Ministry of Education

Operational Review Report
Thames Valley District School Board

June 2008

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Executive Summary

This report details the findings and recommendations of the Operational Review of the Thames Valley District School Board (the Board) conducted by the Operational Review Team composed of external consultants, PricewaterhouseCoopers LLP, and Ministry of Education staff. The Operational Review was conducted over a four-day period beginning February 11, 2008.

Introduction

The Ministry plans to perform Operational Reviews over the next three years of the 72 district school boards across the province. The initiative is congruent with Ministry goals and will contribute directly to increasing public confidence and support for public education. The Ministry's aim is to build management capacity within school boards through encouragement of good stewardship of public resources, and by leveraging and sharing of best practices. The identification of opportunities for continual improvement will help to ensure school boards are administratively and operationally aligned to support the government's highest priority – Student Success.

The Operational Review Team reviewed the 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 reviewing these areas was to assess the extent to which the Board has implemented the leading practices set out in the "Operational Review Guide for Ontario School Boards" and to provide, where appropriate, recommendations on opportunities for improvement. Appendix A provides an overview summary of the Operational Review scope and methodology.

The following provides an overall summary of the findings and recommendations identified in each of the functional areas reviewed that were particularly noteworthy. The review found that the Board was well managed, based on the fact that it has adopted a significant number of the leading practices in all of the functional areas reviewed. Details can be found in subsequent sections of the report.

Governance and School Board Administration

The Board adopted a policy governance model at the time of amalgamation. Under the policy governance model, the roles of policy making and implementation are clearly delineated. Trustees are responsible for policy making and the senior administration is implements procedures in accordance with the policies.

In 2000, new trustees joined the Board and initiated a review of the existing policy governance model. With increased demands for accountability and transparency from

the community, the trustees increased their involvement and worked closely with the senior administration to be better informed of key matters pertaining to the Board.

However, the trustees recognized that their role should not include involvement in day-to-day operations of the Board.

The current Director of Education assumed his role in the fall of 2007, and one of his priorities is to reaffirm the policy governance model. The Board envisages that the updated governance model will once more formally delineate the roles and responsibilities of the Board of Trustees and the senior administration. At the time of the review, there was a retreat planned for trustees to review and reach consensus on the governance model. There has also been a significant turnover in the senior staff with 10 new assignments out of 15. Currently, the Board has a handbook bylaw that describes current Board of Trustees governance principles and roles and responsibilities.

The Board reaffirmed its strategic direction through an extensive review and consultation process in 2002-03 and 2003-04, led by the *Attainment of Our Vision Advisory Committee*. The Board's vision is "A Caring, Learning Community", its mission is "Improving Student Learning, and its values are articulated in eight foundation principles. The goals of the Board that guide the school staff and departments in their internalization of the goals through development of their respective annual improvement plans are:

- develop a measurable goal and action plan to support the improvement of student learning;

- build staff capacity to sustain quality learning environments that enable learners to acquire knowledge and develop critical thinking skills;

- collaborate with appropriate education partners to support learning opportunities;

- ensure that policies and practices align with our vision, mission and values.

The director works with the senior administration to develop annual departmental plans that reflect the Board's goals. An annual report describes in detail what the various departments have accomplished. Each area and department provides details of its goals, implementation strategies adopted, indicators of success/measurement strategy, timelines and the individuals responsible. This serves as a basis for the development or continuation of the strategies aligned with the Board's goals.

The working relationship between the Director and the Board of Trustees is positive. The Director meets frequently with trustees to keep them informed of key administrative developments. The strength of the working relationship between the Director, as head

of the senior administration, and the Board of Trustees contributes to the achievement of the Board's goals and priorities.

The positive working relationship between the Director and the Board of Trustees also contributes effective agenda setting and decision-making. The Board takes a consultative approach in making key operating decisions. Trustees are interested in how management has arrived at recommendations. Although this does not apply to all staff reports and recommendations, the director and senior staff provide options for trustees to consider in support of the eventual approval of the recommended action. The Director and the Chair of Board jointly review agendas for the Board of Trustees meetings.

The Board has established a policy working committee which meets monthly to review existing and new policies. The mandate of the committee is to ensure maintenance of accurate and current records of all Board policies and conducting regular reviews of all board's policies. There is a formal policy making process where the policy working committee receives a draft policy for review. The committee also seeks public input by posting draft policies on the board's website prior to approval.

Human Resources Management and School Staffing/Allocation

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

- HR develops a detailed annual plan that is based on the goal it has identified and is aligned with the Board's goals. The goal identified for the 2007-08 year is: "To provide the most effective and efficient human resource department possible in the best interest of best serving the Thames Valley DSB in support of improving student learning." This goal is supported by specific objectives, implementation strategies, indicators of success, timelines and staff responsible for implementation.

- The Board has established an employee supervision policy and related procedures covering all Board staff. The HR department is responsible for monitoring and ensuring the completion of all performance reviews;

- The HR department regularly communicates with employee groups on policy and procedures using a variety of media such as communication sessions with the principals, memos and online publications;

- The department has established a comprehensive disability management and return to work program. It includes assistance in managing the medical condition, authorization of appropriate benefits, referral to rehabilitation services, regular contact, a return to work plan, and health and attendance counseling. The HR

department has commissioned independent providers through a competitive tendering process to implement rehabilitation services as part of the program. The Board has also implemented wellness plans to help staff stay healthy and reduce the work fatigue that often triggers short-term absences.

- The department facilitates good working relations by following formal and informal practices in dealings with the unions. The Board has a process for regular labor/management meetings with the unions to address issues of mutual concern and individual staff issues. All grievance incidents are first addressed informally through discussions with senior managers and principals, to resolve the matter and avoid a more formal process that is both time consuming and costly. HR staff provide training to managers, especially school principals, on collective agreements and how to conduct themselves in challenging circumstances and avoid grievances.

- Management has established detailed procedures to govern the determination of total staff needs/requirements and their allocation. These are driven by enrolment forecasting, student need, class size requirements and alignment to collective agreements. The enrolment forecasting process is developed on a school-by-school basis using macro board-level demographic trend analysis and a local, school-by-school approach. These forecasts are augmented by a three-year trend analysis prepared by the planning officer from research and assessment department, along with school-specific enrolment forecasts prepared by school principals. These projections are submitted to the administrative council for review and approval. School staffing is supported by in-school staffing committees established at each school for the school year. A district staffing committee meets monthly to monitor staffing allocations and prepare allocations for the next year. The Board has established formal procedures for allocation of different staff groups. To ensure efficient use of resources, the HR department compares staffing costs with similar boards as part of preparation for collective bargaining. In addition, the Board administration consistently presents comparator data to the Board of Trustees.

The staff development function is dispersed across several departments. Management recognizes that the existing approach to staff development creates numerous issues for scheduling and the coordination of professional development activities. Management is planning to review the current structure of staff development to integrate the staff development function.

Recommendations:

- The HR department should establish a formal attendance management policy. Management should use the attendance data currently tracked by HR to develop

measurable performance indicators and targets and support sustainable improvements in attendance.

- The HR department should consider conducting periodic staff satisfaction surveys to better monitor the developmental needs of all staff groups.

- The HR department should consider conducting confidential exit interviews with staff who leave the Board for reasons other than retirement. This will allow management to identify any emerging trends concerning staff, and enable the Board to develop appropriate strategies to address these issues.

Financial Management

The finance department has demonstrated positive results through the implementation of many of the leading practices:

- The business services department develops an annual plan based on the goal it has identified and aligned with the Board's goals. The goal identified for the 2006-07 year was: "Support the improvement of student learning by providing quality customer service (financial services, facility services, payroll services, support services) to system and school-based staff and school communities based on applicable foundation principles". This goal is supported by specific objectives, implementation strategies, indicators of success, timelines and staff responsible for implementation.

- The annual budget process is transparent, clearly communicated, and incorporates input from all key stakeholders. The Board has established a Budget Development Group comprising supervisory officers, elementary and secondary school principals and HR staff. The Board uses a multi-year approach to budget planning to address financial issues arising from declining enrolment. Board management actively monitors risks in the budget planning process, and mitigates the risks of spending beyond authorized / budgeted levels.

- Senior Administration uses a combination of Board level factors and schoolbased input from principals to develop enrolment forecasts. Senior Administration also holds back some allocated teachers to ensure the actual hiring plan is consistent with the budgeted hiring plan.

- The department has implemented an integrated financial information system (BAS 2000) which provides useful, timely and accurate information to management and staff. The integrated financial information system also enables expenditure variance analysis.

- The Board has established an audit committee composed of three trustees and two community representatives who have a financial background. The audit committee's mandate includes the traditional responsibilities for the review of the financial statements and the external auditor's plans and reporting on the audit of the financial statements. In addition, the audit committee has responsibilities associated with an internal audit function, including review of the three-year internal audit plan prepared by the external auditor, review of proposed internal audit projects, and developing a model for the internal audit function.

- The department ensures adherence to the existing cash management procedures through active monitoring of cash activities. An assigned member of the finance staff monitors daily cash activity and performs monthly reconciliations.

- The Board has a sizeable continuing education operation and uses an electronic booking and tracking system for registrations. The Board also uses an electronic booking system for community use of facilities. However, it does not have an electronic payment system.

- The department has established an accountability tracking procedure for the recording and tracking of the various EPO grants received. This tool also tracks the required accountability associated with the majority of the individual grants. This ensures that the funds are spent for the purposes intended and that financial reporting is completed on time.

- The Board participates in several purchasing consortia, including consortia for office and caretaking supplies. The Board has implemented extensive use of procurement cards (PCards) across a wide cross section of staff. The Board PCards feature monthly credit limits, single dollar transaction limits, and point of purchase limits for individual cardholders. There are clearly communicated policies and procedures for PCards use.

- The department is making use of Electronic Funds Transfer (EFT) where possible. EFT is currently in place for payments to suppliers included in the Board's supplier database.

Finance staff prepare monthly financial reports for review and approval by senior management and submission to the Board for information. The financial information compares actual revenues and expenditures to date to the budget, and is expressed as a percentage of the budget. The report presents a summary of expenditures by main expenditure classification, and a high-level summary analysis of expenditures by operating area. As part of monthly financial reporting, finance staff work with departments to prepare an 'account summary' report for the executive council. This

report provides some comments on the variances. There is, however, no narrative commentary in the monthly report presented to the Board to demonstrate whether the percentage spent to date is above or below what would be expected of the period being reported.

The department has established purchasing levels of authority in its procurement procedures. However, the wording of the Board's procurement procedures appears to imply that the advertising of tenders over $50,000 is optional.

Recommendations:

- The business services department could improve the transparency of budget planning by preparing an overview of the energy management project. This would include an explanation of the upfront capital investments and their impact on the annual utilities budget.

- Management should consider providing an expanded level of interim financial reporting, as in the format suggested in section 4.3 of this report. The enhancement would improve understanding of the year-to-date financial results.

- Management and the Board of Trustees should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope, and the estimated annual cost for each option. Management's proactive assessment of need and cost would be a useful first step.

- Finance staff should consider comparing the terms and conditions of the Board's banking relationships to those of other school boards, to benchmark the key financial terms received and ensure the best possible arrangements.

- The Board's purchasing policy currently indicates that "tenders may be advertised regardless of dollar value". In view of the fact that the Board actually advertises all tenders for purchasing over $50,000, the Board should consider revising the wording of the purchasing policy to better reflect current practice.

- The Board should proceed with its plans for a return on investment analysis of an electronic payment system for the continuing education and facilities rental programs. In doing so, management should review the electronic solutions in place at several other school boards.

School Operations and Facilities Management

The facilities services department employs many of the leading practices in its caretaking and maintenance operations. The following significant practices are noted:

- The facilities department has an annual plan integrated within the annual plan of the business services department. This plan is based on the goal of the business services department which is aligned with the Board's goals. The overall goal identified by the business services department for 2006-07 was: "Support the improvement of student learning by providing quality customer service (financial services, facility services, payroll services, support services) to system and school-based staff and school communities based on applicable foundation principles." This goal is supported by specific objectives, implementation strategies, indicators of success, timelines and staff responsible for implementation.

