

**Ministry of Education**

**Operational Review Report  
Thunder Bay Catholic District School  
Board**

**September 2009**

## Table of Contents

<b>Executive Summary .....</b>	<b>1</b>
Introduction .....	1
Governance and School Board Administration .....	1
Recommendations: .....	2
Human Resources Management and School Staffing/Allocation.....	3
Recommendations: .....	3
Financial Management .....	4
Recommendations: .....	5
School Operations and Facilities Management .....	6
Recommendations: .....	6
<b>1. Background and Overview .....</b>	<b>8</b>
1.1 School Board Profile and Structure.....	8
1.2 Key Priorities of the School Board .....	8
1.3 Student Achievement.....	9
1.4 Fiscal Overview.....	10
1.5 Key School Board Statistics .....	12
<b>2. Governance and School Board Administration – Findings and Recommendations .....</b>	<b>14</b>
Establishment of an Effective Governance Model .....	16
Development and Reporting of Annual Goals and Priorities .....	18
Decision-Making Process .....	19
Organizational Structure and Accountability .....	19
Succession and Talent Development .....	20
Stakeholder Engagement .....	20
Recommendations:.....	21
<b>3. Human Resource Management and School Staffing/Allocation – Findings and Recommendations .....</b>	<b>22</b>
3.1 Human Resource Organization.....	22
Development and Reporting of Annual Goals and Priorities .....	23
Organizational Structure and Accountability .....	24
Monitoring and Communication of Policy.....	24
Recommendations: .....	24

3.2	Human Resource Management .....	25
	Staff Recruitment/Hiring .....	27
	Labour Relations.....	28
	Employee Performance Evaluation Processes .....	28
	Attendance Management Processes/Programs.....	30
	Management of HR and Payroll Data .....	30
	Management of School Board's Employee Benefit Plans .....	31
	Monitoring Staff Satisfaction .....	31
	Recommendations: .....	31
3.3	School Staffing/Allocation .....	32
	Processes for Annual Staff Planning and Allocation .....	33
	Monitoring and Reporting on Staff Allocation.....	34
	Recommendations: .....	34
<b>4.</b>	<b>Financial Management – Findings and Recommendations.....</b>	<b>35</b>
4.1	Finance Organization.....	35
	Development and Reporting of Annual Goals and Priorities .....	36
	Organizational Structure and Accountability .....	37
	Monitoring and Communication of Policy .....	37
	Recommendation:.....	37
4.2	Budget Planning and Development.....	38
	Annual Budget Development Process .....	39
	Risk Mitigation and Board Approval .....	41
4.3	Financial Reporting and Analysis.....	42
	Integrated System for Variance Analysis and Financial Reporting .....	43
	Interim and Annual Financial Reporting .....	43
	Audit.....	44
	Recommendations: .....	45
4.4	Treasury Management.....	45
	Cash and Investment Management .....	46
	Recommendations: .....	46
4.5	School-Based Funds and Non-Grant Revenue Management.....	47
	Management of School-Based Funds.....	48
	Management of Non-Grant Revenue .....	48

4.6	Supply Chain/ Procurement .....	48
	Policies and Procedures .....	50
	Participation in Group Purchasing Initiatives.....	51
	Purchasing Levels of Authority .....	52
	Policies and Procedures for PCard and Corporate Card Use .....	52
	Accounting for Completeness of Purchase/Payment Cycle .....	52
	Use of Electronic Funds Transfer.....	53
	Recommendations: .....	53
<b>5.</b>	<b>School Operations and Facilities Management – Findings and Recommendations .....</b>	<b>54</b>
5.1	Operations and Facilities Organization .....	54
	Development and Reporting of Annual Goals and Priorities .....	55
	Organizational Structure and Accountability .....	56
	Monitoring and Communication of Policies .....	56
	Recommendation:.....	57
5.2	Custodial and Maintenance Operations .....	57
	The Board’s Staffing Model/Allocation Supports the Cleaning Standards and Maintenance Requirements .....	59
	Development of Annual and Multi-Year Maintenance Plan.....	60
	Training to Support Skills Development and Safety .....	60
	Standardization of Cleaning and Maintenance Supplies.....	60
	Project Management, Monitoring and Supporting Systems .....	61
	Recommendation:.....	61
5.3	Energy Management.....	61
	Energy Management Plan .....	62
	Tracking and Reporting Energy Conservation .....	63
	Recommendation:.....	64
5.4	Health, Safety and Security .....	64
	Health, Safety and Security Management.....	65
5.5	Capital Plans, Policies and Procedures .....	66
	Development of Annual and Multi-Year Capital Plans .....	67
	Ongoing Monitoring and Maintenance of Data to Support Capital Planning .....	68

