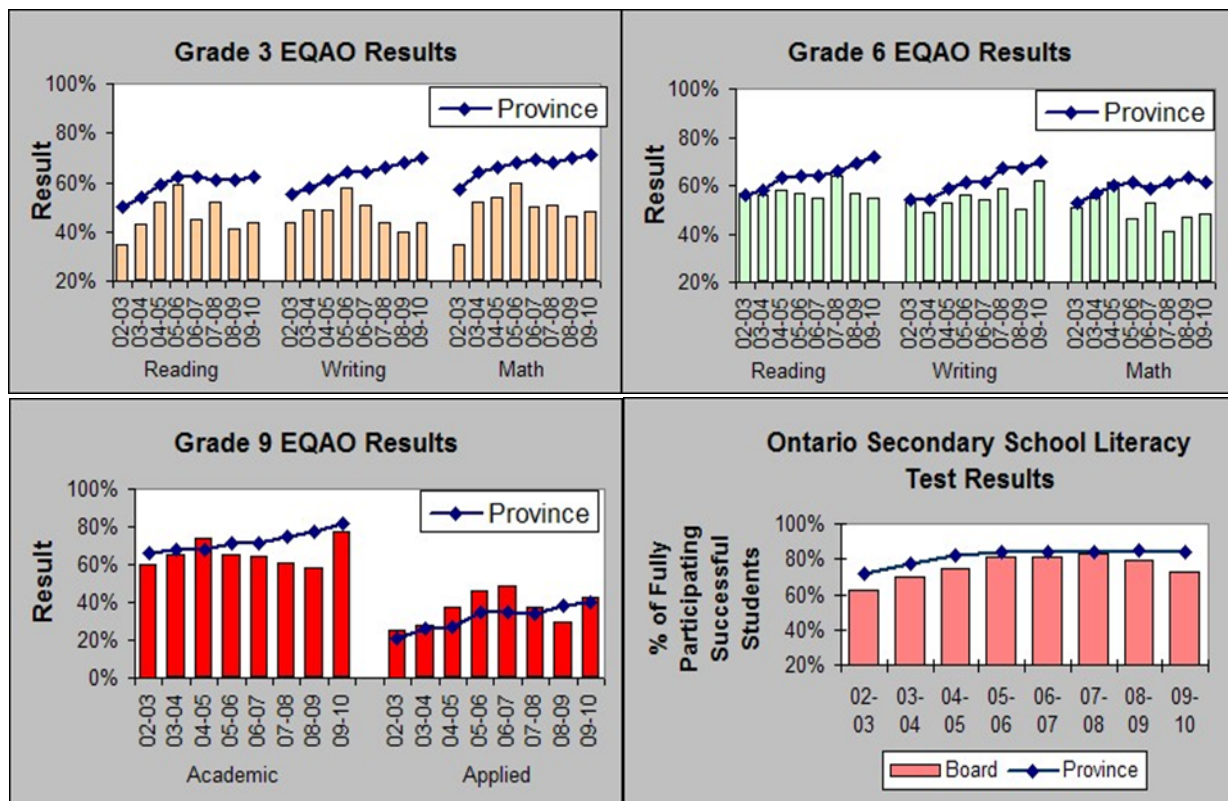
The school board is working to establish the new multi-year strategic plan for 2010-2013. The current 2009-2010 strategic plan established three areas of major focus:

- Student Success
- Staff Success
- System Success

1.3 Student Achievement

In 2009-2010, the school board's results have shown improvement in most areas assessed through the EQAO process. However, in many areas, the results remain below the provincial average. Since 2005-2006, the school board's results in Grade 3 reading, writing and math have declined, and are significantly below the provincial average. Grade 6 results in reading have declined since 2007-2008, and are below the provincial average. Grade 6 results in writing are below the provincial average, but have improved significantly in 2009-2010. Grade 6 results in math have been steadily improving again since 2007-2008 but remain below the provincial average.

After steady decline since 2004-2005, Grade 9 Academic results have improved significantly in 2009-2010. Grade 9 Applied results have also improved in 2009-2010 and above the provincial average.



1.4 Fiscal Overview

Over the past several years, the school board has achieved a balanced budget. The 2009-2010 revised estimates also indicate a balanced budget and show an increase in the school board's reserve funds.

Summary Financial Data (Revenues)

Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Legislative Grants	\$24,738,430	\$25,773,925	\$26,233,298
Local taxation	\$5,044,172	\$3,692,275	\$4,663,743
Board Revenues	\$4,557,724	\$4,300,572	\$4,276,730
Other Operating & capital Grants	\$763,908	\$1,588,254	\$601,364
Total Revenues (Schedule 9)	\$35,104,234	\$35,355,026	\$35,775,135

Summary Financial Data (Expenditure)

Expenditures	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Operating expenditures	\$34,114,484	\$34,487,523	\$34,679,211
Capital expenditures - Before transfers from reserves	\$1,474,745	\$1,098,977	\$1,095,923
Transfer to (from) Reserves	-\$484,995	-\$231,474.00	\$0
Total Expenditures	\$35,104,234	\$35,355,026	\$35,775,134
In-year Surplus (Deficit)	\$0	\$0	\$0

School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Retirement Gratuities	\$1,573,894	\$1,316,088	\$1,338,088
Reserve for Working Funds	\$1,797,224	\$1,797,224	\$1,952,424
Miscellaneous	\$86,131	\$137,544	\$496,421
GPL Reserve	\$809,081	\$819,469	\$829,969
Total Reserve Funds (Schedule 5)	\$4,266,330	\$4,070,325	\$4,616,902
Special Education Reserve	\$0	\$0	\$92,045
Pupil Accommodation Allocation Reserve	\$203,246	\$456,777	\$975,727
Other Operating Deferred Revenues	\$0	\$0	\$15,870
Proceeds of Dispositions Reserve- School Buildings	\$0	\$0	\$59,318
Energy Efficient School - Operating	\$0	\$54,553	\$54,553
Energy Efficient School - Capital	\$0	\$15,330	\$15,330

School Board Reserve and Deferred Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Total Deferred Revenues (Schedule 5.1)	\$203,246	\$526,660	\$1,212,843
Total Board Reserves and Deferred Revenues	\$4,469,576	\$4,596,985	\$5,829,745

1.5 Key Statistics: Superior-Greenstone District School Board

Summary Board Statistics

Day School Enrolment	2002-03 Actual	2009-10 Revised Estimates
Elementary Day School ADE	1,436	783
Secondary Day School ADE	1,245	862
Total Day School Enrolment	2,681	1,645

Primary Class Size

Primary Class Size	2003-04	2009-10
% of Classes 20 or fewer	74%	96%
% of Classes 23 or fewer	91%	100%
Average Class Size - Jr/Inter	21.82	15.46
% of 3/4 Classes 23 & Under	75%	100%
% of Combined Classes	56%	76%

Staffing

Staffing	2003-04	2009-10
School Based Teachers	197	161
Teacher Assistants	49	60
Other Student Support	21	22
School Administration	17	14
School Clerical	20	20
School Operations	43	54
Other Non-Classroom	16	17
Total Staffing	363	348
Teacher - Pupil Ratio	1:14	1:10

Staffing	2003-04	2009-10
FTE Staff per 1,000 Pupils (ADE)¹	135.4	211.5
Total Salary & Benefits as % of Net Operating Expenditures	71.9%	79.1%

Special Education

Special Education	2003-04	2009-10
Special Education Incremental Expenditures	\$2,504,272	\$4,133,611
Special Education Allocation	\$2,064,768	\$2,386,678
Spending above Allocation (Reserve)	\$439,504	\$1,746,933

School Utilization:

School Utilization:	2003-04	2009-10
Number of schools	15	17
Total Enrolment (ADE)	2,681	1,645
School Capacity (Spaces)	5,020	4,938
School Utilization	53.4%	33.3%
Board Area (Km²)	17,054	18,959
Number of Trustees	8	12

¹ Note: Impacted by Class Size and Special Education

2. Governance and School Board Administration – Findings and Recommendations

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

Governance and school board administration processes are reviewed to:

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

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

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

Establishment of an Effective Governance Model

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

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

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees, using a consultative process, develops and communicates a multi-year strategic plan that includes both academic and operational priorities and provides a framework for annual planning.	Yes
The director of education develops an annual operating plan of the goals/priorities, incorporating both academic and nonacademic departments. The plan is aligned with the Board's multi-year strategic plan and has goals that are specific, measurable, achievable, relevant and timely. Staff are assigned goals for which they are accountable.	No
The director of education periodically/annually reports to the board of trustees on the status and outcomes of the board strategic plan and annual operating plan.	Yes

Decision-Making Processes

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

Organizational Structure and Accountability

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The organizational structure has clearly defined organizational units that delineate roles and responsibilities, minimize administrative costs and ensure effective and efficient operation.	Yes
A departmental organization chart (supplemented with a directory of key staff contact information) is publicly available on the board's website.	Yes

Succession and Talent Development

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

Stakeholder Engagement

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

Establishment of an Effective Governance Model

The school board adheres to the principles of the policy governance model. There is a general understanding among the trustees and school board staff that the school board administration is responsible for operations, and the Board sets policies and strategic direction. The school board has established the policy on the Director of Education's role description, which outlines the Director's role in educational leadership, fiscal responsibility, planning, policy development, personnel management, relations with the Board, and communications. The policy stipulates that all Board authority delegated to staff is delegated through the Director of Education.

There is no formal policy statement on the role and responsibilities of the Board of Trustees. There is ongoing dialogue between the senior administration and the Board regarding the respective roles and responsibilities. The Director and the Board are

reviewing the provisions of Bill 177 and changes that may be required in the Board's policies and by-laws.

The Board has established a formal code of ethics for trustees. In September 2010, as part of the trustees' professional development, the Board completed a comprehensive review of its by-laws. The Code of Conduct for trustees is part of the updated by-laws.

The Board is composed of 12 trustees with varying experience. There is open communication between the senior administration and the Board. The senior administration ensures that trustees have sufficient understanding of board information and emerging issues to make informed decisions. Agendas and minutes of all Board meetings are published on the school board's website.

The trustees and the senior administration participate in at least two professional development sessions a year to examine emerging issues. The two most recent professional development sessions, which took place in 2010, focused on the review and update of all Board by-laws and provisions of Bill 177. These sessions were facilitated by the school board's legal counsel.

As part of the trustees' training and development, the Director also encourages trustees to conduct school visits of schools outside of their constituency. When a new Board is elected, there is a formal initiation process, including an orientation session for trustees provided by OPSBA.

The operational review team noted that due to the geography of the school board, many Board meetings are held using the video and teleconference technology. However, the Director, the Chair and Vice-Chair try to attend every Board meeting in person. It is also expected that each trustee will attend at least every third meeting of the Board in person.

There is a positive working relationship between the Director and the Chair. The Director maintains open communication with the Chair, and is always available to provide input and advice on any issue.

The Chair of the Board maintains positive relationship with trustees. The Chair directs all information from the senior administration team to the Board as well as directs questions and requests from trustees to the Director.

Currently, there is no formal performance evaluation process for the Director. At the beginning of each year, the Director presents annual performance goals to the Board, and provides informal updates on progress during and at the end of the year. The Director's performance goals are identified for each area of the roles and responsibilities established in the Board policy. The Director recently proposed that the Board hire an external consultant to help develop a formal performance appraisal process for the

Director position. The Director has also discussed with trustees the recommended templates developed by the Council of Ontario Directors of Education (CODE).

Development of the Board's Strategic Directions/Plan

Since 2006, the school board has implemented an annual process for setting and reviewing the strategic direction of the school board. Each spring, management and trustees hold a planning session, followed by summer meetings of the senior administration team and principals to determine how to implement the strategic directions through specific actions.

In 2010, the strategic planning process moved from an annual approach to a three-year planning horizon, with reviews and updates each year. At the time of the operational review, the draft 2010-2013 strategic plan was at the public consultation stage. The development of the new three-year strategic plan was guided by the Ministry of Education expectations, trustees' policy and strategic directions, the school board's Leadership Development Committee, the Board Improvement Plan, input from principals and vice-principals, and feedback from parents and students. The strategic plan includes a high-level statement of core priorities and measurement of success among students, staff, and trustees across the system. The core priorities of the school board identified in the draft 2010-2013 strategic plan are:

- High levels of student achievement;
- Closing of achievement gaps for Special Education, boys and aboriginal students; and
- Increasing public confidence in Superior-Greenstone District School Board.

The final plan will be presented to the Board for approval in November 2010.