- Due to its large geographical coverage, the Board has divided the district into five zones supervised by five maintenance leaders. The project team is located centrally, and includes five project coordinators with specific responsibilities and two supervisors for school renewal projects.

- Management has established and implemented accountability mechanisms (e.g. well documented roles and responsibilities, policy compliance awareness training, appropriate professional designation for senior staff) to support effective and efficient performance of the maintenance and operations functions.

- Facilities management maintains a preventative maintenance package to ensure compliance with regulatory policies. The package is also used for tracking maintenance works. The custom-built information system also allows regular communication of regulatory policies to staff and generates reports on the status of tasks.

- The department maintains written standards for cleanliness at the school level, and uses these standards to evaluate the performance of custodial staff at each facility.

- The department has a well-defined caretaker allocation model that supports the allocation of resources to its schools for the Board's cleaning standards and practices.

- An annual training program for caretaking staff covers a broad range of jobrelated training.

- The Board has a comprehensive energy management project, with a significant investment in energy efficient equipment and a building automation system. The system allows facilities staff to remotely manage and control energy consumption equipment for newer schools. Using this system, the Board currently collects and

analyzes energy expenditures on a school-level basis, and routinely compares energy costs per square foot to monitor energy costs at each facility.

Management has developed an annual plan for critical maintenance and renewal projects for internal planning purposes. Management's current priority is to address critical maintenance and renewal needs while funding is limited. The facilities department undertakes annual reviews of emerging maintenance needs with individual school principals. This ensures that schools are maintained in the best condition possible to support improved student learning and facilitate employee productivity. It should be noted, however, that the annual plan for critical maintenance and renewal projects has not been approved by the Board of Trustees.

Although the Board has adopted a significant level of leading practices for energy management, Management has not formalized the Board's energy conservation initiatives into a comprehensive multi-year energy management plan or strategy.

Management has developed and submitted a 10-year capital plan to the Ministry. However, this plan has not been approved by the Board of Trustees. In addition, the Board's capital plan is not supported by a corresponding system-level capital funding plan. Management has developed an internal capital funding template, which summarizes the accommodation review process and capital funding needs of the Board on a school-by-school basis. Management indicated that they recognized the need to maximize all the financial resources available in order to fund the long-term capital plan.

Recommendations:

- The critical maintenance and renewal plan developed by Facilities Management should be reviewed and approved by the Board of Trustees on an annual basis. This would provide the Board and its stakeholders with a clear forecast of the Board's critical needs over the next several years.

- Facilities Management should formalize and communicate a multi-year energy management plan, with quantifiable energy baselines and savings targets to be monitored annually. Any investment noted in the energy management plan should identify the appropriate basis for funding.

- The multi-year capital plan developed by Management should be reviewed and approved by the Board of Trustees. The Board's capital plan should include a system-level capital funding plan.

1.   Background and Overview

1.1   Board Profile and Structure

The Board covers a large geographic area of approximately 7,000 square kilometres. It has 154 elementary schools and 30 secondary schools, and total enrollment of about 73,500 students. The Board was established in 1998 with the amalgamation of the Elgin

County Board of Education, the Board of Education for the City of London, the Middlesex County Board of Education and the Oxford County Board of Education. The Board's large geographical area requires it to maintain local education centres in three different locations.

The Board's enrolment has been in decline for the past several years. This is expected to continue for the next several years. The Board has developed a multi-year capital plan that addresses the implications of declining enrolment on its program delivery and school facilities.

The following represents the executive council;
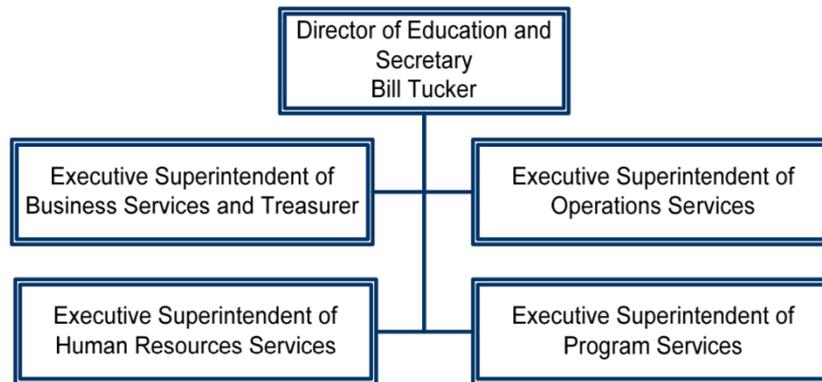
Figure 1

1.2   Key Priorities of the Board

The Board has established eight foundation principles in a strategy document entitled *Our Vision*. *Our Vision* was initiated in 1999 and updated in 2003-04, based on extensive stakeholder consultation. The Board's eight foundation principles are:

- quality learning

- mentoring

- teamwork

- communication

- integrity

- problem solving

- continuous improvement

- job-specific skills

Since the 2003-04 review of *Our Vision,* the Board has focused on implementing the strategy. As a result, the Board develops annual system plans that incorporate goals and action plans set by each school and board department. The department plans are discussed in more detail in the respective sections of this report. The Director reports on the progress and achievement of the goals in an annual report.

1.3 Student Achievement

The Board's student achievement results have varied across grades as compared to the provincial average. Since 2002-03, student scores in Grade 3 reading, writing and math have been improving, but remained below the provincial average, with a slight increase in 2005-06 for reading and math. The Grade 6 scores have been below the provincial average, but reading scores increased slightly in 2005-06 and 2006-07. Grade 9 scores have been above average, although there was also a decline in 2006-07. The Board attributes its positive student achievement results to the focus on student learning outlined in the Board's *Vision*.

The following charts illustrate the Board's EQAO and OSST results over the last five years.

Grade 3 EQAO Results

Grade 6 EQAO Results

Grade 9 EQAO Results

Ontario Secondary School Literacy Test Results
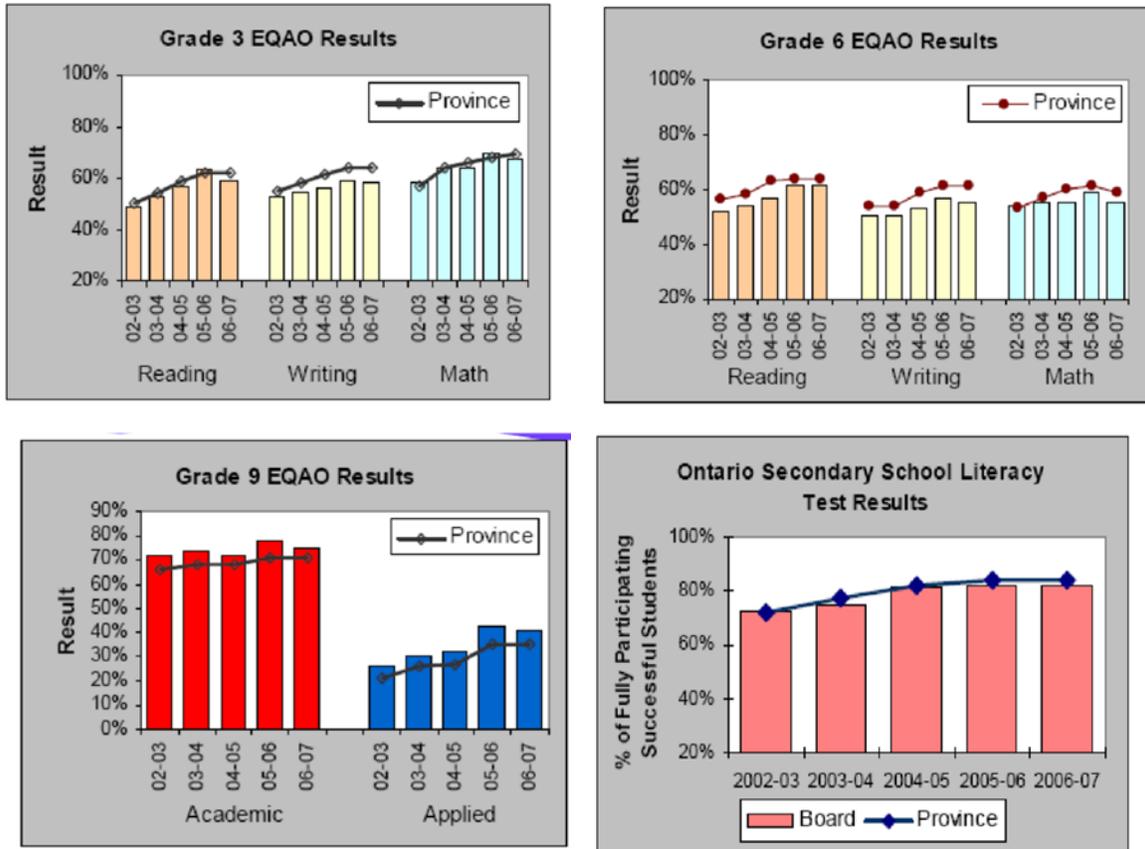
1.4   Fiscal Overview

The Board has achieved a balanced budget over the past several years. The achievement of a balanced budget in 2006-07 required the use of some of the Board's reserve for working funds and classroom expenditures, totaling a net reduction in these reserves of about $2.2 million. In the 2007-08 revised estimates, the Board shows a further draw-down of the working fund reserve of about $0.7 million. The Board has a balance of working fund reserve of about $2.8 million. As reflected in the summary financial data that follows, the Board also had a small increase of $0.4 million in its cumulative surplus in 2006-07. It is forecasting an increase in the cumulative surplus of about $1.1 million in its revised estimates.

The Board has experienced a sharp decline in enrolment since 2002-03 of about 6,000 students or 7.5% of its 2002-03 enrolment. Enrolment is forecasted to decline by a further 5,000 students over the next four or five years. Adding to these challenges, the Board currently over spends its Special Education allocation by about $3.5 million. This compares to a balanced position in 2003-04. The spending in excess of the allocation means that the Board must find adjustments in other areas of its operations.

Management has developed its 10-year capital forecast, which addresses the challenges it faces due to declining enrolment and outlines the implications on its facilities, program and services. At the time of the review, the Board was engaged in 10 Area Review Committees. This is the start of their process to address the reduction in unfunded capacity and to improve educational programming in its schools.

Summary Financial Data (Revenues)

Revenues	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Legislative Grants	$410,964,335	$416,186,997	$441,944,115
Local taxation	$192,743,454	$197,340,379	$201,200,112
Board Revenues	$12,963,258	$15,156,432	$9,485,497
Other Operating & capital Grants	$10,591,672	$8,790,494	$5,166,820
Total Revenues	**$627,262,719**	**$637,474,302**	**$657,796,544**

Summary Financial Data

Expenditures:	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Operating expenditures	$615,176,489	$629,963,437	$646,197,288
Capital expenditures-Net of Reserve transfers	$8,478,145	$4,385,346	$6,747,813
Transfer to (from) Reserves	$37,486	-$822,857	-$238,329
Total Expenditures	**$623,692,120**	**$633,525,926**	**$652,706,772**
Surplus - Represents Cumulative Surplus Balance[1]	**$3,570,599**	**$3,948,376**	**$5,089,772**

School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues:	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Retirement Gratuities	$760,985	$611,923	$639,423
Reserve for Working Funds	$4,659,850	$3,543,149	$2,804,820
WSIB	$2,848,435	$3,433,867	$3,588,367

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[1] The cumulative surplus at August, 2005 was $3.4 million

School Board Reserve and Deferred Revenues:	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Classroom Expenditure and Violence Prevention	$2,631,697	$1,644,351	$1,644,351
Principal/Vice Principal Staff Development	$370,860	$444,279	$444,279
Property Loss	$924,998	$1,136,813	$1,187,813
Trustee Professional Development	$1,400	$6,023	$6,023
Pupil Accomodation Debt Reserve	$3,139,079	$3,446,392	$1,618,036
TVDSB - Other Captial	$2,017,055	$2,105,216	$2,199,916
Total Reserve Funds	**$17,354,359**	**$16,372,013**	**$14,133,028**
Special Education Reserve	$1,144,435	$0	$0
Special Education EEF Adjustment	$444,973	$0	$0
Student Pathways	$61,643	$0	$0
Restricted Grants	$2,705,074	$3,770,152	$1,590,378
Proceeds of Dispositions - School Buildings	$1,923,925	$2,061,085	$2,138,085
Proceed of Disposition - Other	$1,679,751	$1,753,169	$1,820,169
MECR/BECR Reserve	$49,832	$2,178	$2,178
Total Deferred Revenues	**$8,009,633**	**$7,586,584**	**$5,550,810**
Total Board Reserves and Deferred Revenues	**$25,363,992**	**$23,958,597**	**$19,683,838**