5.6	Construction Management.....	68
	Cost-Effective Practices in the Design and Construction of Facilities .....	69
	Monitoring and Reporting of Progress on Construction Projects .....	70
	Maintaining Current Approved Professional Service Providers.....	70
	<b>Appendices .....</b>	<b>71</b>
	Appendix A: Overview of the Operational Review .....	71
	Operational Review Objectives .....	71
	Operational Review Summary Scope .....	71
	Operational Review Summary Approach .....	72
	The Operational Review Team .....	75
	Limitations of this Review .....	75
	Appendix B: Summary of Recommendations .....	76

## Executive Summary

This report details the findings and recommendations of the Operational Review of the Thunder Bay Catholic District School Board (the school board or TBCDSB) conducted by the Operational Review Team composed of external consultants from Deloitte and Ministry of Education staff. The Operational Review was conducted over four days beginning September 14, 2009.

## Introduction

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

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

The review team found that the school board has implemented many leading practices. Noted strengths include the school board's leadership on energy management. A summary of the findings and recommendations identified in each of the functional areas reviewed follows. Details can be found in subsequent sections of the report.

## Governance and School Board Administration

The governance structure is supported by a board of seven trustees (the Board). The board members have an average tenure of nine years. Five board members have served for two terms or more.

The school board has adopted a governance structure that clearly delineates the roles and responsibilities of the board of trustees and senior administration. Policy # 102 - *Administrative and Organizational Structures* provides guidelines for the board of trustees, its annual meeting and board committees. It defines the roles and responsibilities of the Director of Education. The policy stipulates that through its policymaking function, the Board is able to direct and control the education operation.

The Director of Education and five key positions form the Executive Leadership Team (ELT), which has responsibility for implementing the Board's policies and all aspects of the school board's operations.

The five positions include a Superintendent of Education responsible for curriculum; a second Superintendent responsible for special education; an Education Officer responsible for school effectiveness; an Associate Director, Superintendent of Business and Corporate Services and Treasurer responsible for finance, information technology and plant services; and a Manager of Human Resources.

The Board meets every three weeks, and all Board and Committee of the Whole meetings are open to the public. In accordance with the Education Act, *in-camera* meetings are conducted to discuss matters of personnel, property, contract negotiations, and litigation. Due to the small size of the Board, all decisions are made by the Committee of the Whole. Items requiring decisions are first discussed at the ELT, then proceed to the Board for formal discussion and approval.

The governance model is supported by a collegial, transparent, and cooperative relationship between the Director and the Board. This positive relationship promotes open communication and contributes to effective agenda-setting and decision-making.

In June 2008, the Board approved a strategic plan titled *On Our Journey from Good To Great: Strategic Priorities 2008-2012*. It outlines seven strategic priorities. The Executive Leadership Team reviews the strategic plan annually to assess the school board's targets and actions for the coming school year. This review could be used in the development of a formal operational plan.

The Director of Education does report regularly to the Board on the steps taken against the strategic plan. The reports include actions, timelines, intended outcomes and progress to date. In addition, the Director completes an annual report for the Board, and a Director's communiqué which is shared with all stakeholders.

The Board recognizes the importance of keeping policies current, and has directed senior staff to update them to meet present day circumstances. For example, the emphasis on leadership in school boards via the Ontario Leadership Strategy suggests the school board could be examining ways to adopt succession planning to manage retirements and resignations of key managers. The school board has posted many of its policies on its website.

## **Recommendations:**

- The school board is encouraged to develop a formal annual operating plan to cover all aspects of its operations, including human resources, financial management, and facilities management. The format of the operating plan

should be updated to demonstrate its alignment to the Board's multi-year strategic plan. This will also enable the departments to track and report progress of their defined priorities and goals throughout the year.

- The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators, with a particular focus on non-academic operations.
- The school board should consider establishing a formal refresh cycle for its policies, to ensure periodic review of all policies across functional areas. This could include forming a policy committee to consider policies for review or development.