The school board develops an annual Board Improvement Plan (BIP). The Director of Education prepares and presents the performance goals each year to the Board. The Director's performance goals address academic and non-academic priorities of the school board with a number of specific and measurable goals supporting these priorities. However, management does not develop an annual operating plan for the school board that establishes specific and measurable objectives aligned with strategic priorities of the school board and provides indicators of success, and timelines.

The Director provides informal updates to the Board on progress in implementing the Board Improvement Plan, the Director's goals, and strategic priorities. The Director prepares an Annual Report which addresses student achievement results and some aspects of school board operations, such as plant and operations, information technology, and budget. Annual Reports are posted on the school board's website. The

Director recognizes that the implementation of the new strategic plan will require periodic formal updates to trustees. An annual operating plan would help management establish specific objectives, monitor performance, and report on results.

Decision-Making Process

In September 2010, the board of trustees, with assistance from the school board's legal counsel, undertook a comprehensive review of all by-laws. As part of the review, the trustees worked to ensure that by-laws were aligned with the provisions of Bill 177.

The agenda-setting process for Board meetings is not included in the by-laws. However, there is a formal, consistent process to set the agenda. At the end of each Board meeting, trustees provide input for proposed agenda items for the next Board meeting. The Chair provides the Director with the list of issues that the trustees would like the senior management to present during the next board meeting. Management has established the Board Agenda Planning Committee, which is composed of the Senior Administration, Manager of Accounting Services, Manager of Plant Services, Coordinator of Information technology, Coordinator of Human Resources Services, Student Success Leader and the Director's Administrative Assistant.

The Committee reviews the list of proposed items submitted by the Chair and may expand the list with additional items. The Board Planning Committee meets two weeks prior to each Board meeting to review all agenda items. Reports prepared by management to support the agenda are forwarded to the Director. The Director meets with the Chair to review reports, correspondence, presentations, and delegations, and to prepare the draft agenda. The Senior Administration reviews the draft agenda and the Director and the Chair finalize the agenda to be sent to trustees five days prior to the Board meeting.

The by-laws indicate limits for the duration of Board meetings. The Director and the Chair noted that on average, Board meetings last about three hours. The Chair has also noted that in general, the Board reaches a consensus on all issues. The Chair has also indicated that trustees receive sufficient background information from management to make informed decisions.

The Board has established several committees. The statutory committees of the Board include the Special Education Advisory Committee (SEAC), Supervised Alternative Learning for Excused Pupils (SALEP), Parent Involvement Committee (PIC), Occupational Health and Safety Committee, and the Board Discipline Committee. The standing committees for the Board include the Native Education Advisory Committee, Transportation Committee, and Board Policy Review Committee.

The Board Policy Review Committee is composed of two trustees, the Director, and the Vice-chair of the Board, who chairs the committee. The committee meets monthly to

review policies. At the beginning of each year, the Board Policy Review Committee establishes a plan for policy review for the year. During the year, the Committee meets to review policies included in the schedule. Staff responsible for each policy present information on policy update and recommended changes.

After presentation to the Policy Review Committee, the policy is submitted for public consultation, and may be also provided to the Labour Management Committee for input. If policies require a public consultation, they are posted on the school board's website for 60 days. The Policy Review Committee provides final recommendations to the Board when policies are submitted to the Board for approval. The Board's policies are supplemented with management guidelines and integrated in one document. All approved policies are posted on the school board's website, with the dates of adoption, last revision, and next review. This information is used to establish an annual plan for the Board Policy Review Committee.

Organizational Structure and Accountability

The school board's Senior Administration consists of the Director of Education, the Superintendent of Business, and the Superintendent of Education. The school board has also established the Leadership Council, composed of the Senior Administration, managers, coordinators and principals. The Senior Administration meets weekly. Twice a month these meetings are enhanced with participation of the entire Leadership Council.

The school board administration has an up-to-date organization chart that outlines the roles and organizational units. The school board has published its organizational chart on the website. The school board's website also provides a directory of staff in each department.

Succession and Talent Development

Leadership, succession, and talent development strategies and initiatives have been focal areas for the school board over the last several years. The school board has implemented several initiatives to support succession and talent development. The school board initiated a leadership development program several years ago, which included a significant training component. Overall, it was noted that there is a limited number of employees at the school board who may have interest in numerous leadership development opportunities. Principals share information about leadership opportunities with the staff in their schools. The Director also provides information on opportunities to the labour committees, to ensure all staff are aware and have an equal opportunity to participate. The Director has developed a list of the expected learning that a candidate would accomplish before applying for a principal's position. The school board also supports potential candidates using professional development funding.

Within the elementary and secondary panels, there are principal learning teams which conduct four leadership forums and six informal meetings each year.

The school board has completed the leadership self-review tool. The Director used the information from the self-assessment tool to make recommendations for the formal leadership development and succession plan. In 2010, management has taken the first step in formalizing the leadership succession plan, by preparing a document that provides an overview of the school board's succession planning, yearly succession plan expectation, candidate expectations, leadership framework supporting the succession plan, and the recommendations based on results of the self-review survey.

The school board hired retired school principals to assist with the development of the preliminary plan. The plan focuses on succession planning and leadership development for the school board's academic and non-academic staff. As the next step in the development of a formal succession plan, management is working to establish a spreadsheet. *Leadership Profile* will be used for tracking the professional life of the board administrators and prospective administrations, and assist management in identifying critical positions, predicting future vacancies, and identifying employees to be considered to fill positions.

The preliminary leadership succession plan indicates how various sources of data will be used for succession and talent development planning. High level descriptions of responsibilities for principals, the Superintendent of Education, and the Human Resources department are also identified in the plan. The Director noted that there has been significant turnover among school principals in 2009-2010. The preliminary leadership succession plan requires a review to reflect the emerging issues in succession and leadership planning.

The school board is currently establishing the Board Leadership Development Committee which is composed of senior managers and principal representatives. The Committee will be responsible for building the leadership development plan as required by the Ministry of Education.

Stakeholder Engagement

The school board has a variety of formal mechanisms for communication and stakeholder engagement. The Director and senior administration attend parent committee meetings periodically. Given the geographic spread of the school board, the Director also encourages school principals to use innovative methods for engaging with the community. For example, parent council meetings may be conducted using teleconference and web-based technology. The school board has also assigned several community liaison officers from the First Nation bands to facilitate stronger relationships with the communities.

The school board uses its website to engage with the community. The website is used for public consultations on strategic planning and policy development. Agendas and highlights of Board meetings and the Director's annual reports are also posted. However, given limited access to technology and technology infrastructure in some areas of the school board, management also uses paper-based communication materials when appropriate.

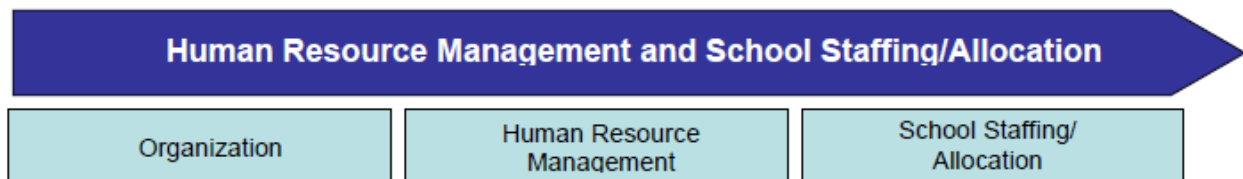
The Director of Education and senior administrators travel frequently to schools to maintain close links with the community. Management also uses local radio and television stations to communicate board events and information.

The school board's senior staff participate in various sector, regional and provincial committees, associations and Ministry workgroups such as Ontario Public Supervisory Officials' Association (OPSOA), Ontario Association of Senior Business Officials (OASBO), Council of Ontario Directors of Education (CODE), Northern Ontario Education Leaders (NOEL). Senior administrators are also involved in local community organizations.

Recommendations:

- The school board should continue to delineate the roles and responsibilities of the Board and the Director of Education and the Senior Administration. The roles and responsibilities should be clearly defined and documented. The school board's governance model should reflect the roles and responsibilities mandated by the Student Achievement and School Board Governance Act, Bill 177.
- The Director of Education should enhance the annual planning process by developing an annual operating plan of the school board's goals/priorities, which incorporates both academic and non-academic departments. The plan should be aligned with the Board's multi-year strategic plan and have goals that are specific, measurable, achievable, relevant and timely. The plan should also assign responsibilities and accountability for goals and key activities.
- The school board should continue to align its leadership development programs and activities with the Ministry's leadership initiatives. It should finalize the development of a formal leadership development and succession plan for key management positions in all academic and non-academic areas.

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



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

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

3.1 Human Resource Organization

The review of the organization of the HR department assesses:

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

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

Development and Reporting of Annual Goals and Priorities

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

Organizational Structure and Accountability

Leading Practices – Human Resource Organization	Evidence of Adoption?
The HR department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available to the public.	Yes
Senior HR staff have appropriate designations (e.g., Certified Human Resource Professional) and/or experience.	Yes

Monitoring and Communication of Policies

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

Development and Reporting of Annual Goals and Priorities

The HR department follows an informal process each year to establish its operating goals. Management noted that the annual activities of the department are largely driven by recruitment and staffing. In addition, the Senior Administration identifies priorities for the HR department as part of the budget development process. The department does not establish a formal annual departmental operating plan with specific measurable goals, assigned responsibilities and timelines.

The HR department maintains open communication with employees and obtains feedback from many sources, including the Leadership Council, which involves principals, and the Labour Management Committee.

Organizational Structure and Accountability

The HR department is composed of the Coordinator of HR, two payroll clerks and a part-time secretary, and reports to the Superintendent of Business. The Coordinator of HR also reports to the Director of Education on hiring and staffing matters. The Coordinator of HR has a combination of relevant professional experience and formal HR-related education and training.

Monitoring and Communication of Policies

The HR department is responsible for implementing Board policies on attendance, selection, recruitment and hiring, workplace harassment and recognition of employees. All policies are posted on the school board's website.

The HR department has implemented many centralized processes, which enable HR staff to monitor compliance with the existing policies and procedures. Management also builds staff awareness and understanding of HR policies and procedures with regular communication through system memos, postings on the staff portal, and online training.

Prior to the beginning of each school year, key HR policies and issues are discussed with principals during the principals' retreat. The HR department also provides periodic education sessions for school secretaries on various HR issues and procedures.

School board employees have access to the intranet, which hosts an HR portal containing information and materials such as benefit booklets, collective agreements, and standard forms. The HR department staff also provide informal advice and guidance to staff.

HR policies, procedures and issues are also discussed during labour management meetings. During these meetings, management provides information to the unions, which can be included in the labour/management monthly newsletters.

Recommendations:

- The HR department should develop an annual departmental operating plan which is aligned with the school board's annual operating plan. The departmental plan should reflect specific and measurable targets, indicators of success and assign responsibilities and timelines for key activities.

3.2 Human Resource Management

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

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

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

Staff Recruitment/Hiring

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

Labour Relations

Leading Practices – Human Resource Management	Evidence of Adoption?
The director of education and the board of trustees have established labour/management committees.	Yes

Leading Practices – Human Resource Management	Evidence of Adoption?
Trustees provide the school board's policy and priority framework within which bargaining takes place.	Yes
HR management has established policies and procedures to minimize grievances.	Yes

Employee Performance Evaluation Processes

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

Attendance Support Processes/Programs

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

Management of HR and Payroll Data

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

Management of School Board's Benefit Plans

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

Monitoring Staff Satisfaction

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

Staff Recruitment/Hiring

The school board has established a policy on selection, recruitment and hiring. The policy and procedures stipulate that the practices related to selection, recruitment and hiring shall reflect the school board's commitment to the Employment Equity. The school board maintains processes to identify and remove discriminatory biases and systemic barriers in staff recruitment, selection, hiring, mentoring, and promotion of staff. In order to achieve consistency in the recruitment and hiring process, management has also established the Selection, Recruitment and Hiring Management Guideline. The policy and guideline are posted on the school board's website.

Due to declining enrolment, the school board has had limited pro-active recruitment activity over the past several years. Management noted that there are challenges for the school board in recruiting teachers in the region, and attracting qualified candidates for French language and technology.

The guideline sets out the process for the establishment of a selection committee which is overseen by the Coordinator of HR. The selection committee is composed of at least three members including the supervisor for the position, and an administrator from the school board who is not in the same location as the opening. The Human Resources department establishes standard screening criteria, templates, and forms to be used by the selection committee.