1.5 Key Board Statistics

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

Effectif de l'école de jour

Effectif de l'école de jour	Chiffres reels 2002-2003	Prévisions révisées 2007-2008
EQM de l'école de jour élémentaire	52 930	47 661
EQM de l'école de jour secondaire	26 599	25 841
Effectif total de l'école de jour	**79 529**	**73 502**

Effectif des classes à l'élémentaire

Effectif des classes à l'élémentaire	2003-04	2007-08
Pourc. des classes de moins de 20 élèves	33%	90%
Pourc. des classes de moins de 23 élèves	67%	100%
Effectif moyen des classes – moyen/intermédiaire	26,5 %	25,7 %
Pourc. de classes de 3e et 4e année combinées de 23 élèves et moins	29%	100%
Pourc. de classes à années multiples	31%	48%

Personnel

Personnel	2003-04	2007-08
Enseignantes et enseignants	4 570	4 656
Aides-enseignantes et aides-enseignants	677	758
Autres personnes-ressources pour les élèves	300	325
Personnel administratif de l'école	262	267
Personnel de bureau de l'école	318	317
Personnel affecté au fonctionnement de l'école	619	622
Autre personnel hors classe	225	227
Total du personnel	**6 971**	**7 172**
Rapport élèves-enseignant	**1:17**	**1:16**
Personnel EPT par tranche de 1 000 élèves (EQM)[2]	**88**	**98**
Pourc. des dépenses nettes de fonctionnement consacrées au total des salaires et avantages sociaux;	**86,8 %**	**86,8 %**

Éducation de l'enfance en difficulté

Éducation de l'enfance en difficulté	2003-04	2007-08
Dépenses supplémentaires pour l'éducation de l'enfance en difficulté	63 023 806 $	82 119 866 $
Subvention pour l'éducation de l'enfance en difficulté	68 724 152 $	78 638 353 $
Dépenses supérieures à la subvention (réserve)	**-5 700 346 $**	**3 481 513 $**

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[2] Remarque : compte tenu de l'effectif des classes et de l'éducation de l'enfance en difficulté

Utilisation des écoles

Utilisation des écoles	2003-04	2007-08
Capacité totale (places)	86 329	82 721
Utilisation de la capacité	92,1 %	88,9 %
Nombre d'écoles	186	188
Superficie du conseil (km²)	**7 313**	**7 313**
Nombre de conseillères et de conseillers scolaires	**13**	**13**

2. Governance and School Board Administration – Findings and Recommendations

The Board's governance model and administrative organizational framework make a significant contribution in helping the Board of Trustees, the Director, senior administration and community stakeholders support both "**Student Achievement**" strategies and effective Board operations.

Governance and board administration processes are reviewed to:

- Understand how the governance model delineates the division of duties between the Board of Trustees and the administration and supports the operational effectiveness;

- Assess the development of the annual plan (including the goals/priorities) and actions to engage and communicate with key stakeholders and the related reporting against the plan;

- Assess the processes for the generation and maintenance of policies and related procedures;

- Assess whether staffing levels and organization structures provide for clarity of roles and accountability sufficient to carry out the Board's objectives;

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

This section provides a summary of the findings and recommendations of our assessment of the 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 Board and our field work, which included interviews with the Chair, the Director and senior staff of the 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.

Development and Reporting of Annual Goals and Priorities

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The Board of Trustees articulates annual goals/priorities and receives periodic/annual reports on the achievements against them.	Yes
The Director of Education and management develop annual plans reflective of the Board of Trustees' goals/priorities and annually reports on their outcomes to the Board of Trustees and stakeholders.	Yes

Decision Making Processes

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The Board of Trustees and management establish appropriate processes to facilitate decision making that address student achievement targets and operational performance.	Yes

Organizational Structure and Accountability

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
Publicly available organizational charts that clearly and accurately reflect the organizational structure of the senior management and provide for clear roles, responsibilities and accountabilities.	Yes

Stakeholder Engagement

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

Organizational Structure and Accountability

The Board adopted a policy governance model at the time of amalgamation. In 2000, new trustees joined the Board and initiated an informal review of the existing policy

governance model. With increasing demands for accountability and transparency from the community at that time, the Trustees increased their involvement and worked more closely with the senior administration. However, trustees recognized that their role should not include involvement in day-to-day operations of the Board.

The current Director of Education assumed his role in the fall of 2007, and one of his priorities is to reaffirm the policy governance model. The Board envisages that the updated governance model will once more formally delineate the roles and responsibilities of the Board of Trustees and the senior administration. At the time of the review, there was a retreat planned for trustees to review and reach consensus on the governance model. There has also been a significant turnover in the senior staff with 10 new assignments out of 15. Currently, the Board has a handbook bylaw that describes current Board of Trustees governance principles and roles and responsibilities.

As part of the review of governance process, the Board has undertaken a number of initiatives to determine the optimal governance structure, including workshops and retreats. The process of evolving and optimizing the governance model, once completed, will help ensure increased efficiency and effectiveness in the Board's decision-making processes.

Under the current model there was evidence of positive relationships among the Director, senior administration and the Board of Trustees. The strength of these relationships contributes to the achievement of the Board's goals and priorities. The Board has developed a Trustee Handbook in 2006 to provide an overview of its operations and clarify trustees' roles, responsibilities and duties. In general, trustees understand their roles and responsibilities, and work with Board Management in a constructive manner.

Development and Reporting of Annual Goals and Priorities

The strategic direction of the Board was reaffirmed through an extensive review and consultation process in 2002-03 and 2003-04, led by the Attainment of Our Vision Advisory Committee. The Board's vision is "A Caring, Learning Community", its mission is "Improving student learning" and its values are articulated in eight foundation principles:

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- mentoring

- teamwork

- communication

- integrity

- problem solving

- continuous improvement

- job-specific skills

The goals of the Board that guide the school staff and departments in the development of their respective annual improvement plans are:

- Develop a measurable goal and action plan to support the improvement of student learning;

- Build staff capacity to sustain quality learning environments that enable learners to acquire knowledge and develop critical thinking skills;

- Collaborate with appropriate education partners to support learning opportunities;

- Ensure that policies and practices align with our vision, mission and values.

The Board has recently established a dedicated vision review committee to refine and re-communicate the foundation principles.

The Director works with the senior administration to develop annual departmental plans that reflect the Board's goals. An annual report details what the various departments have accomplished over the past year. Each area and department provides details of its goals, the implementation strategies adopted, indicators of success/measurement strategy, timelines and the individuals responsible. This serves as a basis for the development and/or continuation of the strategies aligned with the Board's goals.

Stakeholder Engagement

The Board has demonstrated that it consistently administers its responsibilities (both directly and through its committees) in an open and transparent manner. To effectively implement the vision, the Board regularly communicates with stakeholders to build awareness of its progress on various initiatives.

Various communication channels, such as meetings with district school councils and website postings, keep key stakeholders engaged throughout the year. Examples of this engagement include quarterly meetings of the chair and vice chair of the Board of Trustees with chairs of district school councils and regular visits to individual schools by trustees.

The establishment and periodic review of Board policies is another area where internal and appropriate external stakeholder input is sought. The Board has established an online feedback tool to obtain input from all stakeholders on new policies. The Board also maintains a current list of all policies and procedures that is available to the public.

Decision-Making Process

The positive working relationship between the Director and the Board of Trustees contributes to effective agenda setting and decision-making. The Board takes a consultative approach in making key operating decisions. Trustees are interested in how management has arrived at recommendations. Although this does not apply to all staff reports and recommendations, the Director and senior staff will, where appropriate, provide options for trustees to consider supporting the eventual approval of the recommended action. The Director, the Chair of Board and the Chair's Committee jointly review agendas for the Board of Trustees meetings.

The Board has established a policy working committee which meets monthly to review new and existing policies. There is also a formal policy making process, where the policy working committee receives a draft policy for review. The committee seeks public input by posting draft policies on the Board's website prior to approval. The mandate of the committee is to maintain accurate and current records of all Board policies and review them regularly. The committee may conduct a review of policies every three years or when they are referred to the committee for review.

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

Human Resource Management and School Staffing/Allocation		
Organization	Human Resource Management	School Staffing/ Allocation

Effective management of human resources ensures that the staff allocations to schools and classrooms meet the Ministry's class size requirements and are in line with the Board's collective agreements and approved allocation models. The allocation models adopted by the Board are designed to ensure the most effective teaching and learning practices.

The following is a summary of our review of the HR department's adoption of the leading practices identified for the HR Management and school staffing/allocation. The findings are a result of our review of the data provided by the Board and our field-work, which included interviews with all key HR staff as well as follow-up.

3.1 Organization

The review of the organization of the HR department assesses:

- Whether appropriate policies and procedures have been established and maintained to support the HR functions and required priorities, and whether they are aligned with the Board's directions;

- Whether an annual 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 organizations, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a "No" indicates that an improvement opportunity exists.

Development and Reporting of Annual Goals and Priorities

Leading Practices – Human Resource Organization	Evidence of Adoption?
Departmental goals and priorities are aligned to the Board's strategic directives and are documented in an annual department plan accessible by key stakeholders.	Yes

Organizational Structure and Accountability

Leading Practices – Human Resource Organization	Evidence of Adoption?
Publicly-available HR organizational charts clearly illustrate the roles, responsibilities and accountabilities.	Yes
Senior HR staff has appropriate designations (e.g., CHRP, etc.).	Yes

Monitoring and Communication of Policy

Leading Practices – Human Resource Organization	Evidence of Adoption?
Management monitors HR policy compliance.	Yes
Management provides scheduled HR policy awareness, training, and education sessions.	Yes

Development and Reporting of Annual Goals and Priorities

The Human Resources department develops an annual plan that is aligned to the Board's foundation principles outlined in the *Our Vision* document. The 2007-08 plan has measurable objectives for the department, and is supported by formalized roles and responsibilities for monitoring performance. The HR annual department plan is specific, measurable, attainable, results-oriented and targeted. The plan's overall goal is to provide the most effective and efficient human resources department possible in the interest of best servicing the Board in support of improved student learning. This goal is supported by the following expected outcomes:

- Improving communications process with HR stakeholders;

- Developing, implementing and revising selected policies and procedures to align with current legislation and Ministry requirements;

- Enhancing the attendance support initiative

Implementation of the department's goal and expected outcomes is facilitated by accountabilities tied to specific measures of success. There is evidence of formal and informal monitoring processes. The HR department holds weekly administrative team meetings and monthly staff meetings to track and communicate progress.

Organizational Structure and Accountability

The HR department reports to the executive superintendent of human resources services and is responsible for the following functions:

- Negotiation, administration and interpretation of collective agreements;

- Assistance in the recruitment and selection of teaching staff;

- Attendance, benefits, disability management and health and safety management.

The organizational structure that supports the HR function contributes to the department's accomplishments. The department has clearly-defined roles and responsibilities with clear lines of internal reporting, as well as detailed expected outcomes with associated performance measures and accountabilities. Although the organizational chart of the HR department is available on the Board's intranet, the Board should consider making the chart accessible to the public. The HR department staff have appropriate professional designations.

Monitoring and Communication of Policy

The HR department ensures that the existing policies are aligned with changes in legislation or labor relations.

The HR department has a process that requires senior managers to sign off on adherence to specific policies, with a log sheet used for tracking of compliance.

The HR department involves external stakeholders in policy and procedure development. For example, changes in the employee supervision policy and related procedures were discussed with the unions and then discussed by the policy working committee before approval by the Board of Trustees. The involvement of various stakeholders enhances awareness and monitoring of policies and procedures. The Board also indicated that early involvement of the unions in policy development facilitates better support by the unions.

Currently, the staff development function is dispersed across several departments. Management recognizes that the existing approach to staff development creates numerous issues in scheduling and coordination of professional development activities.