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

The Employee Services (ES) department demonstrates a good level of operational effectiveness overall. It has implemented many of the leading practices:

- New hire policies and procedures are standardized into one package for various staff groups, and ES must approve every hire recommended by departments. Management organizes orientation sessions for new hires in both academic and non-academic departments.
- ES has demonstrated a focus on maintaining strong relationships with the unions. It was reported that due to the collegial relationship between management and unions, there have been very few grievances at the school board. ES has maintained strong relationships with the unions and meets monthly with each union to discuss any potential issues.
- Payroll processing is segregated from employee data records, and changes to data are adequately controlled.

### **Recommendations:**

- The ES department should consider developing an annual departmental plan aligned with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
- The ES department should consider developing processes to monitor ES policy compliance, and develop measures to build staff capacity in understanding ES policies and administrative procedures.



- The ES department should consider providing regularly scheduled ES policy awareness, training, and education sessions to build staff capacity in understanding ES policies and administrative procedures.
- The department should continue to develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance, including positive reinforcement for employees and standardized practices across all employee groups.
- Management should periodically report to the Board and senior management on the effectiveness of its attendance management program, once it is in place.
- Management should consider conducting compliance audits of the school board's insurance carrier to ensure adherence to the benefit plans terms and conditions. This will ensure accuracy and validity of claims paid.
- Management should consider developing a formal policy or process governing the formal discipline and dismissal of non-academic staff, to ensure consistency and transparency.
- Management should expand the scope for its staff satisfaction surveys to include all employee groups. This would improve communication with staff, and provide input for professional development plans and ES policy.
- Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for ES policy, as well as process and program improvement.
- Management is encouraged to develop a formal staffing allocation policy to ensure the best utilization of staff.

## **Financial Management**

The department demonstrated a number of positive results through the implementation of some of the leading practices:

- The department has developed an effective annual budget planning process that is transparent and clearly communicated, incorporating input from all key stakeholders, including management (with principals) and the board of trustees.
- The school board uses an integrated financial system to record, track, and report financial data. The system integrates general ledger, accounts payable, accounts

receivable, budget, and purchasing modules. The financial system facilitates variance analysis and management reporting.

- Management identifies and documents all significant risks during the budget planning process, and develops strategies to mitigate the risks of spending beyond authorized/budgeted levels.
- The school board's cash management process is efficient, minimizing idle cash by monitoring daily cash flows against forecasts and making short term investments. The department uses its financial system to monitor and report on cash flow, and bank reconciliation is performed daily by a separate function within finance.
- The board's finance department performs three-way matching (purchase order, receipt/invoice and inspection) before invoices are paid.

### **Recommendations:**

- The department should consider developing an annual departmental plan aligned with the annual operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
- The department should develop calendarized reporting that uses historical expenditures as a benchmark for comparison. This will provide more accurate information on whether variances are in line with historical spending trends.
- Management should continue to participate in the emerging Ministry direction to establish regional models for internal audit across the school board sector.
- Management and the board of trustees should consider formalizing an audit committee that includes external advisors to contribute to the finance audit committee's effectiveness.
- Management should consider periodically comparing the school board's banking terms and conditions to those of similar school boards, to ensure it is getting the best rate possible for its investments.
- Management should investigate the use of PCards to use for small purchases, to reduce the volume of supplier invoices processed by accounting. To that end, it should perform a transaction/spend analysis of purchase orders, to identify optimum threshold limits that maintain budgetary control while managing volume of invoices.

- Management is encouraged to implement an electronic supplier interface for ordering, processing and payment. This is an opportunity for the school board that can result in increased process efficiencies.
- Management is encouraged to explore additional Electronic Funds Transfer opportunities with all appropriate suppliers, to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.

## **School Operations and Facilities Management**

The department has adopted several of the leading practices in its custodial and maintenance operations. The following significant practices are noted:

- The department has developed extensive training programs for its personnel. This includes over six days of professional development training, covering a wide range of areas including ergonomic training, procedures on reporting of injuries, WHMIS Training, and clean sweep.
- The school board is a leader in energy management, and is well underway on its energy management plan, which is based on a partnership with Honeywell Energy Services Canada Limited. A recent building retrofit project with Honeywell saw schools retrofitted with various measures designed to improve building comfort, reduce energy consumption, improve indoor air quality, and reduce greenhouse gas emissions.
- The school board has an approved annual and multi-year capital program that includes the related funding plan.
- Management uses cost-effective designs, standard footprints, energy conservation, and economical construction practices to minimize construction, maintenance, and operation costs.
- An effective management process monitors and controls construction projects and their costs. This includes periodic project status updates and postconstruction project evaluation.