It is clearly indicated in the guideline that the Coordinator of HR has a central role in coordinating all recruitment and hiring activities. All notices of job vacancies are submitted to the HR department, and the Coordinator of HR prepares the job posting in consultation with the supervisor responsible for the vacant position. All hiring is done within the staff allocation model approved by the Board as part of the budget development process. If any hiring is required during the year to replace existing staff, it requires approval by the Senior Administration. Any additional hiring requires Board approval.

The school board posts external job advertisements in the local newspapers. The selection committee develops interview questions for short-listed candidates, using the existing standard interview questions developed by the HR department. The HR department conducts all reference checks. The chair of the selection committee notifies all unsuccessful candidates and provides a formal Recommendation for Appointment to the Coordinator of HR. The Coordinator of HR makes a formal offer of employment to the successful candidate. The HR department also requires recent evidence of a criminal background check. The guideline also contains standard templates for reference checks, short-listing criteria, and timed interview template.

For permanent positions (teaching or non-teaching), the Coordinator of HR is involved in the selection committee, while parent council representatives and trustees are also involved in hiring committees for principals.

For occasional teaching and non-teaching staff, the hiring process can take place at the school level. The HR department prepares the hiring package and collects and reviews all completed hiring documentation, including ratings, interview notes and reference checks to ensure that the standard hiring process was followed.

Each school maintains an occasional teachers' list, which is updated using several sources. For example, some candidates interviewed for permanent teaching positions may be offered a place on the occasional teachers list. Each year in August, the school board also advertises for occasional teacher positions, and interviews are conducted at the school level. Management noted that retired teachers are included in the occasional teacher list at their request.

Labour Relations

The school board has established positive working relationships with the unions. This is further supported through open lines of communication from both sides.

The school board has established one labour management committee for all bargaining groups. The committee is composed of the Director, Superintendent of Education, Student Success Coordinator, and the Coordinator of HR. The committee meets once a month and also as needed. Management noted that by having one labour management

committee, management and union representatives can address similar issues across all bargaining groups in a consistent manner. There is no local representative for the custodial group, and management maintains an informal relationship with the representative based in Thunder Bay. Management noted that labour management committee meetings provide an opportunity to raise and discuss potential issues before they become formal grievances.

The Superintendent of Business is the chief negotiator for the school board during the bargaining process. Other senior staff of the school board are also involved as needed. The trustees are not involved in the negotiation process, but they do provide support and direction for school board priorities. Management also provides the Board with regular updates during the bargaining process. The school board engages an external consultant to be the school board's spokesperson.

Management provides information and advice to supervisors and school administrators on how to avoid and minimize grievances. In the past, the school board's legal counsel provided presentations to the Leadership Council on the rights of employees and how to avoid potential grievances. Labour issues are discussed at the Leadership Council meetings. The Senior Administration share information related to previous grievances to help principals and supervisors avoid similar grievances.

The Coordinator of HR is responsible for managing all grievances, and ensuring that the process is compliant with the provisions of the collective agreements for all employee groups.

Employee Performance Evaluation Processes

The school board has established a formal performance appraisal process for teachers, principals and vice-principals, and support staff. However, formal procedures and processes have not been established for superintendents, other management staff, and the Director of Education.

In line with the Ministry's Supporting Teaching Excellence document, the school board evaluates its experienced teachers on a five-year cycle. New teachers are reviewed during the first and second year as part of the New Teacher Induction Program (NTIP). School principals are responsible for tracking completion of teacher appraisals, and ensuring that all teachers are evaluated within the established fiveyear cycle. Principals conduct performance appraisals and submit the documentation to the HR department. The HR department maintains a spreadsheet tracking completion of teacher performance appraisals. School principals are responsible for timely completion of teacher performance appraisal. Each September, the HR department reviews the tracking spreadsheet and notifies principals on performance appraisal that are due. The HR department reports notations to the Ontario College of Teachers (OCT) for new teachers who have completed NTIP.

Management has established a formal procedure for performance appraisals of support staff. The procedure is incorporated in the standard template to be used by supervisors. The performance appraisal of support staff is conducted at least every five years. Employees may also request an additional performance appraisal within the five-year cycle. For newly-hired employees, evaluations are completed within the first six months of the probationary period. Completed performance appraisals, once reviewed and agreed to by the supervisor and the employee, are provided to the HR department. If a performance appraisal results in an unsatisfactory assessment, the supervisor provides recommendations for improvement and employees are provided with reasonable time for improvement prior to a subsequent review. The appraisal process includes using a standard template for evaluation and a template for the professional growth plan.

Performance appraisal of principals and vice-principals is conducted by the Director and Superintendent of Education. At the time of the operational review, the existing process was being reviewed and updated to reflect new Ministry guidelines.

Management noted that disciplinary issues are addressed on a case by case basis in accordance with collective agreements. There are no formal policies, procedures or guidelines on disciplinary processes. Management noted that in the past, the school board intended to establish a disciplinary committee with the mandate of developing a formal disciplinary policy and procedures. However at that time, management was advised by the legal counsel to address disciplinary matter on an individual case-by-case basis. The Coordinator of HR is responsible for managing disciplinary issues. Usually the process includes formal letters and meetings with the immediate supervisor, Coordinator of HR and union representative. In cases of dismissal, in addition to the Coordinator of HR, the Senior Administration team is also involved in the process.

The Senior Administration provides periodic updates to the Board on grievances and dismissals during *in-camera* meetings.

The HR department supports the professional development of HR staff and other staff groups, where appropriate. For example, the HR department helps plan and organize professional development for non-teaching staff. The Superintendent of Education is responsible for professional development for teachers and education assistants, using input from the unions and staff feedback and surveys.

The HR department and staff of other administrative departments of the school board provide periodic training to staff on the use of various information technology systems and applications. Clerical staff and secretaries attend various workshops organized by the Northern Ontario Education Leaders (NOEL).

The school board has implemented an e-learning application to support statutory training. The HR department is working with the Plant Services department to further enhance the use of the system for mandatory training.

Attendance Support Processes/Programs

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

Several years ago, the school board implemented an attendance tracking module within the school board's financial system. Currently, employees notify their immediate supervisors of their absence, and hard copy forms are completed at each school identifying absence codes. The school board has established at least 12 different absence codes to enable tracking and analysis of absence data. The hard copy forms are submitted to the HR department and data is entered manually in the system by the payroll clerk. Management noted that although the attendance tracking module in the financial system has the capability for direct entry of absence data at the school level, there are several potential issues with the integrity of data and Internet bandwidth across the school board area. Management should continue to consider ways to enable absence data entry at the school level, to improve the efficiency of the attendance tracking process.

At the time of the operational review, management reported that there is attendance data available for a full calendar and school year. Using this data, the HR department identifies and reports key attendance trends and issues to the Senior Administration.

The school board has not implemented a formal attendance support program. Principals have informal discussions with employees who have a significant number of absences or noted patterns of absenteeism to determine how they can be supported. Employee pay slips indicate the balance of sick days.

The HR department is planning to use tracking data to identify options for a formal attendance support program. Management also intends to work closely with the unions to identify options for an attendance support program to ensure consistency with the provisions of collective agreements. The HR department plans to present a report to the Board and the Labour Management Committee in late 2010, to highlight absenteeism issues and initiate the development of a future formal attendance support program.

The school board does not have a formal return to work program. However, the HR department works with employees individually to establish modified work schedules.

Management of HR and Payroll Data

The payroll function is part of the HR department. To ensure the appropriate segregation of duties, the Coordinator of HR makes changes in personnel files and the

Payroll Clerk makes payroll changes. The Coordinator of HR maintains a shared spreadsheet to track any changes made in personnel files. The Payroll Clerk uses this spreadsheet to identify changes that need to be made in payroll data. During each pay period, the Coordinator of HR runs audit reports in the financial/HR system to ensure that the payroll matches the personnel changes.

All employees of the school board are enrolled in direct deposit. All payroll is processed by the school board's payroll clerks.

The process for position classification is communicated to all new employees as part of the employee orientation package. The collective agreement outlines the required timelines for submitting updating qualification. Employees are responsible for submitting their Qualifications Evaluation Council of Ontario (QECO) ratings, which are used by the Coordinator of HR to update the position classification. The HR department does not maintain data on qualifications in the school board's financial/HR system. The HR staff use the data available directly from the Ontario College of Teachers (OCT) database. For newly hired teachers, the HR department checks their qualifications using the OCT Register.

The school board has up-to-date pay equity plans for all staff groups. There are no grievances related to pay equity.

Management of the School Board's Benefit Plans

The school board uses the services of an external benefit consultant to negotiate the annual renewal with the benefits carrier and conduct comparison of the benefits plans with plans of other organizations. The external benefits consultant also provides an annual report to the school board. The school board has not conducted independent compliance audits of its benefits plan carrier to ensure compliance with the plan's terms and conditions. Two years ago, the school board conducted a review of its benefit plan carrier through a formal request for quotation.

The HR department ensures that all new employees are enrolled in the benefits plan as part of the hiring process. The Coordinator of HR maintains a spreadsheet to track the enrolment of new hires in the benefit plan and uses the spreadsheet to conduct periodic reconciliations with the benefits plan carrier.

The school board uses e-access to synchronize the data with OMERS, and Teacher Information Management System (TIMS) to synchronize the data with OTPP.

The school board has implemented several initiatives aiming to reduce the cost of benefit plans. The school board has implemented a return-to-work program which is run on a case-by-case basis. There is an employee family assistance and counselling

program, and workshops for employees are organized monthly to promote staff wellness and healthy lifestyles.

Monitoring Staff Satisfaction

The HR department does not conduct staff surveys to gauge staff satisfaction. The HR department does not conduct exit interviews.

Management noted that there are several ways in which staff of the school board are recognized and appreciated throughout the year. These include long-term service awards, and secretary appreciation days.

Recommendations:

- Management should review the hiring policies and procedures to clarify the roles of trustees and school board staff in the hiring process. Trustees should provide strategic policies to govern staffing and recruitment, but should not sit on hiring panels with the exception of hiring the Director.
- The HR department should establish a formal employee performance appraisal process for management staff, superintendents and the Director of Education. The formal process should be supported by documented policies and procedures.
- The HR department should re-examine and further investigate developing a formal disciplinary procedure or guidelines which would reflect the provisions of collective agreements as appropriate. The procedure or guidelines should be communicated to all staff.
- Management should implement a formal attendance support program which would utilize the available attendance data.
- Management should develop a way to assess and report on the effectiveness of the attendance support process/programs to senior administration and the Board.
- Management should periodically conduct independent compliance audits of the board's insurance carrier to ensure adherence to benefit plan's terms and conditions.
- Management should conduct periodic and confidential staff surveys to improve communication with staff and provide input for professional development plans and HR policy.

- Management should also conduct exit interviews with all staff leaving the school board to obtain input for HR policy, as well as process and program improvement. Management should consider developing formal policies and/or procedures for conducting exit interviews.

3.3 School Staffing/Allocation

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

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

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

Processes for Annual Staff Planning and Allocation

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

Monitoring and Reporting on Staff Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Systems are in place and accessible by both HR and Finance staff to establish and track an approved level of staff.	Yes

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
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

Each year, the school board follows standard practices for staff planning and allocation. However, there are no formal policies and procedures guiding this process. The Board of Trustees provides direction for annual staff allocation, such as program offerings, use of quadruple grade classes, and special education spending.

The staff allocation process for the elementary panel is done in consultation with school principals, and is led by the Superintendent of Education. The allocation of staff for the secondary panel uses a formula based on provisions of the collective agreement. The staff allocation process for the secondary panel is led by the Coordinator of Student Success. The Superintendent of Business determines staff allocation for support staff, while the Manager of Plant Services establishes the model for custodial staff. The Superintendent of Education and the Special Education Coordinator work together to develop a staff allocation model for special education staff.

The staff allocation process for the elementary panel begins with the establishment of enrolment projections, which are prepared by the Superintendent of Business in December. Using the preliminary enrolment projections, school principals provide their estimates for staffing, which are reviewed by the Superintendent of Education. Staff allocation is consistent with all Ministry and Board parameters. The elementary staff allocation is completed in April according to the requirements of the collective agreement. Management noted that the staff allocation process for the secondary panel is simple, given their small number and size of secondary schools. The allocation of staff for the secondary panel is completed in May.

Monitoring and Reporting on Staff Allocation

Detailed staff allocation proposals are provided to the Board. Once the proposals are approved by the Board, the Coordinator of HR uses these models to complete the staffing process.