Management is planning to review the current structure to integrate the staff development function.

3.2   Human Resource Management

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

- Planning and processes are in place to provide for the recruitment of the appropriate number of qualified staff to support the student achievement targets;

- Appropriate processes are in place to promote the personal and professional growth of all staff;

- There are adequate systems and procedures in place to manage employee compensation plans, labour relations, employee performance and attendance and other support services to foster employee satisfaction;

- Opportunities to support continual improvement in the effectiveness and efficiency of all processes can be identified.

The following table summarizes the leading practices defined for HR Management. The table 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.

Attendance Management Processes/Programs

Leading Practices – Human Resource Management	Evidence of Adoption?
Attendance management policies and processes support employees and minimize absenteeism costs.	No

Labour Relations

Leading Practices – Human Resource Management	Evidence of Adoption?
Management and Board of Trustees have established labour/ management committees.	Yes
Established policies and procedures to minimize the incidence of grievances.	Yes

Staff Recruitment

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

Management of HR and Payroll Data

Leading Practices – Human Resource Management	Evidence of Adoption?
Payroll processing is segregated from payroll and employee data changes.	Yes
Teacher qualifications and experience are formally tracked and scatter grams are current.	Yes
An approved pay equity plan is reviewed periodically and amended as necessary.	Yes

Employee Performance Evaluation Processes

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

Management of Board's Benefit Plans

Leading Practices – Human Resource Management	Evidence of Adoption?
Management periodically conducts independent compliance audits of the Board's insurance carrier to ensure adherence to benefit plan's terms and conditions.	Yes
Data is automatically synchronization between HR benefits and payroll and external carriers such as TPP and OMERS.	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.	No

Attendance Management Processes/Programs

Management recognizes the importance of attendance management for the effective operation of their schools. Management has not been in a position to implement attendance management processes with the different employee groups. However, HR staff track and report on attendance weekly. HR generates absence report summaries by reason code and school for all staff groups. The reports include total absence days, average increase over reporting period, and absences of more than nine days. The HR department also analyzes attendance data on request from managers, in response to specific incidents and individual employees.

The department has also established a comprehensive disability management and return-to-work program. Based on reviews of weekly employee absence reports, all employees absent for 10 days are contacted by disability management services and offered assistance to manage the medical condition causing the absence. Further process involves authorization of appropriate benefits, referral to rehabilitation services, regular contact, the development of a return-to-work plan and health and attendance counseling. The HR department has commissioned independent providers through a tendering process to implement rehabilitation services as part of the program. There are formal documented disability management and return-to-work procedures. The Board has also implemented wellness plans to assist staff in staying healthy to reduce the work fatigue that often triggers short-term absences. New employees take "functional ability" tests, especially for positions that require significant physical effort such as education assistants and caretakers. Management believes that their various programs have reduced the costs associated with long-term attendance issues.

The challenge faced in implementing short-term attendance policy and procedures is not uncommon among school boards. However, a number of boards have had some success, and management is encouraged to assess any existing practices as a basis for an expanded attendance management program.

Labour Relations

HR management described good working relations with unions. The department facilitates good working relations by following formal and informal practices in dealings with the unions. Management has a process for regular labor/management meetings

with the unions to address issues of mutual concern and individual staff issues. All grievance incidents are first addressed informally through discussions with senior managers and principals, to resolve the matter and avoid a more formal process that is both time consuming and costly. HR staff provide training to managers, especially school principals, on collective agreements and how to conduct themselves in challenging circumstances and avoid grievances.

Staff Recruitment

HR continually evaluates and seeks improvement for its recruiting processes. The Board advertises teaching positions in provincial and national newspapers and uses the "Apply to Education" (also referred to as "Apply to Teach") web format. The HR staff attends some job fairs for recruitment. Overall, the Board has indicated that it has sufficient number of applications on a regular basis. There are some challenges in hiring for specific staff groups, such as speech and language therapists.

Management of HR and Payroll Data

The payroll processing function currently reports to the Business Services department and has access to confidential personnel records, including job level information. There is a system of checks and balances between the payroll processing function and the HR department to ensure segregation of duties and authorization for access to personnel records. For example, the Board has implemented a paper-based process for authorization of changes in the payroll system.

The HR database enables management to systematically monitor teacher qualifications and experience data, so that HR records can be updated as new teacher information is received. Staffing officers perform quarterly updates of teacher qualifications based on the interface with the Ontario College of Teachers database. Between scheduled updates, school principals can refer to live data through the link provided on the Board's staff portal. Qualifications of new hires are confirmed using the Register of the Ontario College of Teachers.

Employee Performance Evaluation Processes

The Board has developed a comprehensive performance evaluation policy and supporting procedures for all staff. The Board's supervision of employees' policy is an overarching policy for the employee evaluation process. The Board has included performance appraisal as part of the supervision process, and requires a periodic performance appraisal report. It is notable that based on the supervision of employees policy, management has established supervision procedures, including regular performance appraisal procedures, for all staff groups:

- Teaching staff – the Board has followed the Ministry's requirements for Teacher Performance Appraisal effective April 2007. The appraisal process for experienced teachers that has been developed in consultation with the unions

- Managers – supervision report is completed by the end of the second year of appointment and annually thereafter;

- Principals and vice-principals – supervision report is completed by the end of the second year of appointment and at least every three years thereafter.

- Support staff – performance appraisal report is completed every two years.

HR sends out automated reminders to supervising staff when individual evaluations are due. The IT application used for automated reminders has been developed by the Board's IT department.

Management of the Board's Benefit Plans

HR has established processes to continually review its benefit provider's adherence to the terms and conditions of its plans. HR engages a third party consultant to assist with these processes and ensure benefits plans are managed to minimize costs. Additionally, the Board participates in a self-insurance initiative with other boards, based on a joint fund to minimize costs. Furthermore, the Board's return to work program helps reduce administrative costs associated with WSIB insurance. For example, as part of the returnto-work program, the Board provides assistive devices to eligible employees.

Monitoring Staff Satisfaction

A staff survey has not been undertaken since 1999. However, management receives staff feedback through the labour management committee. The HR department does not currently conduct confidential exit surveys.

Recommendations:

- The HR department should establish a formal attendance management policy. Management should use the attendance data currently tracked by HR to develop measurable performance indicators and targets and support sustainable improvements in attendance.

- The HR department should consider conducting periodic staff satisfaction surveys to better monitor the developmental needs of all staff groups.

- The HR department should consider conducting confidential exit interviews with staff who leave the Board for reasons other than retirement. This will allow

management to identify any emerging trends concerning staff, and enable the Board to develop appropriate strategies to address these issues.

3.3   School Staffing/Allocation

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

- Assess whether accurate and efficient processes are in place to forecast and plan for staffing needs to support student achievement target strategies;

- Ensure that staff optimization allocation processes are in place, supported by an effective attendance management system;

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

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

Planning and Processes for Annual Staffing and Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Established policies and procedures govern the annual staff allocation models or procedures.	Yes

Monitoring and Reporting on Staff Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Systems monitor adherence to key Ministry and/or Board policy parameters such as: class size, prep time and collective agreement requirements.	Yes
Systems report 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
A mechanism allows for adjustment of staff allocation for school-based staff, if estimates for enrolment and/or funding change after budget approval.	Yes
Plans for student support services and staffing are based on a student-needs analysis.	Yes

Benchmarking Costs with Other Boards and Funding

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

Planning and Processes for Annual Staffing and Allocation

Management has established detailed administrative processes that govern the determination of total staff needs/requirements and their allocation. These are driven by enrolment forecasting, student need, class size requirements and alignment to collective agreements. The enrolment forecasting process is developed on a school-by-school basis using macro demographic trend analysis and a local, school-by-school approach. Staffing allocation is a joint responsibility involving five departments of the Board:

- Business services ensures that staff allocation meets budget availability;

- Operations services focuses on teacher staff requirements;

- Research and assessment department reviews trends and conducts staffing simulation exercises;

- Program services determine program requirements; and

- HR ensures compliance with collective agreements.

The enrolment forecasting begins in January, when all registrations have been completed. These forecasts are augmented by a three-year trend analysis prepared by the planning officer from the research and assessment department, along with schoolby-school enrolment forecasts prepared by school principals. These projections are submitted to the administrative council for review and approval. School staffing is supported by in-school staffing committees established for the school year. Management develops a detailed schedule of important dates in the annual staffing process. A district staffing committee meets monthly to monitor staffing allocations and prepare allocations for the next year. Management has established formal procedures for allocation of different staff groups including:

- Classroom teachers;

- Educational assistants;

- Non-teaching school staff;

- Special education staff;

- ESL staff.

Management recognizes that the approach to allocate special education teachers should be reviewed, in light of declining enrolment. In general, allocation of special education teachers and special education support teachers is finalized near the end of March, using budget and previous year numbers as key guiding factors. Management does not use a special staffing formula for special education support staff. A top-down approach allocates support staff, where business services inform schools of the available budget and HR ensures compliance with collective agreements.

Monitoring and Reporting on Staff Allocation

Management continues to monitor the original approved staff allocation plan and budget, as compared to the actual allocation. This review is undertaken by the administrative council, and school principals are also aware of monitoring. Management has a mechanism in place to hold back some elementary teacher allocation until actual enrolments are confirmed in September. Some changes can occur, especially due to the class size requirements. This approach has been included in contractual agreements with elementary teachers. In-school staffing committees monitor elementary and secondary staff allocations at the school level. The Board generates various monitoring reports, and has additional formal procedures related to staff allocation, for example:

- Procedure for declaring staff surplus;

- Teacher allocation reports;

- Teacher timetables;

- Administrative staffing level report.

Benchmarking Costs with Other Boards and Funding

To ensure efficient use of resources the HR department compares staffing costs with similar boards as part of preparation for collective bargaining. In addition, management consistently presents comparator data to the Board of Trustees.

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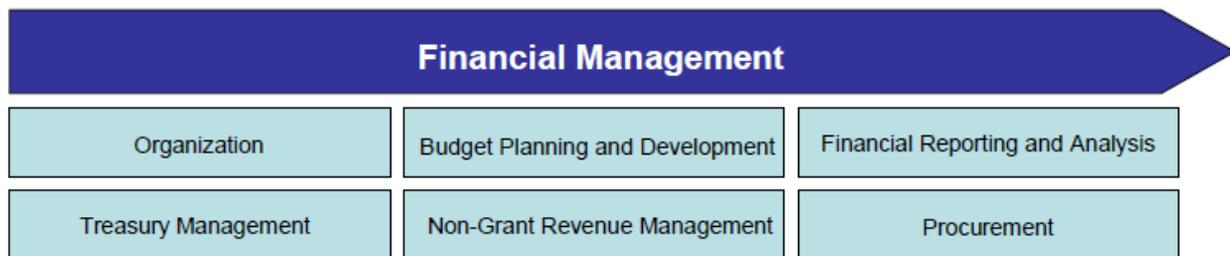
The financial management of the Board contributes to the efficient and effective use of fiscal resources. Financial management ensures that the annual budget is developed within the Ministry's allocation and is aligned with student achievement targets, and that appropriate financial policies and procedures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

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

The following is a summary of our assessment of the 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 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 Board;

- The efficiency and effectiveness of the departmental structure and support of the roles and responsibilities for the key functions, activities and practices;

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

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Finance Organization	Evidence of Adoption?
Departmental goals and priorities are aligned to the Board's strategic directives and are documented in an annual department plan accessible by key stakeholders.	Yes

Organization Structure and Accountability

Leading Practices – Finance Organization	Evidence of Adoption?
Publicly available finance department organization charts clearly illustrate the roles, responsibilities and accountabilities.	Yes
Senior finance, treasury and procurement staff has appropriate designations or related experience.	Yes

Monitoring and Communication of Policy

Leading Practices – Finance Organization	Evidence of Adoption?
Management monitors finance department policy compliance.	Yes
Management provides scheduled finance policy awareness, training and education sessions.	Yes

Organizational Structure and Accountability

The financial management function reports to the executive superintendent of business services and treasurer, and is responsible for the following functions:

- Budget development and control;

- Financial reporting, projections and analysis and annual financial statement audit;

- Enrolment reporting and verification;

- Accounting, Banking and Treasury services; and

- Capital project reporting.