## **Recommendations:**

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

- The school board should consider developing an automated work order system to track effort and costs associated with work orders. This will allow for comparison with benchmarks from previous years, and support project estimates and evaluations to ensure the most effective use of resources.
- The school board should include a formal clause in the procurement policy that all new equipment must be energy efficient.
- The Board should develop an overarching environmental policy that addresses both environmental education and responsible management. It was reported that the Board is looking at setting up an environmental committee, which would be a good first step.
- Management should ask the utility companies to provide consolidated billing in an electronic format. This would support more efficient monitoring and forecasting of energy consumption.

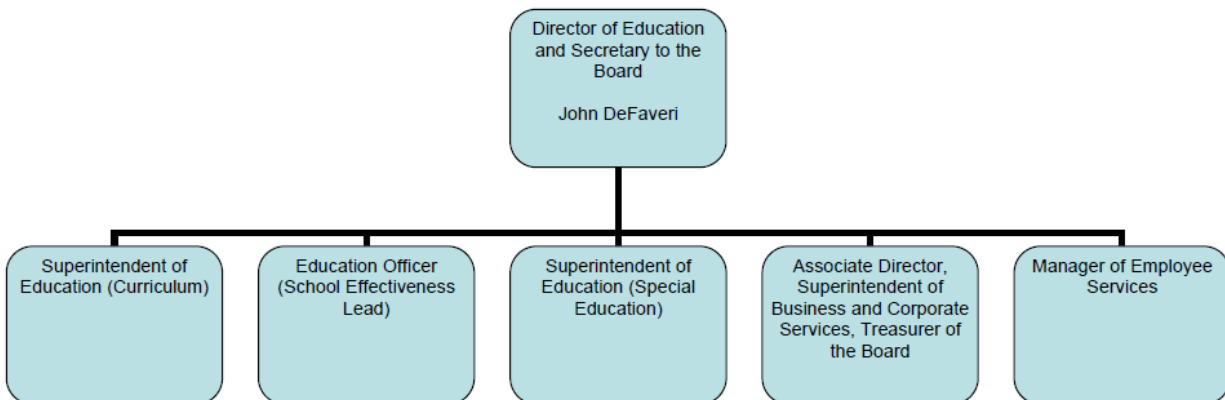
# 1. Background and Overview

## 1.1 School Board Profile and Structure

The Thunder Bay Catholic District School Board is committed to providing quality education which combines academic excellence with a concern for the spiritual, moral, social, emotional, cultural, and physical growth of the student. It is responsible for providing public education to almost 8,000 students. The school board offers a diverse range of programs in 18 elementary and two secondary schools.

The schools' enrolment is below capacity for the elementary panel, but is slightly above capacity for the secondary panels.

The following figure represents the Executive Leadership Team at the school board. The Executive Leadership Team is composed of the Director of Education, the Superintendent of Education (Curriculum), the Education Officer (School Effectiveness Lead), the Superintendent of Education (Special Education), the Associate Director and Superintendent of Business and Corporate Services and Treasurer of the Board, and the Manager of Employee Services.



## 1.2 Key Priorities of the School Board

The vision of the Thunder Bay Catholic District School Board is: **“Educating for Christian values and excellence”**. In support of this vision, the following mission statement has been developed for the school board:

*“The Thunder Bay Catholic District School Board is committed to providing quality education which combines academic excellence with a concern for the spiritual, moral, social, emotional, cultural and physical growth of the student.*

*This education is provided in a Christ-centered environment where Catholic faith and life are integrated into the total curriculum and school day. Through the ministry of teaching,*

*the Board fulfills its mandate from parents, from the Ministry of Education and Training, and from the Church.”*

To fulfill its mission and vision, the school board has adopted a strategic plan that includes areas of effort that outline key actions and priorities. Although each area of effort includes a number of sub-tasks, the overarching areas of effort are:

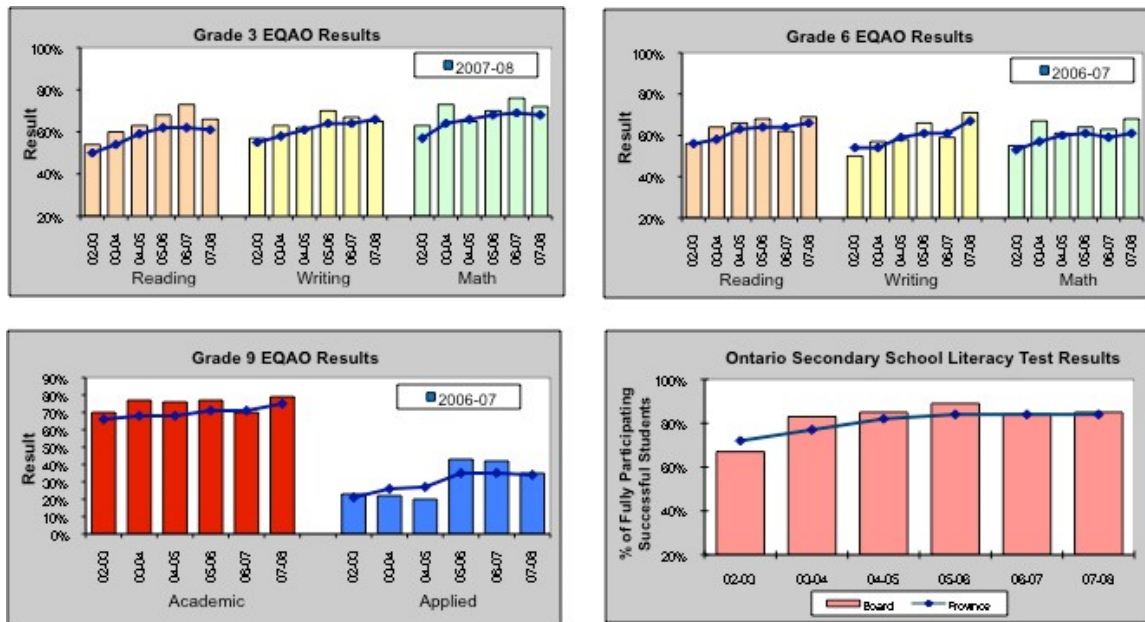
1. Living Our Catholic Faith
2. Equity of Outcomes for All Students
3. Improving Aboriginal Student Achievement
4. Sustaining a Culture of Professional Excellence
5. Celebrating Our Catholic Community
6. Good Places to Learn and Work
7. Organizational Stewardship.

To support the implementation of the Strategic Plan, the school board adopted a Numeracy and Literacy Plan that supports these priorities. These components combine to form the basis of an effective strategic plan for the organization, as will be discussed in section 2 of this report.

### **1.3 Student Achievement**

The school board has performed on or above the provincial average in the last few years. Grade 3 and Grade 6 Education Quality and Accountability Office (EQAO) results have been above the provincial average since 2007-08.

At the secondary level, Grade 9 EQAO results and Grade 10 Ontario Secondary School Literacy Test (OSSLT) results were either above or equal to the provincial average. The following charts illustrate the school board’s EQAO and OSSLT results over the last six years.



## 1.4 Fiscal Overview

Over the last few years, the school board has consistently presented balanced budgets to the Ministry. This was accomplished in part from the use of some of the working funds reserve in the last few years.

Since 2006-07, the school board's reserve funds has decreased in total from \$15 million to \$8.9 million in 2008-09. This is due primarily to the retrofit of older schools and construction of new schools.

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

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

### Summary Financial Data (Revenues)

Revenues	2006-07 Financial Statements	2007-08 Financial Statements	2008-09 Revised Estimates
Legislative Grants	\$56,473,705	\$61,367,409	\$67,682,129
Local taxation	\$17,583,614	\$16,680,124	\$16,389,591
Board Revenues	\$3,281,489	\$3,915,066	\$2,907,010
Other Operating & capital Grants	\$1,961,989	\$2,271,334	\$200,000

Revenues	2006-07 Financial Statements	2007-08 Financial Statements	2008-09 Revised Estimates
<b>Total Revenues (Schedule 9)</b>	<b>\$79,300,797</b>	<b>\$84,233,933</b>	<b>\$87,178,730</b>