The HR department is responsible for ensuring that staffing is done according to the allocation models approved by the Board. The HR department conducts periodic comparisons between the approved staff allocation model and the HR/payroll data, to ensure no additional staffing is done beyond the approved allocation. Management provides regular staffing reports to the Board as part of the interim financial reporting using the template recommended by the Interim Financial Reporting Committee (IFRC). The Superintendent of Business also reviews staffing to ensure compliance with the approved budget.

Management noted that since the enrolment projections of the school board have been accurate, no major staff adjustments have been required during the year. If any adjustments are needed at the beginning of the school year, they are made within the first two weeks. Enrolment is closely monitored until the end of October.

Recommendation:

- Management should document policies and procedures which govern the development of an annual staffing plan and allocation process.

4. Financial Management – Findings and Recommendations



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

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

4.1 Finance Organization

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

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

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Finance Organization	Evidence of Adoption?
The finance department’s goals and priorities are documented in an annual department plan that is aligned to the annual board operating plan accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified accountability.	No

Organization Structure and Accountability

Leading Practices – Finance Organization	Evidence of Adoption?
The finance department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available.	Yes
Finance department staff have the appropriate finance/accounting designations and/or experience.	Yes

Monitoring and Communication of Policies

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

Development and Reporting of Annual Goals and Priorities

The Finance department follows an informal process each year to establish operating goals for the department. Management noted that the annual activities of the department are determined by the Ministry of Education requirements and timelines for financial reporting. The Finance department establishes a schedule of activities for each month. However, the department has not established a formal departmental operating plan with specific measurable goals, assigned responsibilities, and timelines.

The Board does not have a committee that is solely dedicated to financial issues of the school board. However, the Board has appointed a Business Chair, who receives and reviews all periodic reports related to the business aspects of school board's operations before these reports are presented to the Board. The Business Chair also receives detailed monthly information on cheque runs.

Organizational Structure and Accountability

The Finance department is composed of the Manager of Accounting Services, a part-time Accounts Payable Clerk and an Accounting Clerk, and reports to the Superintendent of Business. At the time of the operational review, the Superintendent of Business was transitioning his role to the Manager of Accounting Services, as part of his succession planning. The Manager of Accounting Services was selected to take on the role of the Superintendent of Business.

The Superintendent of Business has a combination of relevant professional experience, training, and education. The Manager of Accounting Services has a formal accounting designation and relevant professional experience.

Monitoring and Communication of Policies

The Finance department is responsible for implementing Board policies on purchasing, internal audit, corporate credit cards, travel expenditure and all financial reporting. All policies are posted on the school board's website.

The Finance department has implemented a number of centralized processes, which enable finance staff to monitor compliance with the existing policies and procedures. Management uses various ways to build staff awareness and understanding of finance-related policies and procedures. The Finance department staff regularly attend the Leadership Forum to present information on emerging issues and policies and procedures to principals. The Finance department also sends out periodic memoranda regarding policies and procedures to all relevant staff. The Finance department also provides individual and group training to school secretaries. This includes online training on the school board's the web-based systems, such as the school cash management system. Experienced secretaries are sometimes asked to provide training on specific policies, procedures and the use of information systems to new employees.

Recommendation:

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

4.2 Budget Planning and Development

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

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

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

Annual Budget Development Process

Leading Practices – Budget Planning and Development	Evidence of Adoption?
The annual budget development process is documented, transparent, clearly communicated and incorporates input from all key stakeholders including management (with principals), board of trustees and the community, and supports the school board's strategic and operational plans.	No
Management has adopted an integrated (at school board and school levels) approach to enrolment forecasting that drives the budget process.	Yes
Budget development processes account for all required cost and revenue changes.	Yes
Staffing costs are compared with similar school boards and the funding model to ensure efficient use of resources.	Yes

Risk Mitigation and Board Approval

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

Leading Practices – Budget Planning and Development	Evidence of Adoption?
The annual budget presented for approval demonstrates that it is linked to the board-approved goals and priorities including student achievement targets. It provides useful and understandable information for all stakeholders.	Yes

Annual Budget Development Process

In the past years, the Superintendent of Business usually provided a formal presentation on the budget development process to the Board in January. This presentation aimed to educate the newly-elected trustees on the budget development process. However, such presentations have not been provided consistently every year. Management indicated that trustees have sufficient understanding of the budget development process, and are kept informed of the key stages in the budget development process through regular presentations by the senior administration.

The budget development process begins in December with the initial enrolment projections, which are based on past trends. The Superintendent of Business is responsible for preparing annual enrolment projections. The preliminary enrolment forecasts prepared by the Superintendent of Business are provided to principals for input.

In January-March, the Finance department estimates budget revenues, based on the historical grant information and non-grant revenues. During this period, the Finance department prepares school budget estimates and departmental estimates, and sends standard templates to individual schools and departments. School budgets are based on per-pupil allocation, and the template contains the previous year's budget information of provided total budget allocation. The completed budget forms are returned to the Finance department by April. The Senior Administration meets to determine where the additional funds should be allocated based on the budget forms provided by departments. The Senior Administration team also determines the initiatives to be funded with EPO grants. In February-March, the Superintendent of Business estimates the salary and benefits budget based on costs data provided by Payroll for each staff member. The Finance department uses an Excel spreadsheet to develop the budget.

Management provides a report on the GSN announcement to the Board when there are significant changes in funding. However, such reports are not prepared each year. As part of the budget development process in April and May, management provides staffing proposals for elementary and secondary panels to the Board for approval. The trustees are provided with sufficient time to review and understand the staff allocation models. The complete budget estimates and other staff allocation models are presented to the Board in June for final approval. Throughout the budget development process,

trustees have an opportunity to provide input during discussions with the Senior Administration about new projects and initiatives.

Management indicated that the school board does not have a broad public consultation process as part of the budget development process. However, input is sought from the Special Education Advisory Committee (SEAC) and Native Education Advisory Committee (NEAC). In completing school budget estimates, school principals also consult with parent councils.

Risk Mitigation and Board Approval

Management incorporates all identified risks in the budget estimates. It discusses various risks (such as retirement gratuities) with trustees throughout the budget development process. However, management does not formally document the risks and propose mitigation actions. Overall, management noted that it adopts a prudent approach to developing budget estimates, underpinned by conservative enrolment projections.

The process of reporting on risk mitigation strategies varies significantly among 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 that may arise due to unforeseen circumstances.
- Assessment of the probability of occurrence for each budget risk, as well as a quantification of the impact to the budget should the risk materialize.
- Proposed mitigation strategies to minimize the probability of occurrence for each risk, as well as contingency measures that management will undertake should the risk materialize.

Throughout the budget cycle:

- Periodic reporting of material budget variances that may negatively impact the financial outcome of the board - this may be communicated through the interim financial reports.
- An update on the probability of occurrence, quantification and impact of each of budget risk identified formally at the beginning of the budget cycle.
- Any new budget risks not previously identified.

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

The school board has several types of reserve funds. Working reserve funds are maintained to respond to unexpected pressures or unforeseen costs. There is an insurance reserve and restricted reserves for capital projects. The school board has also established a facilities/plant reserve to accumulate a small portion of renewal funding to deal with any future unexpected maintenance costs. The use of reserves requires Board approval.

Recommendations:

- Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels.
- Management should consider providing a budget process initiation presentation (containing an outline of budget timelines and stages) to the Board each year. This would help ensure that the budget development process is clearly communicated and understood by all trustees. Throughout the budget development process management should provide information to trustees on key stages in the budget development process. This would provide the trustees with an opportunity to provide formal feedback and input and enhance their understanding of the draft budget estimates presented for approval in June.

4.3 Financial Reporting and Analysis

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

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

The following table summarizes the leading practices defined for Financial Reporting and Analysis, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely

adopted at the time of the review, a “No” indicates that an improvement opportunity exists.

Integrated System for Variance Analysis and Financial Reporting

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

Interim and Annual Financial Reporting

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

Audit

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

Integrated System for Variance Analysis and Financial Reporting

The school board has an integrated financial system that provides adequate, timely, and accurate information to management, school staff, and the board of trustees. The system was implemented several years ago. The school board uses the accounting, general ledger, accounts payable, human resources, payroll, purchasing and accounts receivable modules of the system.

The Manager of Accounting Services is responsible for establishing new general ledger account codes in the financial system.

Interim and Annual Financial Reporting

In 2009, the school board adopted the interim financial reporting template developed by the Interim Financial Reporting Committee (IFRC). At the time of the operational review, management had completed a full cycle of reporting using the template. Management has received some positive feedback from trustees on consistency and structure of the information presented.

All interim financial reports are reviewed by the Senior Administration during the agenda-setting meeting prior to presentation to the Board. However, the reports are not formally approved or signed off by the Director and the Superintendent of Business.

In addition to the interim financial reports, the Finance department prepares monthly disbursement reports for the Board. The reports contain a detailed breakdown of disbursements, including cheques, electronic funds transfers, and payroll and a complete cheque register, and are submitted to the Business Chair.

All budget holders have direct access to the information on their cost centres in the school board's financial system. This enables budget owners to monitor their budgets continuously. The Finance department periodically monitors the expenditure of the total budget allocation by each cost centre. At the end of the year, the Finance department conducts a year-end review to ensure that total budget allocations have not been overspent. The financial system does not automatically prevent expenditure beyond the established total budget. Budget holders are responsible for ensuring that expenditures are within the established budget. Finance staff support budget holders in understanding the use of the financial system for budget monitoring. Finance staff also work with budget holders to resolve unexpected budget pressures that arise during the year.

The school board is compliant with established timelines for submitting its budget, revised estimates, and financial statements to the Ministry.

Audit

The school board does not have an independent internal audit function. Management has provided the Board with updates on progress in implementing the regional internal audit model.

The Finance department of the school board has been conducting internal audits (reviews) of various aspects of school board operations with particular focus on management of school-based funds. The school board has established an internal audit

policy and management guidelines which govern the internal audit process. In January of each year, the Manager of Accounting Services meets with the Senior Administration team to develop an annual plan for internal audits. Trustees also have an opportunity to provide input for the development of the plan. The plan identifies schools and areas to be reviewed. The plan is communicated to the system. The basic audit of schools involves a review of enrollment, inventory of movable items, purchasing/invoice processing, and cash handling. Upon completion of audits, the Manager of Accounting Services discusses observations with principals. Using the results of all reviews completed in a year, the Manager of Accounting Services prepares a draft report which incorporates principals' comments. The final report is shared with the Board in June. Key findings, observations and recommendations for improvement identified in the final report are communicated to the system. The reviews are conducted on a five-year cycle.

Currently, the school board's external auditors report to the Board. The Board has an opportunity to meet with external auditors *in-camera*. However, management noted that the school board's external auditors have not requested such meetings. Following the external audit, auditors prepare a management letter with audit findings and recommendations. The auditors provide a presentation to the Board, and identify the issues that appear in the management letter, as well as progress in addressing issues identified during the previous year's audit. The school board has maintained a long-standing relationship with its external auditors. Management should consider providing a formal response to the management letter.

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

The Audit Committee Regulation came into effect in September 2010, and requires the establishment of audit committees in school boards by January 31, 2011, following the fall trustee elections. The regulation sets out the following major aspects:

- Appointment process for members
- Requirement for external member participation
- Term of appointment
- Duties and powers of the committee
- Reporting requirements

- Deadline for the first audit committee meeting (March 31, 2011).

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

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

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

Recommendations:

- The school board should establish approval procedures for interim financial statements, and implement a formal sign-off process of these statements by senior management.
- Management should continue working with the regional audit team on the development of a risk assessment to determine priority areas for internal audit activities.
- Management should work with the regional audit team to ensure annual audit plans are clearly documented. Audit report recommendations should be followed up and acted upon by management. Where management chooses not to implement an audit recommendation and to accept the risks associated with an audit finding, the justification should be clearly documented and agreed to by the audit committee.
- The Board should establish an audit committee and recruit external advisors to sit on the audit committee in accordance with the new Audit Committee regulation.

4.4 Treasury Management

The purpose of reviewing treasury management processes is to assess:

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

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

Cash and Investment Management

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

Cash and Investment Management

The school board has some idle cash. Management noted that currently there is no close monitoring of surplus cash to move it to the highest yielding account due to limited resources within the Finance department. Currently, the Manager of Accounting Services and the school board’s bank are in the process of discussing alternative processes and banking options to ensure highest yields for idle cash, which would not require close monitoring of accounts.

The Finance department does not conduct cash forecasting. The Manager of Accounting Services ensures that there are sufficient funds to cover upcoming payments.