The Finance department has clear and well-documented roles and responsibilities including segregation of duties, and these are well understood by departmental staff. An organizational chart is available on the Board's website. All senior financial management staff has professional designations where appropriate.

Development and Reporting of Annual Goals and Priorities

The business services department develops an annual plan based on the goal it has identified and aligned with the Board's goals. The goal identified for the 2006-07 year was: "Support the improvement of student learning by providing quality customer service (financial services, facility services, payroll services, support services) to system and school-based staff and school communities based on applicable foundation principles". This goal is supported by specific objectives, implementation strategies, indicators of success, timelines and staff responsible for implementation.

Monitoring and Communication of Policy

The department maintains a comprehensive set of policies and procedures covering all pertinent aspects of financial management. These policies and procedures have been posted to the Board's website. The finance department uses the Board's standard process to develop its policies and procedures. Of note is that the business services department has created the role of a field support analyst, to support schools in the interpretation and implementation of specific policies and procedures. Currently, two field support analysts respond to queries related to finance policies and procedures by schools. The field support analysts also take a pro-active approach in working with individual schools, by conducting policy awareness seminars and training sessions. In addition, all new principals and vice-principals undertake special training on key financial management issues. In this way, the finance department ensures that its policies and procedures are monitored and communicated effectively to all staff.

4.2 Budget Planning and Development

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

- Understand the linkages between the Board of Trustees' goals and priorities and the operational budgeting process;

- Assess whether sufficient transparency and controls exist in the budget planning and development process;

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

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

Annual Budget Development Process

Leading Practices – Budget Planning and Development	Evidence of Adoption?
The annual budget development process is transparent, clearly communicated, and incorporates input from all key stakeholders including management (with principals), the Board of Trustees and the community.	Yes
The annual budget presented for approval demonstrates that it is linked to the Board-approved goals and priorities including student achievement targets. It provides useful and understandable information for all stakeholders.	Yes
Budget planning processes account for all required cost and revenue changes.	Yes

Enrolment Forecasting Linked to Budget Development

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

Identification of Risks and Mitigation Strategies

Leading Practices – Budget Planning and Development	Evidence of Adoption?
Management identifies all significant risks during budget planning, and develops strategies to mitigate the risk of spending beyond authorized/budgeted levels.	Yes

Annual Budget Development Process

The annual budget process is transparent, clearly communicated, and incorporates input from all key stakeholders. The Board has established a budget development group comprising supervisory officers, elementary and secondary school principals and HR staff. The Board has adopted a multi-year approach to budget planning to address the financial issues stemming from declining enrolment. The trustees approve the budget based on issues identified by the Board for the next three years. Overall, trustees are actively involved in the budget development process. The Board ensures that public input is obtained on critical issues, such as capital planning and accommodation reviews.

The finance department develops a "budget timetable" that facilitates the setting of each department's budget and the required timelines. The finance department creates a system-wide budget based on all the inputs from the various areas. Also of note is the Board's Budget Advisory Committee, which consists of Trustees and has a mandate to assist in the development of the preliminary budget, provide input and advice to staff and liaison between the Board of Trustees and management. Once the Board's revenue is confirmed with the issue of the GSN, a final budget is prepared and presented for the Board's approval. The Board budget demonstrates its alignment of resources to its strategic directions. In recent years, the budget is also driven by the Board's new focus on targeted interventions for literacy improvement. The purpose and use of reserves is clearly set out in the budget presentation to the Board.

The Board has achieved a balanced budget over the past few years. Management has achieved this balanced position through a combination of conservative budgeting processes, GSN improvements that have offset some of the Board's cost pressures (especially the impact on grants from declining enrolment) and some draw-down of the Board's reserve for working funds. Management continues to address the long-term challenges from declining enrolment, in particular, the need to consolidate schools to reduce the unfunded costs of operations.

The Board's budget and financial statements reported to the Ministry indicate that its utilities budget increased significantly in the past few years, despite energy savings attributed to the energy management project. Management noted that the energy management project had a significant upfront capital investment, and the utilities savings generated are to be used to pay off these costs.

It appears that the financial statements have not provided all trustees with a complete and in-depth understanding of the nature of the increase in the utilities budget. This matter also extends to the linkage of the utilities budget in relation to the costs and savings of the energy management project. Management has indicated that in order to ensure transparency of this important matter with trustees, the business services department will prepare an overview of the energy management project. This will

include an explanation of the upfront capital investments and their impact on the annual utilities budget. This overview will be included in the 2008-09 budget document, and will ensure trustees are fully aware of how the annual savings generated by the energy management project will pay down the initial capital investment cost.

Enrolment Forecasting Linked to Budget Development

The Board uses a combination of board-level factors and school-based input from principals in the development of enrolment forecasts, as noted in the HR section of this report. The forecasting is started early in the budget development process, and enables finance to develop a preliminary high-level revenue forecast. Significant changes in the enrolment forecast are incorporated in the budget development process. In addition, the practice of holding back some allocated teachers ensures that the actual hiring plan is consistent with the budgeted hiring plan.

Identification of Risks and Mitigation Strategies

The Board identifies the key risk areas in the budget planning process. The most significant issues are the enrolment forecast and budgeting within the fixed revenue envelope. The department mitigates the risks of spending beyond authorized/budgeted levels by closely monitoring enrolment forecasts versus actual enrolment. It ensures that the final expenditure budget incorporates all known cost changes and is balanced against the Ministry's data. The Board employs a "mitigation practice" of holding back some allocated teachers until the final enrolment is known in September. Management has implemented procedures for the on-going monitoring and reporting of expenditures.

This ensures that any unexpected unfavourable variance is identified early, so that corrective action can be taken.

Recommendation:

- The business services department could improve the transparency of budget planning by preparing an overview of the energy management project. This would include an explanation of the upfront capital investments and their impact on the annual utilities budget.

4.3   Financial Reporting and Analysis

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

- Assess whether procedures are in place to ensure that management, the Board of Trustees and the Ministry receives timely, accurate and complete financial information of all 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 Financial Reporting Accountability

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Interim financial reports provide sufficient detail and appropriate explanations for a clear understanding of the current year's budget and the outlook for the year.	No
Senior management is accountable for the integrity of financial reporting, through formal sign-off and approval procedures.	Yes

Internal Audit

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Management maintains an independent internal audit function where appropriate.	No
Internal and external audit plans are clearly documented. Audit report recommendations are acted upon by management.	Yes

Integrated System for Variance Analysis and Financial Reporting

The Board has an integrated financial information system (BAS 2000), which provides useful, timely and accurate information to management and staff. The financial

information system is linked to the Board's payroll and purchase order systems. The integrated system also enables expenditure variance analysis.

Interim Financial Reporting Accountability

Finance staff prepare monthly financial reports for review and approval by senior management and submission to the Board for information. The financial information provides a comparison of actual revenues and expenditures to date compared to budget, and is expressed as a percentage of the budget. The report presents a summary of expenditures by main expenditure classification, and a high-level summary analysis of expenditures by operating area. As part of monthly financial reporting, finance staff work with departments to prepare an 'account summary' report which is presented to the administrative council. This report provides some comments on the variances. There is, however, no narrative commentary in the monthly report presented to the Board. This would demonstrate whether the percentage spent to date is above or below what would be expected for the period.

To ensure accountability for funding, the Board has developed an accountability tracking report presented to the administrative council. The report provides the status of ongoing and new Ministry funding and indicates responsible staff.

Internal Audit Function

The Board does not have an internal audit function. Although management recognizes the importance of the function, they believe that the financial resources are not currently available to establish the function. At the time of amalgamation there was an internal auditor and an audit technician. Both positions were subsequently vacated and the Board's external auditor eventually assumed the internal audit role for the Board. The Board has requested the external auditor to undertake a risk review and develop a threeyear internal audit plan. Since the current three-year audit plan is near completion, the Board must determine a future model for the internal audit function.

The establishment of a formal internal audit function would assist senior administration and the Board of Trustees in exercising their overall governance and accountability roles. The primary function of internal audit would be to provide added assurance that internal controls established by management are operating effectively and in compliance with Board policies and procedures. The internal audit function can also assist in the development of performance measures and indicators that can further support whether programs and services are meeting their overall objectives. The function should be accountable to the audit committee of the Board, but may report administratively to management. The annual internal audit plan would be presented and approved by the committee and all reports would be presented to the committee.

Audit Committee

The Board has established an audit committee composed of three trustees and two community representatives who have a financial background. The audit committee's mandate includes the traditional responsibilities for the review of the financial statements, the review of the external auditors' plans, and reporting on the audit of the financial statements. It also includes the following responsibilities associated with an internal audit function:

- Review the three-year internal audit plan prepared by the Board's external auditor;

- Review the proposed internal audit projects;

- Develop a model for internal audit function.

It appears that the Board recognizes the fiduciary role of its audit committee members. It expects them to fully understand what constitutes sound internal accounting and operational control processes over the implementation of Board policies, and the control and protection of Board assets. The Board should be commended for giving due consideration to add external members to the audit committee who can act as advisors. We understand that the external advisors are not voting members. This is due to the fact that current legislation only recognizes trustees as voting members on Board standing committees.

Recommendation:

- Management should consider providing an expanded level of interim financial reporting, as in the format suggested in section 4.3 of this report. The enhancement would improve understanding of the year-to-date financial results.

- Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope, and the estimated annual cost for each option. Management's proactive assessment of need and cost would be a useful first step.

4.4   Treasury Management

The purpose of reviewing treasury management processes is to assess:

- Whether processes are in place to ensure the optimal use of cash, investments and borrowings within school boards;

- Whether sufficient internal controls exist to support cash management, investments and borrowings;

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

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

Cash and Investment Management

Leading Practices – Treasury Management	Evidence of Adoption?
There is an efficient cash management process to maximize interest income, using short-term investments where appropriate.	Yes
Cash management activities with a single financial institution.	Yes
Staff and management periodically review the Board's investment policy and investment performance reports.	Yes
Staff and management periodically compare the Board's banking terms and conditions to those of similar school boards.	No
Management monitors financial risk related to cash/investment management and has a plan to mitigate associated risks.	Yes

Cash and Investment Management

Finance staff have indicated that idle cash is minimal, and ongoing capital projects and weekly payrolls require frequent use of cash. Finance ensures adherence to the existing cash management procedures through active monitoring of cash activities. An assigned member of finance staff monitors the daily cash activity and performs monthly reconciliations.

Finance staff consolidated its cash management activities with a single institution at the time of amalgamation. Management indicated that these arrangements are reviewed annually. Finance staff has not, however, compared its banking terms and conditions with those of similar boards.

Recommendation:

- Finance staff should consider comparing the terms and conditions of the Board's banking relationships to those of other school boards in order to benchmark the key financial terms received and ensure the best possible arrangements.

4.5   Non-Grant Revenue Management

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

- Assess whether procedures are in place to ensure the timely, complete and accurate recording of the different types of non-grant revenue;

- Assess whether internal controls exist to support appropriate cash handling and cash management;

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

Non-grant revenue management is a smaller functional area for the Board as revenue generated makes up approximately 1.6% of the Boards overall budget excluding interest income, department and insurance recoveries and EPO grants. The Board receives about $8.8 million (2006-07 funding) Education Programs –Other (EPO) funding from the Ministry for specific initiatives, which requires the Board to focus on the non-grant revenue line.

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

Policies to Support Non Grant Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
The board has established policies on the application of its fee structure, and obtains credit/risk assessments.	Yes

Technology to Support Registration and Collection of Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
Electronic registration and payment system are used where appropriate (e.g., ConEd, permitting of facilities, leasing, etc.).	No

Technology to Support Registration and Collection of Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
Staff monitors all sources of revenue to ensure completeness and compliance with policies. Action plans and processes maximize collections.	Yes

Managing Education Programs – Other (EPO) Grants

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
Board budget identifies revenue and expenditure for each EPO program. Management monitors activity to ensure compliance with terms and conditions.	Yes

Policies to Support Non-Grant Revenues

The Board has established policies on the levy of permits and fees, the application of the fee structure, and the related procedures to be followed. The Board adheres to the "Community Use of Buildings, Facilities and Equipment" policy.

Technology to Support Registration and Collection of Revenue

The Board has a sizeable continuing education operation and uses an electronic booking and tracking system for registrations. The Board also uses an electronic booking system for community use of facilities. However, it does not have an electronic payment system. For community rentals, management has established cash and invoicing process and procedures that record the revenues, enable the monitoring of receivables and identify issues for collections. Management may consider using an electronic payment system for community rentals in the future.

The Board uses an electronic database for tracking fee-paying students.

Managing the EPO Grants

Finance staff have established an accountability tracking procedure to record and track the various EPO grants received. They also track the required accountability associated with the majority of the individual grants. This ensures that the funds are spent for the purposes intended and that financial reporting is completed on time. There is an analyst in finance who is assigned to tracking EPO grants.

Recommendation:

- Management should proceed with its plans for a return on investment analysis of an electronic payment system for the continuing education and facilities rental programs. In doing so, management should review the electronic solutions in place at several other school boards.

4.6   Procurement

The purpose of reviewing procurement processes is to assess:

- Whether procurement policies and practices are in place to ensure that the school board acquires goods and services through an open, fair and transparent process;

- Whether appropriate internal controls exist to support the procurement and related payment process;

- Whether school board processes ensure the receipt of value for money from all acquired goods and services;

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

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

Procurement Policies and Procedures

Leading Practices – Procurement	Evidence of Adoption?
Approved procurement policies and practices clearly communicated to staff with purchasing authority and are periodically reviewed and updated.	Yes

Participation in Buying Consortia to Reduce Acquisition Costs

Leading Practices – Procurement	Evidence of Adoption?
The acquisition strategy includes the participation in consortia/ cooperatives for cost savings.	Yes
Vendor selection criteria include elements other than lowest cost, such as total cost of ownership, value, and quality.	Yes

Leading Practices – Procurement	Evidence of Adoption?
Regular reporting is used to monitor compliance and develop strategies to increase purchasing power and to minimize the costs of goods and services procured.	Yes

Purchasing Levels of Authority

Leading Practices – Procurement	Evidence of Adoption?
Procurement authorization levels commensurate to job title/role, and are monitored by the department head.	Yes

Policies and Procedures for Pcard/Corporate Card Use

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

Accounting for Completeness of Purchase/Payment Cycle

Leading Practices – Procurement	Evidence of Adoption?
Automated three-way matching (purchase order, receipt/invoice and inspection) is used.	Yes
Commitment accounting is in place to monitor budget utilization.	Yes
Management has implemented electronic supplier interface for ordering, processing and payment, including the use of supplier portals.	Yes

Use of Electronic Funds Transfer for Greater Efficiency

Leading Practices – Procurement	Evidence of Adoption?
Management maximizes use of electronic funds transfers (EFT) for payments.	Yes

Procurement Policies and Procedures

Management and the Board have approved purchasing policies and procedures, which have been clearly communicated to all authorized users of the system. The policies were revised in 2006 and are available on the Board's website. The purchasing policy includes a detailed procedures manual for the purchasing card program.

The Board adopted policies relating to Board advertising and advocacy in June 2007 and amended its expense reimbursement procedures in May 2007. The Board's purchasing card procedural manual was updated in May 2006.

Purchasing Levels of Authority

The procurement procedures provide for appropriate authorization levels commensurate with job titles and roles. The respective department officials monitor these for compliance. The procurement procedures outlines that all departments adhere to the following limits for securing supplier quotations:

- $0-$1,000 - within the authority and budget limits of Board employees

- $1,001-$50,000 - three written quotations on the firm's letterhead, if possible

- Over $50,000 - sealed tender issued by the supply management department (tenders may be advertised regardless of dollar value)

The Board publicly advertises all tenders for purchasing over $50,000.

Participation in Buying Consortia to Reduce Acquisition Costs

The Board participates in several purchasing consortia, including consortia for office and caretaking supplies. The Board does not have a consortium agreement for the purchase of utilities. Management believes that due to the size of the Board there are limited benefits in consortium-based purchasing of utilities. Management establishes target prices for tendering electricity, and undertakes strategic buying based on long-term weather forecasts.

Policies and Procedures for Purchase Card/Corporate Card Use

Management has implemented extensive usage of procurement cards (PCards) across a wide cross section of staff. The PCards feature monthly credit limits, single dollar transaction limits and point of purchase limits for individual cardholders. On average, PCards have a $500 limit on a single purchase. There are clearly communicated policies and procedures for PCards use. Employees using a PCard are required to sign a card agreement. In addition, certain purchase types are blocked from PCard usage. A financial analyst performs monthly monitoring and reconciliation of PCard usage. The monthly statements must be approved by the staff's immediate supervisor. All receipts are to be retained and staff is to reconcile their statements to their records monthly. The statements are subject to periodic audit and the receipts are required to be retained for a period of five years.

Accounting for Completeness of Purchase/Payment Cycle

A commitment accounting process is in place, where the purchase is encumbered to the general ledger after the purchase order is issued. Further, if a purchase order triggers an "over budget" situation, it is flagged and not processed. Finance staff apply an automated three-way matching among purchase orders, receipt/invoice and inspection.

Use of Electronic Funds Transfer for Greater Efficiency

The department is making use of EFT for payments where possible. For example, EFT is currently in place for payments to suppliers included in the Board's supplier database (Supplier Master File).

Recommendation:

- The Board's purchasing policy currently indicates that "tenders may be advertised regardless of dollar value". In view of the fact that the Board, in practice, advertises all tenders for purchasing over $50,000, the Board should consider revising the wording of the purchasing policy to better reflect current practice.

5. School Operations and Facilities Management – Findings and Recommendations

School Operations and Facilities

Organization	Custodial and Maintenance Operations	Energy Management
Safety and Security	Capital Plans, Policies and Procedures	Construction Management
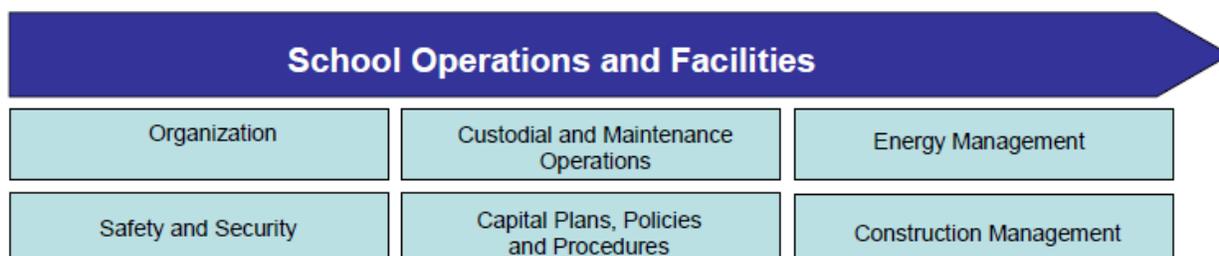
Efficient and effective management of the Board's facilities (particularly schools) is an important factor in student achievement targets and strategies. Along with providing a positive learning environment for students, teachers and staff, it also helps the Board achieve a standard of cleanliness and maintenance that meets the expectations of the school community.

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

5.1 Organization

The purpose of reviewingthe 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 control 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?
Departmental goals and priorities are aligned to the Board's strategic directives and are documented in an annual department plan accessible by key stakeholders.	Yes

Organizational Structure and Accountability

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
Publicly available organizational charts clearly illustrate roles, responsibilities and accountabilities.	Yes
Senior operations and facilities staff have appropriate designations (e.g. P.Eng., PMP). and/or relevant field experience.	Yes

Monitoring and Communication of Policy

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
Management monitors operations and facilities department policy compliance.	Yes
Management provides scheduled policy awareness, training and education sessions.	Yes

Organizational Structure and Accountability

The operations and facilities function resides within the Board's business services department, with the manager of projects and maintenance reporting to the manager of facility operations. Facilities comprise a maintenance team (including energy management, capital planning and facilities renewal) and a project team responsible for specific projects. Due to its large geographical coverage, the Board has divided the district into five zones supervised by five maintenance leaders. The project team is

located centrally and includes five project coordinators with specific responsibilities and two supervisors for school renewal projects. In addition, facilities staff includes a facility services coordinator, a CAD records coordinator, a financial accountability officer, energy management staff and a finance facility coordinator who assists with the capital plan. Overall, the department is staffed for effective management of its ongoing operations.

Operations and facilities management maintain effective communication with staff through regular meetings of supervisors and staff on the ground. The department has started a process to establish custodial review teams, which will strengthen staff accountability.

Facilities have an organization chart which is available on Board's website.

Development and Reporting of Annual Goals and Priorities

The facilities department has an annual plan integrated within the annual plan of the business services department. This plan is based on the goal of the business services department which is aligned with the Board's goals. The overall goal identified by the business services department for 2006-07 was: "Support the improvement of student learning by providing quality customer service (financial services, facility services, payroll services, support services) to system and school-based staff and school communities based on applicable foundation principles." This goal is supported by specific objectives, implementation strategies, indicators of success, timelines and staff responsible for implementation.

Monitoring and Communication of Policy

Facilities management maintains a preventative maintenance package to ensure compliance with regulatory policies. The custom-built information system also allows regular communication of regulatory policies to staff. In addition, the system generates reports on current status of tasks. Appropriate training is provided to custodial and maintenance staff, addressing policy issues and the need for compliance with the various regulatory requirements. Examples include asbestos training and the testing of drinking water systems.

5.2   Custodial and Maintenance Operations

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

- Whether custodial and maintenance services are responding effectively and efficiently to maintaining an optimized learning environment for students;

- Whether the department has the appropriate organizational structure to effectively manage service delivery;

- Whether appropriate internal controls exist to effectively manage custodial and maintenance operations and expenditures;

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

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

Staffing Model Supports the Board's Cleaning and Maintenance Standards

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The school board has set cleaning/maintenance standards for schools and reports annually on results.	Yes
Management's custodial/maintenance allocation model optimizes use of staff.	Yes

Development of Annual/Multi-Year Maintenance Plan

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

Training to Support Skills Development and Safety

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

Standardization of Cleaning and Maintenance Supplies

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
An inventory system tracks and controls major cleaning and maintenance equipment.	Yes
Common standards ensure efficient procurement of supplies to minimize costs and promote energy and operating efficiency.	Yes

Project Management, Monitoring and Support Systems

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
A work-order system and process that records, monitors, and evaluates projects ensuring the effective use of resources.	Yes
Management regularly evaluates the overall effectiveness and efficiency of its maintenance and custodial service practices.	Yes

Staffing Model Supports the Board's Cleaning and Maintenance Standards

The department maintains written standards for cleanliness at the school level, and uses these standards as a basis for evaluating the performance of custodial staff at each facility. Custodial staff develop maintenance schedules based on the standards. However, the review of compliance with standards is an informal process.

The custodial allocation model provides for the optimal use of resources for the Board's cleaning standards and practices. A detailed staffing formula for custodial work considers a number of factors, including square footage, enrolment, community usage, and portable usage, to determine the custodial staffing requirements at a school level. Management indicated that 25 of the school sites use contract cleaners.

The department tracks absenteeism statistics for custodial staff and uses the data to manage performance issues.

Development of Annual and Multi-Year Maintenance and Renewal Plan

Management has developed an annual plan for critical maintenance and renewal projects for internal planning purposes. Management's current priority is to address critical maintenance and renewal needs while funding is limited. The facilities department undertakes annual reviews of emerging maintenance needs with individual school principals. This ensures that schools are maintained in the best condition possible to support improved student learning and facilitate employee productivity. It

should be noted, however, that the annual plan for critical maintenance and renewal projects has not been approved by the Board of Trustees.

Although ReCAPP is not fully utilized by the Board, management ensures regular updates on projects. Management indicated that it plans to improve the quality of its ReCAPP data in the near future, so it can place more reliance on the data for planning.

The development and communication of a multi-year maintenance and renewal plan of, say, three to five years, would provide the Board and its external stakeholders with a better understanding of the needs of the system over an extended period of time. The annual review could be expanded to provide the multi-year perspective of the needs of both planned (regular) and urgent maintenance and renewal requirements. This plan could also be supported by available funding sources, including the annual operations and renewal grants as well as the Good Places to Learn allocation. This would also provide the Board with a clearer perspective of the amount of shortfall in funding to support its critical needs.