The Accounting Clerk performs monthly bank reconciliations. The Manager of Accounting Services approves bank reconciliations.

In 2009, the school board changed its banking institution through a competitive procurement process. In addition, management conducts periodic comparisons with banking terms of other school boards, through the OASBO survey. The school board has one main account, an account for retirement gratuities, and several trust accounts. Given limited access to a single banking institution within the geographic areas of the school board, schools use their local financial institutions.

Management noted that the school board has limited investment activity. There is no formal policy statement on investment activity.

The school board monitors and mitigates the financial risk related to cash and investment management in several ways. Wire transfers are used occasionally, and require authorization by the Manager of Accounting Services and a sign-off by the Superintendent of Business. The school board does not use manual checks. Management indicated that there have been no issues or fraudulent activities at the school board related to cash management. The Manager of Accounting Services conducts nightly back-ups of data in the financial system.

Recommendation:

- The school board should establish a formal investment policy and procedures. Management should periodically report to the Board on the performance of the investment activity in accordance with the investment policy.

4.5 School-Based Funds and Non-Grant Revenue Management

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

- Assess whether procedures are in place to ensure the timely, complete and accurate recording of the different types of school-based funds and non-grant revenue;
- Assess whether internal controls exist to support appropriate cash handling and cash management;

- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

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

Management of School-Based Funds

Leading Practices – School-Based Funds and Non-Grant Revenue Management	Evidence of Adoption?
Management ensures adequate controls are in place to safeguard school-based funds and coordinate the annual reporting of revenues and expenditures from schools and school councils.	No

Management of Non-Grant Revenue

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

Management of School-Based Funds

The school board has not established policy and procedures for school-generated funds. However, there is a policy and management guidelines on fundraising activities.

Management follows standard processes in tracking school-generated funds and reporting on revenues and expenditures. The school board has implemented specialized software to support management of school cash. The Finance department conducts periodic informal reviews of transactions in the cash management software, as a way to ensure that schools account transactions are accurate and facilitate school accountability. Periodic audits (reviews) of schoolbased funds conducted by the Finance

department also help identify any issues in the management of school-based funds, and provide recommendations for reviewed schools and the entire system.

School principals are responsible for approving monthly bank reconciliations. Every year, principals are required to submit the June bank reconciliation and bank statements for July and August. All schools have one or two accounts for school-generated funds. A second account is only allowed for funds raised through lotteries.

The school board's policy on fundraising provides a high-level definition of types of fundraising activities allowed by the school board. The fundraising management guidelines provide a broad description of key procedures for management of school-based funds. It is indicated throughout the management guidelines that the Superintendent of Business establishes specific procedures for schools and school councils. However, there are no detailed documented procedures for cash handling, accounting and reporting on school-generated funds.

Management of Non-Grant Revenue

The main sources of non-grant revenue for the school board are tuition fees, long-term leases, and Education Programs - Other (EPO) grants announced by the Ministry. Management noted that costs associated with the community use of facilities are covered by the community use of schools grant.

Management noted that in the past, the school board had significant tuition fees arrears. At the time of the operational review, all arrears were current. Overall, management noted that recovering tuition fees arrears requires significant time and attention from school board administration and is continuously identifying ways to ensure timely payments in the future.

For long-term leases, the school board establishes individual rental agreements. Management noted that the school board has not had any issues with payment of rental fees.

There is a policy and management guidelines in place for the community use of schools. The school board has hired a part-time community outreach coordinator, who is working to establish a new program. The school board used the ministry guidelines for establishing the roles and responsibilities of the community outreach coordinator. In September 2010, the school board launched an online booking system. The community outreach coordinator is providing support and training to principals in using the new booking system.

Using historical information, management estimates non-grant revenues as part of the budget development process.

The Manager of Accounting Services is responsible for coordinating all EPOs. When EPO grants are announced, the Manager of Accounting Services meets with all staff involved in managing EPO grants, including the Director, Superintendent of Education, Superintendent of Business, Student Success Coordinator, literacy and numeracy facilitator and the Special Education Coordinator to set the initial budget and schedule for each EPO grant. This group also periodically reviews schedules for grants.

The Finance department maintains a spreadsheet for tracking EPO grants. The spreadsheet is posted on the school board's shared drive along with each EPO agreement. The spreadsheet identifies the initiatives, budget cost codes, reporting timelines and assigned individuals. In the spreadsheet, there is an automated reminder on due or overdue reports. The Manager of Accounting Services has established the Initiatives Procedures Manual for Administrators, which clearly sets out processes for contract processing, use of the central tracking spreadsheet, setting up initiative accounts, purchase orders, related professional development opportunity, and reporting.

In 2010, management has implemented a new process to ensure that all costs related to projects and initiatives funded with EPOs are tracked. For every professional development event related to such projects and initiatives, the organizer of the event collects a sign-in sheet of participants, which indicates if an occasional teacher was required. These sign-in sheets are submitted to the Finance department, and the occasional teachers' costs are assigned to the appropriate budget code.

Recommendation

- The school board should develop formal policy and procedure for management of school-generated funds. This would establish adequate controls to safeguard school-based funds, and coordinate the annual reporting of revenues and expenditures from schools and school councils. Management should consider using the School Generated Funds Guidelines developed by OASBO for the development of procedures.

4.6 Supply Chain/Procurement

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

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

- Whether school board processes ensure value for money from all acquired goods and services;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Policies and Procedures

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

Participation in Group Purchasing Initiatives

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

Purchasing Levels of Authority

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

Policies and Procedures for PCard/Corporate Card Use

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

Accounting for Completeness of Purchase/Payment Cycle

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

Use of Electronic Funds Transfer

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

Policies and Procedures

The school board has established policies and management guidelines for purchasing, travel, and hospitality. In 2010, the school board's purchasing policy was reviewed and updated to reflect the Ontario Broader Public Sector Supply Chain Guidelines (SCG). As part of the purchasing policy review process, the school board has also adopted the Code of Ethics. It is stated in the policy that all employees involved in supply-chain related activities must conduct themselves in accordance with the Ontario Broader Public Sector Supply Chain Code of Ethics. It is also stated that the school board will abide and adhere to the Ontario Broader Public Sector Procurement Policies and Procedures. The Ontario Broader Public Sector Supply Chain Code of Ethics as well as the SCG are attached to the school board's policy. The revised policy and management guidelines are posted on the school board's website.

Subsequent to the review and update of the purchasing policy and management guidelines, discussions and information sessions were held with the Plant Services and Information Technology departments, since these departments undertake most of the

purchasing for the school board. The Finance department has also sent out memoranda to school secretaries, and provided the updated policy to principals prior to the beginning of the new school year. The policy and management guidelines have also been communicated to all central administration staff during a regular staff meeting.

The purchasing policy includes exceptions to competitive purchasing including cases when:

- The preferred number of competitive bids cannot be obtained
- It is more appropriate to purchase a particular make or model or brand to ensure compatibility with existing equipment and/or procedures
- It is more appropriate to deal with a particular supplier for reasons of service or delivery.

Management noted that usually price is the key criteria for awarding the contract. However, other factors such as value and quality of service are also taken into consideration.

The school board has established the following competitive purchasing thresholds:

- Less than \$5,000 – purchases are made by purchase order processed directly by the department manager, school principal or designate
- More than 5,000 but less than \$100,000 – purchases are made by purchase order after obtaining three or more written quotes
- \$100,000 and more – purchases of \$100,000 or more are made by tender

There is no central purchasing function at the school board. The Plant Services department and the IT department undertake most of the purchasing for the school board, and manage the purchasing process at a departmental level. Management noted that the tender limit of \$100,000 is rarely reached for purchases. Purchases through tenders are usually made by the Plant Service department for construction and capital projects. If a tender is issued, it is advertised in trade journals. The architects may also inform general contractors on open tenders. Management noted that the transportation function has started using MERX to advertise tenders. This approach will be reviewed by management for potential future use for all tenders issued by the school board.

Management is aware of the Ontario Education Collaborative Marketplace (OECM) opportunities. However, using OECM would require significant training and effort. Management does not currently have the administrative resources to support this initiative.

Participation in Group Purchasing Initiatives

The purchasing policy and management guidelines state that the school board may enter with other public bodies in cooperative purchasing agreements. Management noted that the school board has explored numerous options for group purchasing. However, given the geographic location of the school board and the volume of purchases, management estimated that the school board would need warehousing facilities to be able to benefit from group purchasing arrangements. Management continues to monitor group purchasing opportunities including OEM contracts and Government of Ontario Vendor of Record Arrangements (VOR).

Purchasing Levels of Authority

The school board's purchasing policy and management guidelines set out the following approval levels for purchasing:

- Any purchase/construction project greater than or equal to \$500,000 require Board of Trustee approval of the vendor/contractor selection
- For purchases greater than \$100,000 but less than \$500,000 approval of the Superintendent of Business or designate will be required
- For purchases up to \$100,000 individual purchasing limits for staff will be defined by the Superintendent of Business

Management noted that currently, all purchases over \$5,000 are approved by the Manager of Accounting Services and the Superintendent of Business. In the Purchasing Limits section of the purchasing policy, it is indicated that purchases of up to \$5,000 are made by a purchase order processed directly by the department manager, school principal or designate.

The levels of authority for purchasing requisitions are set up in the school board's financial system. In addition, the Accounting Clerk is designated as the buyer in the financial system. All purchase orders are first directed to the Accounting Clerk to check accuracy before they are sent for approval. For purchases requiring written quotations, the requisitioner obtains written quotes and provides them to the Finance department for review. The Manager of Accounting Services reviews all purchase orders over \$5,000 during school audits.

The immediate supervisor approves travel and expense reimbursements. If expenses are related to a specific initiative, the receipts are also reviewed by the person in charge of the initiative. The Accounts Payable clerk reviews all expenses to ensure that they are consistent with the policy. Management noted that the school board has recently conducted a four-year audit of expenses. The Superintendent of Business approves

expenses for the trustees and the Director. The Chair of the Board has formally delegated the approval of the Director's expenses to the SBO. The school board's policy on travel and expenses applies to all employees and trustees.

Policies and Procedures for PCard/Corporate Card Use

The school board does not use PCards. Management noted that it examined the use of PCards in the past but did not identify significant benefits.

There are four corporate cards issued to the Director, superintendents and the Student Success Coordinator. Corporate cards are mainly used for travel. The school board has established a formal policy for corporate cards. The process for reimbursement of expenses made with the corporate card is governed by the school board's purchasing policy and management guidelines on travel, hospitality and expenses. Corporate card expenses are approved by the employee's supervisor and the Director's expenses are approved by the Superintendent of Business as delegated by the Chair to the SBO.

Accounting for Completeness of Purchase/Payment Cycle

At the school level, purchasing orders (POs) are created by teachers or the school secretary. All POs are reviewed by the Accounting Clerk when submitted in the system. Subsequent to the review by the Accounting Clerk, principals and department managers approve all purchases. All purchases over \$5,000 also require approval of the Manager of Accounting Services or Superintendent of Business. The Accounting Clerk (buyer) is responsible for issuing POs to vendors.

Goods are delivered directly to schools. At the time of the operational review, the school board was in the process of implementing the goods receipt module in the financial system to support electronic receiving. Through the implementation of the electronic goods-received module, the Finance department aims to centralize and standardize the process within each school, so that school secretaries can enter receipt information directly in the system. Management noted that in the past due to inconsistency in the process, there were challenges in ensuring that teachers who received goods provided receipt information to the school secretary.

All invoices are sent to the Finance department. The Accounting Clerk matches the invoice with the purchase order in the system and receipt information. For schools that have yet to implement the electronic goods received module, invoices are sent to the school to confirm the receipt of goods and provide a sign-off before the invoices are paid.

The school board uses commitment accounting. The financial system shows an encumbrance when a purchase order is committed. The Finance department prepares reports on outstanding POs throughout the year to identify cases when goods might

have been shipped but have not been entered in the system or when goods have not been delivered.

Management started examining options for using electronic supplier catalogues. Currently, the school board uses paper catalogues for purchases of custodial supplies.

Use of Electronic Funds Transfer for Greater Efficiency

The school board stated working with its new financial institution to establish EFTs for its vendors. The school board plans to test the EFTs for payment of employee's expense reports and gradually introduce EFTs for transportation and other vendors when practical.

The school board uses electronic cheques for most payments.