Training to Support Skills Development and Safety

Management takes a proactive approach in raising awareness of facilities upkeep, maintenance and safety standards among staff and students. A training program has been established to provide ongoing skills development to maintenance and custodial staff withinthe Board, and to address emerging regulatory issues. Each new staff member is provided one week of training. Staff can refer to a documented operational manual for guidance. In addition, management provides cross-training and requires vendors to provide product use training.

Standardization of Cleaning and Maintenance Supplies

The department operates primarily on a just-in-time basis, and maintains only sufficient amounts of supplies within schools at any given time. For custodial supplies, materials are procured mostly from a single source, and each school has a budget. Management ensures "green" products are purchased when possible, and is continually looking for ways to control usage and prevent waste.

Project Management, Monitoring and Supporting Systems

Facilities are using the preventative maintenance package for tracking maintenance works. Management is planning to implement a new system which will enhance its facilities management function. The system will allow maintenance supervisors to generate and track work orders, implement bar coding for major pieces of equipment, and generate reports, including employee timesheets. The system will soon be tested at several pilot sites.

Vandalism is tracked as an event code within the supplies and services budget. In addition to vandalism costs, the Board also has insurance claims resulting from vandalism.

Evaluation of the Board's Service Delivery Model

Management has carried out on a periodic basis a review of the cost/benefit analysis of internal versus externally provided maintenance services. They have concluded that their current model is cost-effective.

Recommendation:

- The critical maintenance and renewal plan developed by Facilities Management should be reviewed and approved by the Board of Trustees on an annual basis. This would provide the Board and its stakeholders with a clear forecast of the Board's critical needs over the next several years.

5.3   Energy Management

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

- Whether adequate planning and communication exist to support the reduction of energy consumption;

- Whether school board structure and processes are in place to ensure that energy is procured for the lowest cost;

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

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

Energy Management Plan

Leading Practices – Energy Management	Evidence of Adoption?
Management has established a multi-year energy management plan.	Yes
Purchasing practices support energy conservation objectives (e.g. Energy Star products, leveraging consortia membership).	Yes

Leading Practices – Energy Management	Evidence of Adoption?
Successful conservation initiatives are shared across all schools and with other school boards.	Yes

Tracking and Reporting Energy Conservation

Leading Practices – Energy Management	Evidence of Adoption?
Management provides formal annual reporting on the conservation savings achieved against plan.	Yes
A comprehensive system exists to budget expenditures, track consumption and identify opportunities for further savings.	Yes
Billing for all board facilities is consolidated from each utility.	Yes
Centralized technology that automates energy regulation and conservation (e.g. light control, desktop power) is used wherever practical...	Yes

Energy Management Plan

In 2001 the Board approved an "Energy Management Agreement" with Ontario Hydro Energy. The purpose of this energy management initiative was to implement a series of pilot projects and determine the Board's ability to use energy savings to fund additional energy management programs. The pilot project covered 10 schools and established performance tracking baselines for each school. The Board has reported $3.7 million of savings in 2006-07 as result of the project.

Management has since evolved its pilot energy initiatives into a comprehensive energy management project which involved a $37 million investment in equipment and implementation of universal front-end technology. During the initial phase of the project, equipment and systems were retrofitted with more energy efficient systems. The savings generated by these measures, along with an annual capital contribution from the School Renewal Grant, are expected to pay for the capital outlays within a specified payback period of approximately 12 years.

Management implements further energy conservation measures, using Good Places to Learn allocations for high and urgent needs identified through the ReCAPP program, along with the annual School Renewal Grant. Since these measures will not require the Board to borrow money to fund the costs, the energy savings that these measures produce will be directed to other maintenance and renewal priorities of the Board.

It should be noted that the Board's comprehensive energy management project is not formalized into an energy management strategy or plan.

Tracking and Reporting Energy Conservation

The building automation system allows facilities staff to remotely manage and control energy consuming equipment for newer schools (in some cases, on a room-by-room level). Facilities staff have established energy performance targets based on the audit of buildings and equipment. Using the system, staff currently collects and analyzes energy expenditures on a school-level basis, and routinely compares energy cost per square foot statistics across facilities as a way to monitor energy costs at each facility. Management works closely with its utilities on a continual basis to monitor abnormal energy usage patterns (i.e. spikes in water usage at a particular school), and takes corrective action to remedy any unusual incidents.

Two external energy consultants are retained to assist in project management and planning and data analysis.

Recommendation:

- Facilities management should formalize and communicate a multi-year energy management plan, with quantifiable energy baselines and savings targets to be monitored annually. Any investment noted in the energy management plan should identify the appropriate basis for funding.

5.4   Health, Safety and Security

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

- Whether adequate planning and communication exist to support the provision of a safe teaching and learning environment;

- Whether school board structure and processes are in place to implement safety precautions;

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

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

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

Leading Practices – Health, Safety and Security	Evidence of Adoption?
The maintenance of Health, safety and security plans and policies ensure compliance with statutory health, safety and security requirements.	Yes
The security code policy includes alert codes that reflect the situation and threat level, and that identify departmental responsibilities.	Yes
Security incidents are tracked by type of incident (e.g. property damage, intrusion, etc.).	Yes
Safe school teams responsible for school safety (e.g. PPM 144) are implemented in every school.	Yes
Water and air quality standards are monitored and issues are reported for corrective action.	Yes

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

Health and safety management is the responsibility of the Human Resources department. Health and safety issues related to students are addressed by the Program Department. The facilities service department is responsible for security management.

The Board has established two joint health and safety committees and site committees with the bargaining units. The terms of reference of the committees have been approved by the Ministry of Labour. The health and safety committees develop health and safety policies and procedures and ensure compliance with statutory health, safety and security requirements. The committees plan and undertake thematic reviews and inspections across sites on a monthly basis.

Each school has been provided with a health and safety binder which sets out a schedule of required actions.

Management has established a process for developing and modifying health and safety policies. This involves a consultation process regarding changes in legislative requirements and approval of draft policies or modifications by the joint health and safety committees. When a policy is approved, the Board provides awareness training, which may target specific staff groups affected by the policy.

The Board has instituted an anaphylactic protocol in accordance with Sabrina's Law, as part of student health and safety protocol.

Security incidents are tracked by type. This is shown by the Board's incidents log, which details the time, location, nature and resolution of all incidents that occur under the

jurisdiction of the Board. The joint health and safety committees submit the reports for review.

The health and safety department reviews health and safety policies and procedures annually as required by the Health and Safety Act. The department also submits an annual report to the health and safety committees.

5.5   Capital Plans, Policies and Procedures

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

- Assess whether school capital assets are being utilized effectively and efficiently;

- Assess how well management is planning for future capital requirements based on enrolment forecasts and the capacity/maintenance issues of the existing asset base relative to the funding available from the Ministry (i.e. NPP funding);

- Assess whether management is appropriately prioritizing the maintenance and renewal expenditures in light of the available Ministry funding and multi-year capital programs;

- Identify appropriate controls and transparency within the current planning process;

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

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

Development of Annual and Multi-Year Capital Plans

Leading Practices – Capital Plans, Policies and Procedures	Evidence of Adoption?
The school board has an approved annual and multi-year capital program that includes the related funding plan.	No
The school board has an approved pupil accommodation review policy.	Yes

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

Leading Practices – Capital Plans, Policies and Procedures	Evidence of Adoption?
The school board maintains accurate and up-to-date inventories of school capacity and utilization.	Yes
Capital forecasts and related funding plans are assessed annually and adjusted to meet current needs and changes to original assumptions such as enrolment projections and capital grants.	Yes
An accurate and up-to-date assessment of facility conditions are maintained, based on industry standards (using RECAPP methodology).	Yes
Funding allocations are analyzed to determine if they meet the current and forecasted needs of the school board's capital requirements.	Yes
Management tracks compliance and monitors new legislation or changes to existing legislation.	Yes

Development of Annual and Multi-Year Capital Plans

Management has developed and submitted a 10-year capital plan to the Ministry. However, this plan has not been approved by the Board of Trustees. In addition, the Board's capital plan is not supported by a corresponding system-level capital funding plan. Management has developed an internal capital funding template, which summarizes the accommodation review process and capital funding needs of the Board on a school-by-school basis. Management indicated that they recognized the need to maximize all the financial resources available in order to fund the long-term capital plan. Management considers the following sources of capital funding:

- All forms of Ministry funding, including the ability to access New Pupil Place funding for growth areas as well as Educational Development Charges;

- Savings in School Renewal costs through consolidation of facilities;

- Dedication of all proceeds from disposition and restricted reserves to capital funding, including a plan to school renewal for accommodation issues;

- Using a portion of operational savings from closures and consolidations to fund capital projects.

As part of the multi-year capital planning process, external consultants were retained to undertake an accommodation review. The study included enrolment projections, analysis of existing facilities inventory, analysis of proposed long term capital needs, and options for consolidation of facilities. This independent study helped staff to establish added credibility for the future direction of the Board's enrolment, and the

implications for the Board's facilities and program and service delivery. The Board of Trustees realizes that the continued growth in unfunded capacity is placing a significant strain on the Board's ability to sustain its programs for students. The Board is currently involved with 10 Accommodation Review Committees (ARC) and the first ARC report has been recently been released for public input.Currently, additional ARCs are planned.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

The monitoring and planning of school capacity is reported within the framework of the Student Facilities Inventory System ("SFIS"). The Board has an approved pupil accommodation review and facility organization procedure, and maintains accurate and up-to-date inventories of school capacity and utilization. There is one staff member who is dedicated to updating SFIS and maintaining accurate data.

Facility staff currently use ReCAPP as a tracking tool for projects eligible for Renewal Grant and the Good Places to Learn funding. Staff stated that they also update FCI data. Management indicated they recognize quality of ReCAPP data needs to be improved in the future.

Recommendation:

- The multi-year capital plan developed by Management should be reviewed and approved by the Board of Trustees. The Board's capital plan should include a system-level capital funding plan.

5.6   Construction Management

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

- Whether processes are in place to ensure that school boards complete construction projects on-time, on-budget and with due regard to economy;

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

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

Cost Effective Practices in the Design and Construction of Facilities

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

Monitoring and Reporting on Progress of Construction Projects

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

Maintaining Current Approved Professional Service Providers

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

Cost-Effective Practices in the Design and Construction of Facilities

Currently the Board has six construction projects in progress. Over the past year, the Board completed two school replacements and four additions to existing schools.

An inventory of standard construction footprints is maintained. During the design stage, the Board proactively compares its design and construction costs on a per square footage basis to ensure that overall construction costs are reasonable.

Management minimizes expenditures on construction, renovation and operation costs through cost-effective designs, standard footprints and economical construction practices. The Board secures this expertise through the engagement of external architects, engineers and designers.

The Board maintains standard policies and procedures for procurement to control school renewal and construction costs. This is evidenced by the use of pre-qualified general and subcontractors and a list of approved, standardized parts and supplies. Management has developed a template for projections of construction and renovation

costs. In addition, the Board tracks and reports on construction savings as part of the energy management plan.

Monitoring and Reporting of Progress on Construction Projects

For renewal projects as well as new construction, external contractors are hired for construction management, using board approved procurement policies. During the construction/implementation phase, management conducts frequent site visits to supervise the progress of the project. There is one point of contact at the Board for each construction project.

The Board of Trustees approves each construction project. management uses fixed fees and change orders to control costs. These measures help the Board mitigate the risks associated with cost overruns.

Maintaining Current Approved Professional Service Providers

Major projects are subject to the request for proposal, which normally would include separate requests for architectural services and consultant services, including environmental and construction services. All contractors are pre-qualified according to the Board's purchasing policy, and are mostly locally-based businesses.

Appendices

Appendix A: Overview of the Operational Review

Operational Review Objectives

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

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

- Strengthen management capacity in school boards by developing recommendations that support improvement in non-academic operations;

- Highlight existing successful business practices used by school boards, to the sector and to school board communities;

- Leverage "Best Practices" across the education sector;

- Provide support and assistance to ensure that school boards are financially healthy, well managed, and positioned to direct optimum levels of resources to support student achievement;

- Provide the Ministry with important input on DSB capacity/capabilities for consideration in the ongoing development of policy and funding mechanisms.

### Operational Review Summary Scope

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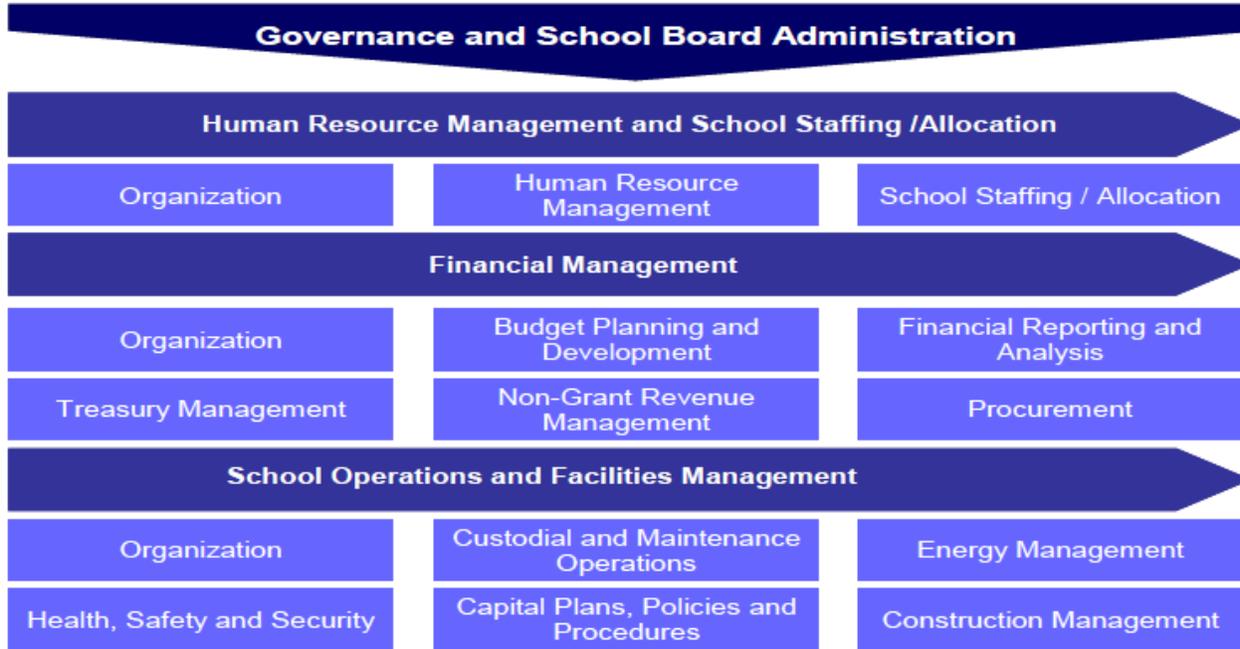
Operational Review Summary Approach

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

Observations and assessments are made by the Operational Review Team based on a set of agreed upon leading practices designed for each functional area. The onsite reviews allow the team to validate ministry and board data; provide a better understanding of the environmental conditions and allow the team to review materials that support the existence leading practices.
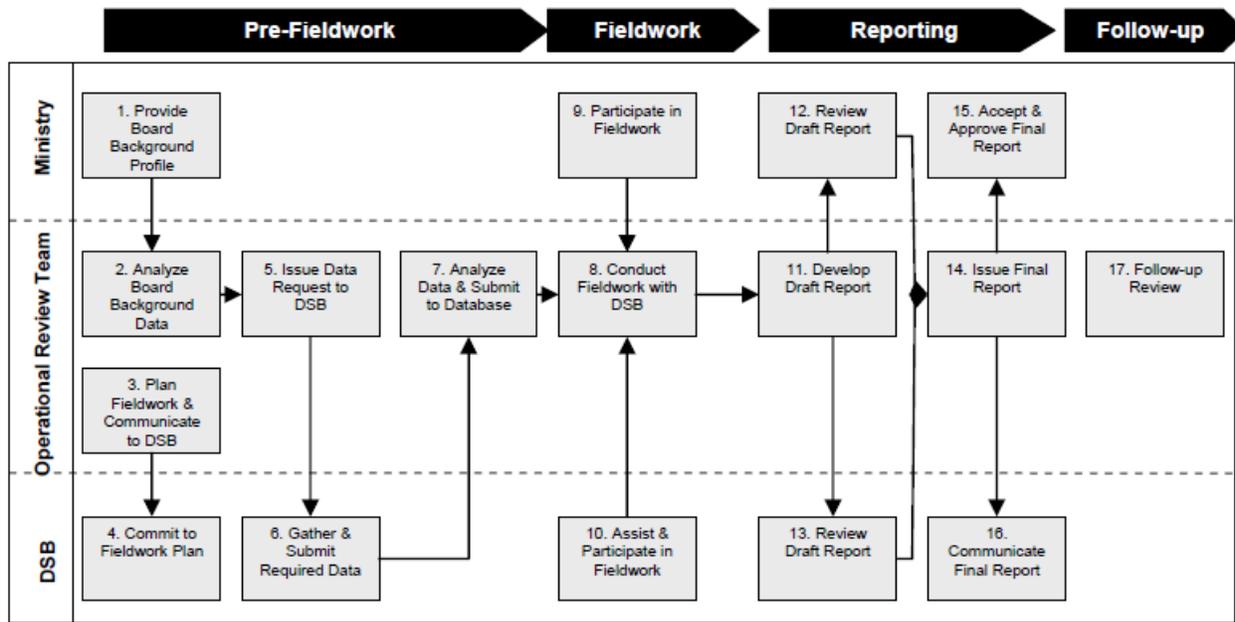
The Table below defines the key phases and activities which comprise the Operational review Methodology.

Phase: Initial Planning and Analysis

Key Activity	Description
Provide Board Background Data	The Ministry collects and maintains significant quantities of Board data. The Operational Review team has developed a standardized data request from the Ministry that will be used to provide background data for each Board.
Analyze Board Background Data	Prior to launching fieldwork, the Operational Review team will review Board background data to understand the financial and operating characteristics. This review will identify specific issues and / or focus areas for the review.
Plan Fieldwork and Communicate to Board	The Ministry and the Operational Review team will develop a rolling, quarterly review schedule that will be communicated to Boards prior to the start of that quarter.
Commit to Fieldwork Plan	Boards will be required to commit to the Operational Review schedule. The Ministry and the review team will attempt to accommodate scheduling constraints faced by Boards.
Issue Data Request to Board	Prior to the start of fieldwork, a data request will be generated to gather operating and other information for each of the focus areas. The review team will use this data to enhance its understanding of the Board prior to the start of field work.
Gather Required Data	Upon receipt of the data request, each Board will compile the requested data. It is envisioned that Boards will have at least three weeks to complete this process prior to the start of the fieldwork.
Analyze Data and Submit to Database	The review team will analyze the data provided by each Board, calculate key performance indicators where appropriate, and add the results to a

Key Activity	Description
	sector-wide database that will be used to compare the results for each Board.

Phase: On Site Review

Key Activity	Description
Conduct Fieldwork	The fieldwork will be conducted for each Board according to the previously agreed review cycle. The duration required to complete fieldwork will range between five to fifteen days, based on the size of the Board.
Participate in Fieldwork	Ministry staff will support the review team in the performance of fieldwork to ensure continuity and knowledge transfer of Board operations and upfront data support.
Assist and Participate in Fieldwork	Board staff will assist with and participate in the fieldwork. The number of participants involved will vary depending on the size of the Board.

Phase: Develop Final Report

Key Activity	Description
Develop Draft Report	Based on the results of the fieldwork and data analysis, the operational review team will prepare a draft report. The draft report will contain a synopsis of findings and, where appropriate, recommendations for improvement.
Review Draft Report (Ministry)	The Ministry will review the draft report and provide feedback to the review team.

Phase: Board Report Review

| Key Activity	Description
Review Draft Report (Board)	The review team will meet with Board senior staff to review and obtain feedback.

Phase: Final Report

Key Activity	Description
Issue Final Report	The review team will incorporate the feedback from the both the Ministry and the Board and prepare a final report.
Accept and Approve Final Report	The final report will be issued to the Ministry for approval and release.
Communicate Final Report	The Ministry will issue a final report to the Board.

Key Activity	Description
Follow-up Review	Six to twelve months after the submission of the final report, the review team will conduct a follow-up review to determine to what extent the Board has adopted and implemented 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.
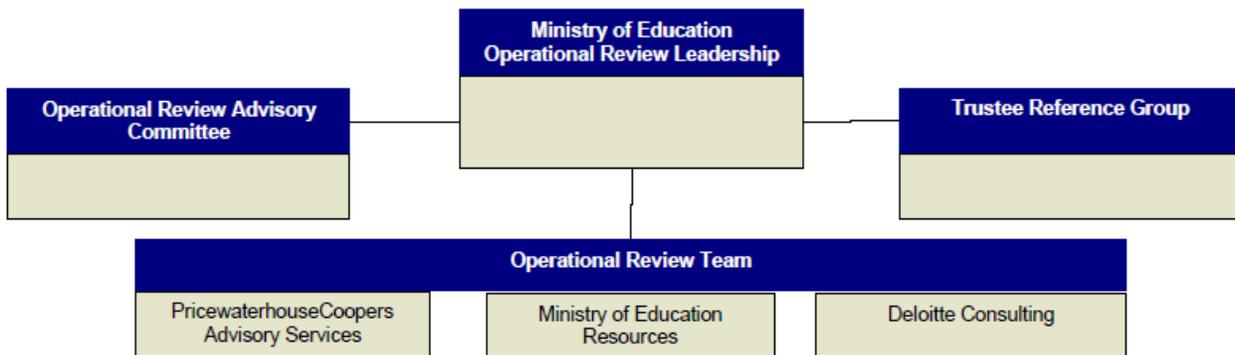
Limitations of this Review

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

Appendix B: Summary of Recommendations

HR Management and School Staffing/Allocation

No.	Recommendation
1.	The HR department should establish a formal attendance management policy. Management should use the attendance data currently tracked by HR to develop measurable performance indicators and targets and support sustainable improvements in attendance.
2.	The HR department should consider conducting periodic staff satisfaction surveys to better monitor the developmental needs of all staff groups.
3.	The HR department should consider conducting confidential exit interviews with staff who leave the Board for reasons other than retirement. This will allow management to identify any emerging trends concerning staff, and enable the Board to develop appropriate strategies to address these issues.

Financial Management

No.	Recommendation
4.	The business services department could improve the transparency of budget planning by preparing an overview of the energy management project. This would include an explanation of the upfront capital investments and their impact on the annual utilities budget.
5.	Management should consider providing an expanded level of interim financial reporting, as in the format suggested in section 4.3 of this report. The enhancement would improve understanding of the year-to-date financial results.
6.	Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope, and the estimated annual cost for each option. Management's proactive assessment of need and cost would be a useful first step.
7.	Finance staff should consider comparing the terms and conditions of the Board's banking relationships to those of other school boards, to benchmark the key financial terms received and ensure the best possible arrangements.
8.	The Board's purchasing policy currently indicates that "tenders may be advertised regardless of dollar value". In view of the fact that the Board actually advertises all tenders for purchasing over $50,000, the Board should consider revising the wording of the purchasing policy to better reflect current practice.
9.	The Board should proceed with its plans for a return on investment analysis of an electronic payment system for the continuing education and facilities rental programs. In doing so, management should review the electronic solutions in place at several other school boards.

School Operations and Facilities Management

No.	Recommendation
10.	The critical maintenance and renewal plan developed by Facilities Management should be reviewed and approved by the Board of Trustees on an annual basis. This would provide the Board and its stakeholders with a clear forecast of the Board's critical needs over the next several years.
11.	Facilities Management should formalize and communicate a multi-year energy management plan, with quantifiable energy baselines and savings targets to be monitored annually. Any investment noted in the energy management plan should identify the appropriate basis for funding.
12	The multi-year capital plan developed by Management should be reviewed and approved by the Board of Trustees. The Board's capital plan should include a system-level capital funding plan.