Recommendations:

- The school board should continue to improve its monitoring of purchasing activities to ensure compliance with the Board's procurement policies and procedures. For example, management could consider exploring opportunities with the co-terminous school board to establish a shared purchasing function as part of a cooperative arrangement.
- Management should continue identifying opportunities for implementation of the electronic supplier interface and catalogues for ordering, processing and payment.
- The school board should continue working with its bank to establish EFTs for its vendors, where feasible.

5. School Operations and Facilities Management – Findings and Recommendations



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

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

5.1 Operations and Facilities Organization

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

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

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

Development and Reporting of Annual Goals and Priorities

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

Organizational Structure and Accountability

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

Monitoring and Communication of Policies

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

Development and Reporting of Annual Goals and Priorities

The goals and priorities of the Plant Services department are identified during the budget development process. The department management establishes key priorities,

and discusses and refines these priorities with the Senior Administration. Management noted that a number of departmental priorities are defined by specific grants provided by the Ministry, such as grants for energy management initiatives. The Plant Services department's activities are currently focused on four key areas:

- Energy management
- Timely and adequate maintenance of schools
- Training for custodial and maintenance staff and mandatory training for all school board employees
- Capital projects

At the end of each year as part of preparation for the Director's Annual report, the Plant Services department prepares a summary of achievements, goals and objectives for the new year. However, the goals and objectives identified in the summary are not accompanied with timelines, assigned responsibilities and indicators of success. In addition to the identification of annual goals and priorities, the Manager of Plant Services schedules all Ministry reporting requirements and due dates in the Outlook calendar, and keeps a list of initiative due dates in collaboration with the Manager of Accounting Services.

Throughout the year, the Plant Services department provides reports to the Board on various aspects of operations as requested. During construction projects, monthly reports are provided to trustees. In October of each year, the department prepares an annual capital report which is presented to the Board by the Manager of Plant Services.

The Plant Services department informally gathers feedback on its activities and services through regular meetings with principals, senior administration, and other stakeholders.

Organizational Structure and Accountability

The Plant Services department has a current organization chart outlining the positions within the department. The school board's administration organization chart indicates the structure of reporting of the Manager of Plant Services and is published on the school board's website. The website also provides a list of key staff within the Plant Services department and their contact details.

The Manager of Plant Services is supported by the Coordinator of Maintenance Services. There are five maintenance foremen responsible for hands-on maintenance work. However, management noted that due to increased regulatory requirements, the school board has to contract external maintenance service providers for some types of maintenance work. Management has recently modified its approach to the allocation of

maintenance staff to improve the efficiency of maintenance services. Maintenance foremen are assigned to specific locations, but are sometimes temporarily reassigned to travel to various locations across the school board's region as needed. There are 35 custodians at the school board. There is a head custodian in each school.

Administrative positions within the Plant Services department have various requirements for professional qualifications and experience based on industry standards. At the time of hiring, the Manager of Plant Services was required to have a degree in engineering, or an acceptable combination of education and experience. The current Manager of Plant Services has a trades certification, a power engineering certification, ozone depleting substances certification, and four years of mechanical engineering coursework, along with various building management courses. The Manager also has extensive experience in supervisory roles including direct school board experience.

The Coordinator of Maintenance Services has several trade certifications and over 20 years of trade experience, including 10 years of experience in supervisory roles.

Monitoring and Communication of Policies

The Plant Services department is responsible for policies and procedures related to school facilities, security, community use of schools, equipment usage, transportation and health and safety. The Plant Services department works closely with the Human Resources Services department to provide training that supports compliance with health and safety policies. The department also ensures compliance with various policies through periodic inspections, such as health and safety inspections. All formal policies and management guidelines are posted on the school board's website.

The Plant Services department monitors the condition of school facilities centrally, and tracks compliance with regulatory requirements such as water testing. The Manager of Plant Services also monitors regulatory changes and ensures that they are reflected in the school board's policies and management guidelines. The Manager of Plant Services receives information on regulatory changes through OASBO, Ministry memos, school board's legal counsel or professional periodicals. The Manager of Plant Services and the Coordinator of Maintenance are both members of OASBO.

The Plant Services department communicates new policies and procedures or changes to principals using email, and during staff meetings where necessary. The department also provides notices to maintenance staff. Management noted that all maintenance staff have smart phones, and all maintenance and custodial staff have access to a personal computer and school board-administered email accounts.

Recommendation:

- The Plant Services department should enhance its annual departmental operating planning process by establishing timelines, assigned responsibilities and indicators of success for all annual goals and priorities.

5.2 Custodial and Maintenance Operations

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

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

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

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

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

Development of Annual/Multi-Year Maintenance Plan

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

Training to Support Skills Development and Safety

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

Standardization of Cleaning and Maintenance Supplies

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

Project Management, Monitoring and Support Systems

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

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

The custodial staffing allocation model is based on several factors including number of teachers and students, number of rooms, room size and water flushing requirements. The model is reviewed each year and updated when needed. The union is aware of the model.

Several years ago, the school board hired external consultants to undertake a comprehensive assessment of all schools and identify cleaning requirements for each school. As result of the review, each school has a documentation binder containing information on cleaning requirements. Subsequent to the review, the Manager of Plant Services has enhanced cleaning standards by introducing a Summer Cleaning Plan. The Summer Cleaning Plan identifies and addresses cleaning and minor maintenance issues that are not covered by cleaning requirements identified in school binders.

In May of each year, the Manager of Plant Services provides standard templates to all custodians to indicate additional requirements and establish a schedule of activities. Head custodians lead the summer cleaning process. Using the submitted schedules, which are reviewed by the school principals prior to submission, the Manager of Plant Services visits schools throughout summer to ensure compliance with the Summer Cleaning Plan. During the year, the Manager of Plant Services visits each school two or three times to observe cleanliness and discuss any issues with custodians and principals.

Management noted that the formal cleaning standards established in school binders can be accompanied with a formal process to monitor compliance. However, management has implemented an informal approach, based on open communication with principals and custodians. Management should consider establishing a formal process for monitoring of compliance with cleaning standards. To ensure support of custodial staff, management should work closely with custodians to identify options for a monitoring process. A formal monitoring process would ensure consistency in assessing compliance with cleaning standards and would help management report on results.

Management noted that the cleaning standards will undergo a significant change with the implementation of green cleaning. The school board started examining opportunities and options for the implementation of a green clean program. The Coordinator of Maintenance Services is evaluating various suppliers of green cleaning products and piloting new products. At the time of the operational review, the management had identified three vendors of green cleaning products. However, the school board has not yet implemented a formal Green Clean program in line with the Ministry's Green Clean Program Resource Guide. The school board does not have a formal environmental policy.

Development of Annual and Multi-Year Maintenance Plan

The Plant Services department develops and tracks a five-year capital/renewal plan that identifies major capital and maintenance/renewal priorities. The projects included in the five-year plan are generally over \$10,000. The plan is driven by the available budget and funding. In addition, the department has a maintenance budget to conduct regular inspections and undertake minor repairs requested through work orders.

The development of an annual and multi-year capital plan involves input from various stakeholders, and uses several sources of information. The Manager of Plant Services noted that a zero-based budgeting approach is taken each year to establish the renewal plan.

Each year, the Manager of Plant Services provides all principals with a standard package of templates to be completed in consultation with custodians. The package includes templates for recording the consultation process with school staff, identification of a long list of priorities and preliminary prioritization. Once the package is completed and returned to the Plant Services department, the Manager of Plant Services conducts an on-site walk-through with each principal to review the package and identify any additional maintenance items.

In addition to this process, maintenance priorities are identified by the Manager of Plant Services during periodic visits to schools. Custodial and maintenance staff may also identify and report mechanical issues. The Plant Service department also uses ReCAPP data to identify projects to be included in the five-year plan. The Manager of Plant Services finalizes the prioritization of maintenance priorities. The Manager of Plant Services also discusses the prioritization and the rationale with school principals. Overall, the Plant Services department aims to approve at least one significant maintenance project a year for each school. Occasionally, the department plans similar projects across several schools to be completed in one year. For example, this approach has been recently used for the renovation of science labs. The complete list of approved projects is sent out to all principals, head custodians and maintenance foremen and is submitted to the Board. Each September, management reports to the Board on progress in implementing the plan.

Management noted that it has started planning and implementing a preventative maintenance program using computer software. The program will include inspections and servicing of equipment. The Plant Services department is using the preventative maintenance module in the school board's maintenance software, which has been primarily used for work orders.

Training to Support Skills Development and Safety

The school board purchased and implemented training software to provide mandatory training to staff such as fall protection, health and safety and Workplace Hazardous Materials Information System (WHMIS). The system was initially used for training of custodial and maintenance staff. However, it has since been expanded to provide health and safety training to all staff, and administrators, and in some cases, trustees. Management noted that currently the training system has several modules. The content of training modules is reviewed each year. The Plant Services department created a safety manual and provides related training to custodial and maintenance staff using the

training software. Management noted that the Plant Services department has been organizing one face-to-face professional development day a year for all custodial and maintenance staff. However, management noted it is costly for the school board. Management continues to enhance the use of the training software for professional development of custodial and maintenance staff.

Management noted that the system keeps record of completed training and has the capacity to generate reports. The HR department tracks completion of mandatory training by all staff, while the Coordinator of Maintenance Services keeps track of training provided to custodial and maintenance staff.

Standardization of Cleaning and Maintenance Supplies

Each site of the school board maintains an inventory of cleaning and maintenance equipment. There is a standard template which is used by each site to track equipment. The school board has established a policy and management guidelines on the borrowing of school board's equipment.

As part of the process to develop the annual renewal plan, custodians are required to list all equipment, its age, condition, estimated replacement date and last inspection date.

The Plant Services department uses standardized cleaning products across all schools. Management provides all custodians with a list of approved custodial supplies and options available from key suppliers. Each head custodian is allocated a budget for custodial supplies and is responsible for tracking the budget. The allocation formula is based on square footage with some adjustments made for unique aspects of schools, such as number of storeys. The Plant Services department also maintains one small central account with a budget for custodial supplies in cases of unforeseen overruns. The Manager of Plant Services reviews spending of custodial budgets monthly, and conducts comparisons across schools if there are any notable trends or issues.

The purchasing module in the financial system contains quote information for all contracts for custodial supplies, and all purchases are made using the system. The Coordinator of Maintenance Services approves all requisitions made by head custodians, to ensure that there is no unnecessary purchasing. In general, all orders are made twice a year. However, head custodians can make requisitions throughout the year as needed. The approach to purchasing of custodial supplies will change with the implementation of the Green Clean Program. Management noted it may move to a central purchasing of all custodial supplies, or at a minimum, remove nongreen products from the supply list.

Project Management, Monitoring and Supporting Systems

The Plant Services department has implemented an automated work order system, using specialized computer software. School secretaries or principals can enter work order requests. The requests are reviewed by the Coordinator of Maintenance Services who then approves and assigns work orders to the appropriate maintenance staff or a custodian (in cases work orders are related to nonmaintenance items). Work orders are forwarded to staff via email and smart phones. Copies of work orders are sent to requesting principals as well.

The maintenance staff are responsible for determining their own scheduling of work. When the maintenance foremen visit schools, they consult with the principal to identify the high priority items on the list of approved work orders for the school. In general, each maintenance foreman works under a weekly schedule that is assigned by the Coordinator of Maintenance Services. Usually, staff are required to spend at least one day a week in each school in their assigned region, with extra days assigned to larger facilities.

Maintenance staff are required to complete the details of work performed in relation to each work order and indicate completion in the work order system. The completed work order notification is sent to the principal or other requestor. Maintenance staff are also responsible for completing a manual weekly timesheet, including extra hours worked.

Using the work order system, the Manager of Plant Services runs periodic reports on incomplete work orders, and can undertake analysis based on various parameters.

Recommendation:

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

5.3 Energy Management

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

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

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

Energy Management Plan

Leading Practices – Energy Management	Evidence of Adoption?
In reference to the <i>Ontario Green Energy Act, 2009</i> , senior administration has established a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.	No
Procurement practices support the objectives and targets of the energy management plan.	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 established a broad energy conservation goal to maintain flatline spending for utilities. However, the school board has not established a formal energy management plan with measurable goals and targets.

The school board has implemented many projects and initiatives in the area of energy management. The school board has installed smart meters for hydro as well as interval meters. Data from interval meters is used to track consumption. Each school is equipped with an energy management system which enables a central remote control and adjustment of equipment. The school board has contracted a local energy consulting company to install and maintain the system across all schools.

The school board has also implemented many renewal projects at most schools that contribute to energy conservation, such as the installation of new windows, lighting, automated sensor lights, and room occupancy sensors. The school board uses an engineering firm to provide advice and direction on energy efficiency improvements that can be carried out as part of the maintenance and renewal program. Management incorporates energy efficiency projects funded through the Ministry grants in the school board's capital plan.

In several schools, management has installed monitors to display energy consumption data. Currently, there is no formal communication within the school board or to the broader community regarding energy efficiency projects and initiatives, beyond the capital plan and budget process. On the academic side, the Superintendent of Education coordinates the integration of any energy conservation and environmental initiatives in the curriculum.

Tracking and Reporting Energy Conservation

The Plant Services department maintains a spreadsheet to track energy costs. The data for the spreadsheet is obtained from the school board's financial system. The spreadsheet is also used to analyze the historical data and inform the development of budget estimates. Management noted that data from the energy management system installed at all schools is logged into a trend log and can be analyzed. However, currently there is no tracking of the consumption data. The school board has provided the requested data to the Utilities Consumption Database project sponsored by the Ministry of Education.

The school board does not receive consolidated billing from its utilities providers. Management is working with the utilities to obtain consolidated billings.

The school board has not established an environmental policy that addresses both environmental education and responsible management practices.

Recommendations:

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

- Once the formal energy management plan is established, the school board should ensure that its procurement policies and practices support the objectives and targets of the plan. Management should also consider documenting the energy efficiency requirements in procurement policies and procedures and/or the environmental policy.
- Management should provide formal annual reporting on the conservation savings achieved against the multi-year energy management plan.
- Successful energy conservation initiatives currently implemented by the school board should be communicated across all schools and with other school boards, to enhance recognition of energy management across the system.
- As part of the energy management planning, the school board should establish a comprehensive system to budget expenditures, track and regulate consumption, and identify opportunities for further savings.
- The school board should identify opportunities for consolidated billing from utilities.
- The school board should establish an overarching environmental policy that addresses both environmental education and responsible management practices, including energy conservation.

5.4 Health, Safety and Security

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

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

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

Health, Safety and Security Management

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

Health, Safety and Security Management

The school board has an Occupational Health and Safety policy which is updated each year. There are site-based occupational health and safety committees across all schools. School principals, vice principals, and at least one worker committee member at each school have Occupational Health and Safety certification. Management is considering ways to offer occupational health and safety certification training using the school board's online training system. There is also a board-wide health and safety steering committee, which includes union representatives and helps ensure a consistent approach to occupation health and safety. Several trustees also take part in the steering committee. Management provides training to trustees on some occupational health and safety issues through the school board's online training system and modules.

Management provides mandatory training on occupational health and safety to all employees. There is also job-specific training for custodial/maintenance staff. School principals are encouraged to include topics related to occupational health and safety in all staff meetings.

Management has established a health and safety manual which includes procedures for accident reporting and investigation. The central health and safety steering committee tracks and reviews site based inspection reports.

The school board has emergency and crisis response plans for each site. The Superintendent of Education oversees the development and maintenance of emergency response plans. Schools use a standard template for the development of emergency response plans.

The Plant Services department is responsible for monitoring of water and air quality and responding to any concerns raised by employees or students. The Superintendent of

Education oversees programs and initiatives related to student health and safety such as healthy schools and safe schools.

Overall, the school board ensures compliance with statutory requirements for occupational and student health and safety. The school board has a number of initiatives in place to support compliance with statutory health requirements. However, there is no documented health strategy that would address the promotion of overall health and wellness of both students and all employee groups. A health strategy document could contain the following elements:

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

Recommendation:

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

5.5 Capital Plans, Policies and Procedures

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

- Assess whether school capital assets are being utilized effectively and efficiently;
- Assess how well management is planning for future capital requirements, based on enrolment forecasts and the capacity/maintenance issues of the existing asset base, relative to the funding available from the Ministry;

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

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

Development of Annual and Multi-Year Capital Plans

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

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

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

Development of Annual and Multi-Year Capital Plans

The multi-year renewal plan described in Section 5.2 of the report is the current capital plan of the school board. The capital plan spans five years and identifies various projects including major and minor renewal projects and high priority or urgent projects identified through ReCAPP. Management noted that the main sources of capital funding for the school board are Good Places to Learn (GPL), energy efficiency funding, Grant for School Renewal, and Prohibitive to Repair (PTR) funding. In addition to allocating funding to various renewal projects as indicated in the multi-year plan, management tries to maintain reserves to fund future unplanned maintenance projects. Management provides annual reports to the Board on completed capital/renewal projects.

The Superintendent of Business conducts monthly updates of enrolment projections and reviews the school capacity data. The SBO discusses enrolment projections, school capacity and utilization as well as potential school consolidations with the Board. The SBO has overall responsibility for the capital/renewal plan. The school board has completed the capital wrap-up template.

The Board has established an accommodation review policy. However, since the school board has not conducted recent accommodation reviews, the policy has not been updated to reflect the Ministry guidelines. Management has identified a number of schools with significant under-capacity where accommodation reviews may be necessary in the future. The potential consolidations have been discussed with the Board. Management noted that in making decisions about renewal projects and new equipment, it takes into account school utilization and potential consolidations.

The school board has approved a Facilities Partnership Policy. The Community Use Outreach Coordinator is responsible for overseeing the policy and facility partnership projects and initiatives.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

The Plant Services Manager is responsible for updating SFIS. Overall, management noted that there are not many changes in SFIS each year and data is reviewed and updated several times a year or when a large capital project is completed. The Superintendent of Business uses the SFIS data for reviewing the school capacity.

The Manager of Plant Services is also responsible for updating ReCAPP data. Management indicated that ReCAPP data is up to date except for several small renewal projects.

5.6 Capital Project Delivery

The purpose of reviewing all related capital project delivery processes is to assess and identify:

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

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

Cost Effective Practices in the Design and Construction of Facilities

Leading Practices – Capital Project Delivery	Evidence of Adoption?
Management gives full consideration to the use of all available school space in their local communities before proceeding to build, purchase or lease other spaces.	Yes
Management uses cost-effective designs, standard footprints, energy conservation and economical construction practices to minimize construction and future maintenance and operation costs. The school board is guided by the principles outlined in the manual prepared by the Expert Panel on Capital Construction: From Concept to Classroom – Leading Practices Manual for School Construction in Ontario.	Yes
In constructing, acquiring, operating and managing school facilities, the school board is guided by the principles outlined in the Ontario Green Energy Act, 2009.	Yes
Senior administration maintains standard policy and/or procedures to rationalize construction projects, including benchmarking against other school board construction costs and design standards (including coterminous boards).	Yes

Monitoring and Reporting on Progress of Construction Projects

Leading Practices – Capital Project Delivery	Evidence of Adoption?
A Project Manager is appointed to oversee all aspects of the project including monitoring the budget and project timelines and ensuring management processes are in place for issues such as change orders and other internal approvals. This includes periodic project status updates and post-construction project evaluation.	Yes

Leading Practices – Capital Project Delivery	Evidence of Adoption?
An independent Cost Consultant is retained by the school board to review the design, provide objective costing analysis and advice, and report to the school board on options to ensure that the proposed capital expenditure is within the approved budget, prior to tendering a project.	Yes

Maintaining Current Approved Professional Service Providers

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

Cost-Effective Practices in the Design and Construction of Facilities

Management noted that there is limited interest in facility partnership projects within the local communities. The school board has been working with Confederation College to establish facility partnership arrangements. Currently, there are two arrangements in place at two high schools. In one school, the College is funding renovations of the space it uses for programs. The school board has some joint use facilities with the Catholic and French school boards. In the past, one school was built jointly with the local municipality as a joint use facility.

Given the declining enrolment and significant excess capacity in a number of schools, the school board has not been undertaking new school construction projects. An ongoing construction project entails building an elementary school at the existing high school. Overall, since the existing high school had significant overcapacity, the project is considered as a consolidation, with two distinct schools accommodated in one building. This model is the result of rigorous consultation with community stakeholders. This project is funded with the Prohibitive to Repair Funding as a school replacement project.

The school board sets design specification and requirements for all construction projects. The Manager of Plant Services identifies the design and material specifications. For the current construction project, the school board used the previous school design as a starting point for the development of the new school design. The school board has also used the Ministry template for identifying space benchmarks. As part of the design development stage, management provided a presentation on the existing K-12 school from a neighbouring school board.

For the current construction project, management has established a design steering committee which included the architect, the Director of Education, trustee representatives, parent and community representatives, the principal, and teacher representatives. The committee met six times, and identified 14 design scenarios with

the architects. The consultations during the design development phase took almost a year. Subsequent to the stakeholder consultations, the school board consulted with the Ministry to ensure that its requirements were met. The trustees received regular updates throughout the budget development process.

In the development of design for the current construction project, as well as other major capital projects, the school board considers energy efficiency features such as energy management systems, automated lighting, triple pane windows, and radiant heating.

The initial project budget was set in line with the available PTR grant, and enhanced with additional funding to implement specific projects for both the elementary and secondary panels. The school board has hired a cost consultant to conduct a cost review for the projects. The architects have also used their past experience in comparing costs per square foot with those of other projects.

Monitoring and Reporting of Progress on Construction Projects

The Manager of Plant Services has the role of the project manager during construction projects. The Manager of Plant Services is supported by the Coordinator of Maintenance Services and local maintenance staff. A member of maintenance staff has been assigned to oversee the daily construction progress and record relevant information, photograph the work, and report to the Manager of Plant Services.

There are weekly teleconference progress meetings with the Manager of Plant Services, the maintenance staff person responsible for overseeing the work, an architect's representative, principal, superintendent, and the general contractor. In addition, there are monthly on-site meetings with all staff involved in the project, including staff from the architectural firm.

The Manager of Plant Services monitors the project schedule. The Plant Services department has established a formal protocol for communication among management, the architects, and the general contractor.

The Manager of Plant Services signs off on all receipts and tracks the project budget. The architect reviews this and provides a certificate for progress payment. The certificate is approved by the Manager of Plant Services, and the school board's legal counsellor checks for any liens before payments are made.

The school board has established a change order process. Any change order requires a recommendation from the architects and approval by the Manager of Plant Services. Major changes are communicated to the Senior Administration and the Board.

During the construction projects, management provides monthly status reports to the Board.

Maintaining Current Approved Professional Service Providers

With its isolated location, the school board has limited options for architectural services, and usually hires from a local pool of companies. For the current construction project, it hired an architectural firm that has experience working with the school board. The firm is has built or renovated over 10 buildings within the school board, and demonstrated good results.

The pre-qualification of general contractors is conducted by the architect. The advertising is posted in the local and regional newspapers and other construction periodicals. For the current construction project, the school board has short-listed five general contractors. The school board also pre-qualifies mechanical and other sub-trades.

Appendices

Appendix A: Overview of the Operational Review

Operational Review Objectives

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

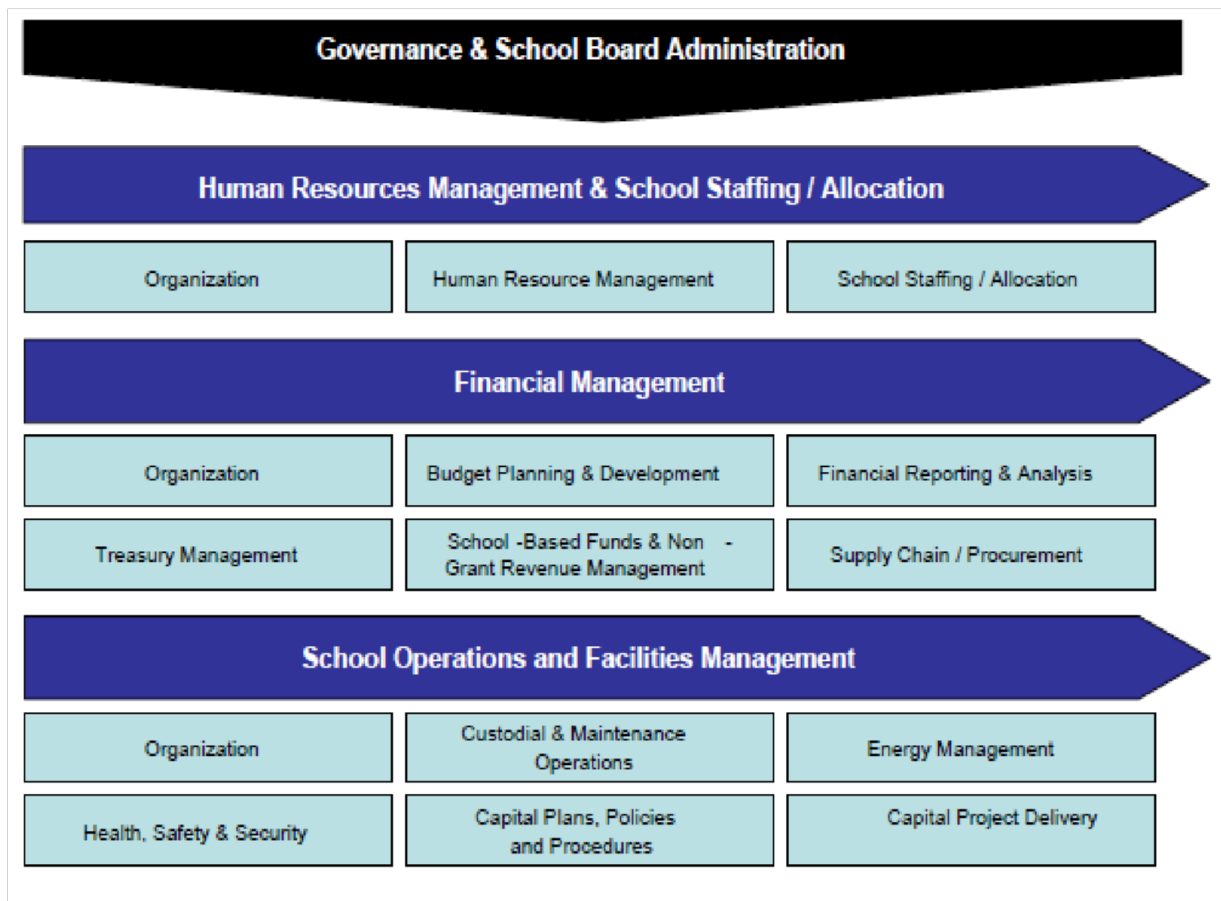
Recognizing the unique characteristics of each DSB, the specific purpose of the Operational Reviews is to:

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

Operational Review Summary Scope

The scope of the Operational Review consists of the following functional areas which have been divided into key processes as shown below. The processes represent the end-to-end lifecycle of activities performed by boards under each functional area.

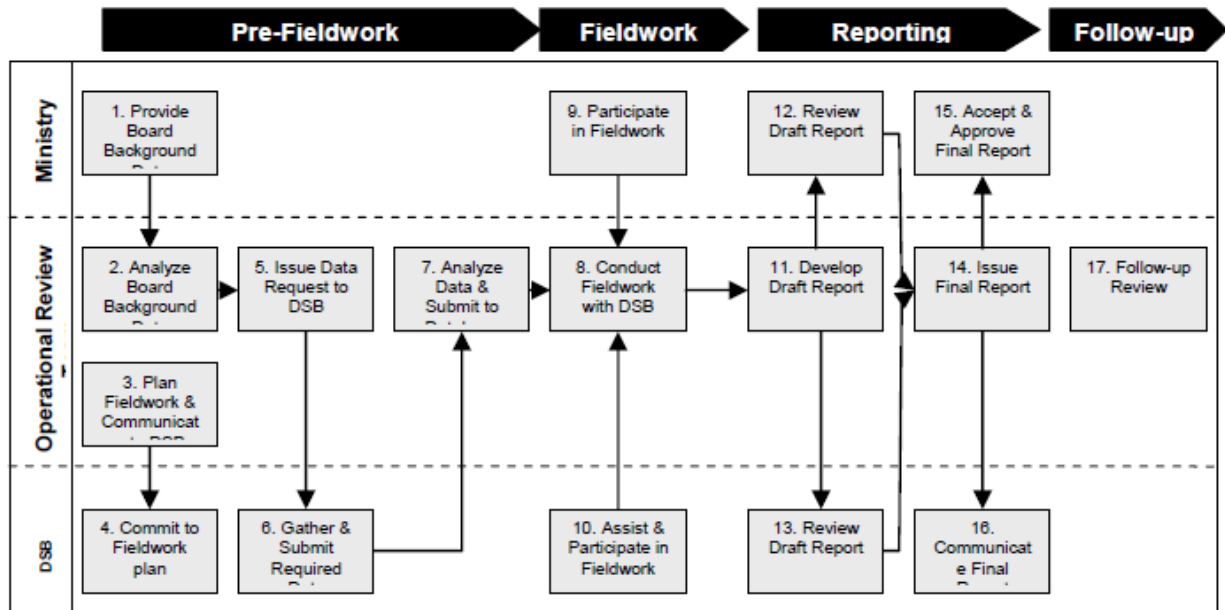
Each of the processes was examined based on its activities and its adoption of sector agreed leading practices, including alignment and support of student achievement strategies.



Operational Review Summary Approach

The high level Operational Review approach is shown below. The timing for the end-to-end process will vary depending on school board size and complexity.

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



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

Phase: Pre-Fieldwork

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

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

Phase: Fieldwork

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

Phase: Reporting

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

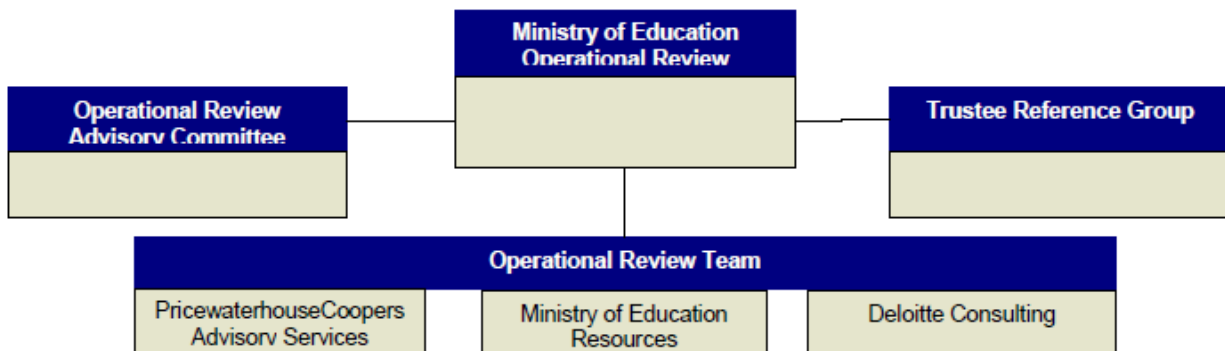
Phase: Follow-up

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

The Operational Review Team

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

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



Limitations of this Review

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

Appendix B: Summary of Recommendations

Governance and School Board Administration

No.	Recommendation
1.	The school board should continue to delineate the roles and responsibilities of the Board and the Director of Education and the Senior Administration. The roles and responsibilities should be clearly defined and documented. The school board's governance model should reflect the roles and responsibilities mandated by the Student Achievement and School Board Governance Act, Bill 177.
2.	The Director of Education should enhance the annual planning process by developing an annual operating plan of the school board's goals/priorities which incorporates both academic and non-academic areas. The plan should be aligned with the Board's multi-year strategic plan and have goals that are specific, measurable, achievable, relevant and timely. The plan should also assign responsibilities and accountability for goals and key activities.
3.	The school board should continue to align its leadership development programs and activities with the Ministry's leadership initiatives. It should finalize the development of a formal leadership development and succession plan for key management positions in all academic and non-academic areas.

Human Resources Management and School Staffing/Allocation

No.	Recommendation
4.	The HR department should develop an annual departmental operating plan which is aligned with the school board's annual operating plan. The departmental plan should reflect specific and measurable targets and indicators, and assign responsibilities and timelines for key activities.
5.	Management should review the hiring policies and procedures to clarify the roles of trustees and school board staff in the hiring process. Trustees should provide strategic policies to govern staffing and recruitment, but should not sit on hiring panels with the exception of hiring the Director.
6.	The HR department should establish a formal employee performance appraisal process for management staff, superintendents and the Director of Education. The formal process should be supported by documented policies and procedures.
7.	The HR department should re-examine and further investigate developing a formal disciplinary procedure or guidelines which would reflect the provisions of collective agreements as appropriate. The procedure or guidelines should be communicated to all staff.
8.	Management should implement a formal attendance support program which would utilize the available attendance data.
9.	Management should develop a way to assess and report on the effectiveness of the attendance support process/programs to senior administration and the Board.
10.	Management should periodically conduct independent compliance audits of the board's insurance carrier to ensure adherence to benefit plan's terms and conditions.
11.	Management should conduct periodic and confidential staff surveys to improve communication with staff and provide input for professional development plans and HR policy.

No.	Recommendation
12.	Management should also conduct exit interviews with all staff leaving the school board to obtain input for HR policy, as well as process and program improvement. Management should consider developing formal policies and/or procedures for conducting exit interviews.
13.	Management should document policies and procedures which govern the development of an annual staffing plan and allocation process.

Financial Management

No.	Recommendation
14.	The Finance department should develop an annual departmental operating plan which is aligned with the school board's annual operating plan. The departmental plan should reflect specific and measurable targets and indicators, and assign responsibilities and timelines for key activities.
15.	Management should consider providing a budget process initiation presentation (containing an outline of budget timelines and stages) to the Board each year. This would help ensure that the budget development process is clearly communicated and understood by all trustees. Throughout the budget development process management should provide information to trustees on key stages in the budget development process. This would provide the trustees with an opportunity to provide formal feedback and input and enhance their understanding of the draft budget estimates presented for approval in June.
16.	Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and updated periodically, would include strategies to mitigate the risks of spending beyond budgeted levels.
17.	The school board should establish approval procedures for interim financial statements, and implement a formal sign-off process of these statements by senior management.
18.	Management should continue working with the regional audit team on the development of a risk assessment to determine priority areas for internal audit activities.
19.	Management should work with the regional audit team to ensure annual audit plans are clearly documented. Audit report recommendations should be followed up and acted upon by management. Where management chooses not to implement an audit recommendation and to accept the risks associated with an audit finding, the justification should be clearly documented and agreed to by the audit committee.
20.	The Board should establish an audit committee and recruit external advisors to sit on the audit committee in accordance with the new Audit Committee regulation.
21.	The school board should establish a formal investment policy and procedures. Management should periodically report to the Board on the performance of the investment activity in accordance with the investment policy.
22.	The school board should develop formal policy and procedure for management of school-generated funds. This would establish adequate controls to safeguard school-based funds, and coordinate the annual reporting of revenues and expenditures from schools and school councils. Management should consider using the School Generated Funds Guidelines developed by OASBO for the development of procedures.
23.	The school board should continue to improve its monitoring of purchasing activities to ensure compliance with the Board's procurement policies and procedures. For example, management

No.	Recommendation
	could consider exploring opportunities with the co-terminous school board to establish a shared purchasing function as part of a cooperative arrangement.
24.	Management should continue identifying opportunities for implementation of the electronic supplier interface for ordering, processing and payment.
25.	The school board should continue working with its bank to establish EFTs with vendors, where feasible.

School Operations and Facilities Management

No.	Recommendation
26.	The Plant Services department should enhance its annual departmental operating planning process by establishing timelines, assigned responsibilities and indicators of success for all annual goals and priorities.
27.	The school board should review the Ministry's Green Clean Program Resource Guide and use the guide to develop a formal green clean program as part of its overarching Education Environmental Policy.
28.	Using the data available through the energy management system, the school board should establish a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. In line with the Green Energy Act, 2009, energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities, with milestones, roles, responsibilities and budgets with a process for ensuring community support.
29.	Once the formal energy management plan is established, the school board should ensure that its procurement policies and practices support the objectives and targets of the plan. Management should also consider documenting the energy efficiency requirements in procurement policies and procedures and/or the environmental policy.
30.	Management should provide formal annual reporting on the conservation savings achieved against the multi-year energy management plan.
31.	Successful energy conservation initiatives currently implemented by the school board should be communicated across all schools and with other school boards, to enhance recognition of energy management across the system.
32.	As part of the energy management planning, the school board should establish a comprehensive system to budget expenditures, track and regulate consumption, and identify opportunities for further savings.
33.	The school board should continue identifying opportunities for consolidated billing from utilities and continue to participate in the Ministry's Utility Consumption Database initiative.
34.	The school board should establish an overarching environmental policy that addresses both environmental education and responsible management practices, including energy conservation.
35.	The school board should consider establishing an integrated health plan/strategy that would reflect the existing policies and procedures regarding the health of both students and employee groups and aim to promote health and wellness across the school board. Management should also consider coordinating the development, implementation and monitoring of the plan centrally.