### Summary Financial Data (Expenditure)

Expenditures	2006-07 Financial Statements	2007-08 Financial Statements	2008-09 Revised Estimates
Operating expenditures	\$73,912,569	\$77,817,499	\$82,104,630
Capital expenditures - Before transfers from reserves	\$3,030,831	\$6,045,106	\$8,480,145
Transfer to (from) Reserves	\$2,357,397	\$371,328	-\$3,406,045
<b>Total Expenditures</b>	<b>\$79,300,797</b>	<b>\$84,233,933</b>	<b>\$87,178,730</b>
<b>In-year Surplus (Deficit)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues	2006-07 Financial Statements	2007-08 Financial Statements	2008-09 Revised Estimates
Retirement Gratuities	\$2,498,289	\$2,596,340	\$3,360,919
Reserve for Working Funds	\$8,030,459	\$8,030,459	\$3,924,835
WSIB	\$512,000	\$512,000	\$512,000
Pay Equity	\$115,959	\$115,939	\$115,939
Computer Implementation	\$153,109	\$153,109	\$153,109
Transportation and Utility Rate Stabilization	\$265,000	\$265,000	\$265,000
Benefits Claims Fund	\$0	\$371,329	\$371,329
Pupil Accommodation Debt Reserve	\$1,869	\$1,869	\$1,869
GPL Reserve	\$2,199,327	\$0	\$0
<b>Total Reserve Funds (Schedule 5)</b>	<b>\$13,776,012</b>	<b>\$12,046,065</b>	<b>\$8,707,020</b>
Reserve for Classroom Expenditures	\$1,127,219	\$1,127,219	\$0
Special Education Reserve	\$189,857	\$308,021	\$251,078
<b>Total Deferred Revenues (Schedule 5.1)</b>	<b>\$1,317,076</b>	<b>\$1,435,240</b>	<b>\$251,078</b>
<b>Total Board Reserves and Deferred Revenues</b>	<b>\$15,093,088</b>	<b>\$13,481,305</b>	<b>\$8,958,098</b>



## 1.5 Key School Board Statistics

The following table highlights key statistics for the school board. There is a slight declining enrolment trend.

### Day School Enrolment

Day School Enrolment	2002-03 Actual	2008-09 Revised Est.
Elementary Day School ADE	5,596	5,410
Secondary Day School ADE	2,233	2,401
<b>Total Day School Enrolment</b>	<b>7,828</b>	<b>7,810</b>

### Primary Class Size

Primary Class Size	2003-04	2008-09
% of Classes Less Than 20	29%	93%
% of Classes Less Than 23	61%	100%
Average Class Size - Jr/Inter	25.27	24.5
% of 3/4 Classes 23 & Under	33%	100%
% of Combined Classes	13%	14%

### Staffing

Staffing	2003-04	2008-09
School Based Teachers	466	531
Teacher Assistants	70	106
Other Student Support	29	15
School Administration	27	28
School Clerical	33	36
School Operations	70	64
Other Non-Classroom	43	48
<b>Total Staffing</b>	<b>736</b>	<b>827</b>
<b>Teacher - Pupil Ratio</b>	<b>1:17</b>	<b>1:15</b>
<b>FTE Staff per 1,000 Pupils (ADE)<sup>1</sup></b>	<b>94.0</b>	<b>105.9</b>

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

<b>Staffing</b>	<b>2003-04</b>	<b>2008-09</b>
<b>Total Salary &amp; Benefits as % of Net Operating Expenditures</b>	<b>84.3%</b>	<b>86.7%</b>

## Special Education

<b>Special Education</b>	<b>2003-04</b>	<b>2008-09</b>
Special Education Incremental Expenditures	\$6,035,069	\$10,656,916
Special Education Allocation	\$6,750,757	\$10,430,248
<b>Spending above Allocation (Reserve)</b>	<b>-\$715,688</b>	<b>\$226,668</b>

## School Utilization

<b>School Utilization</b>	<b>2003-04</b>	<b>2008-09</b>
Number of schools	22	21
Total Enrolment (ADE)	7,828	7,810
School Capacity (Spaces)	8,045	8,084
<b>School Utilization</b>	<b>97.3%</b>	<b>96.6%</b>
<b>Board Area (Km<sup>2</sup>)</b>	<b>4,919</b>	<b>4,919</b>
<b>Number of Trustees</b>	<b>8</b>	<b>8</b>

## 2. Governance and School Board Administration – Findings and Recommendations

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

Governance and board administration processes are reviewed to:

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

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

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

## Establishment of an Effective Governance Model

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

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

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

## Decision-Making Processes

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees and senior administration have appropriate processes for decision making to address student achievement targets and operational performance.	Yes
The board of trustees and senior administration have appropriate processes for the establishment and regular maintenance of policies and administrative procedures for the efficient and effective operation of the board.	Yes

## Organizational Structure and Accountability

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

## Succession and Talent Development

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
As part of the Ministry's <i>Ontario Leadership Strategy</i> , the director of education, with support from HR, has established a formal Succession and Talent Development Plan to build and sustain leadership capacity.	Yes

## Stakeholder Engagement

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

## Establishment of an Effective Governance Model

The school board has adopted a governance structure that clearly delineates the roles and responsibilities of the board of trustees and senior administration. The Director of Education is supported by a team of five people. This includes two Superintendents of Education, one who has responsibility for curriculum and the other for special education; an Associate Director, Treasurer of the Board and Superintendent of Business and Corporate Services who also has responsibility for financial services, IT and plant services; and a Manager of Employee Services. The Director also created an Education Officer position that is responsible for school effectiveness. The Executive Leadership Team has responsibility for all aspects of the administration of the system. Each member is assigned responsibility for key functional areas of the school board including

curriculum, school effectiveness, special education, student success, aboriginal education, human resources, and business and corporate services.

The Board's governance structure is supported by six experienced trustees elected by separate school ratepayers, and one trustee who is appointed to represent the interests of the students from the Fort William First Nation. The Board members have an average tenure of nine years. Five members have served for two terms or more. Due to a number of trustees being elected for consecutive terms, the board reported that there is no formal orientation or professional development currently provided to trustees. Historically, however, an orientation has been provided.

As part of its governance model, the school board has developed an Administrative and Organizational Structures policy, which includes 14 principles to direct the governance approach of the Board, and guidelines that delineate the roles and responsibilities between administration and trustees. The framework stipulates that the board of trustees sets and maintains policy, and that the executive leadership team develops and implements operating plans and procedures, consistent with the school board's key goal of improving student achievement. The Board also has a Code of Conduct for Board personnel, which became effective in September, 2009. Key provisions of the code include maintaining the highest standard of public trust and integrity, adherence to the Code of Conduct and its related policies, and a commitment to caring for their employee's needs and maintaining fiscal responsibility on behalf of the public and employees.

There are currently five internal committees: communication and public relations, supervised alternative learning for excused pupils, school year committee, secondary awards committee, and student discipline. There are also three external committees: Catholic Parent Involvement, Joint Council/ District School Boards Liaison, and Special Education Advisory. In reaching a conclusion on a specific matter, a committee can recommend certain actions to the Board. However, only Board-approved recommendations from committee can be implemented by the administration. It was reported that due to the small size of the Board, all decisions are made by the Committee of the Whole.

The Board has established a set of policies and procedures (available on the school board website) that provide a framework for decision-making and guidelines for the effective operation of the school board. However, a number of the policies are out of date and are not current. The Board should consider establishing a formal refresh policy to ensure periodic review of its policies and procedures. This could include forming a committee to consider policies for review or development.

The Board of Trustees conducts a formal performance appraisal process of the Director of Education. The annual review is based on a commonly used evaluation model known

as a 360 degree review. This model incorporates feedback from various levels of stakeholders including managers, superintendents and trustees.

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

In June 2008, the Board approved a strategic plan titled *On Our Journey from Good To Great: Strategic Priorities 2008-2012*. It identifies the following seven priorities:

- Living Our Catholic Faith
- Equity of Outcomes for All Students
- Improving Aboriginal Student Achievement
- Sustaining a Culture of Professional Excellence
- Celebrating our Catholic Faith
- Good Places to Learn and Work
- Organizational Stewardship

A formal timeline to develop the new strategic plan was set and the process began with a full-day planning session for the executive leadership team. The purpose of the session was to review academic and operational data, to identify performance gaps. Following this step, a draft plan was created and submitted to the Board of Trustees and various stakeholder groups, including principals, school staff, school councils, central office staff, unions, and the Diocese. The draft plan and stakeholder feedback was then reviewed by the executive leadership team and selected school leaders, formally presented to the Board for approval, and communicated to all stakeholders in June 2008.

A formal progress report submitted to the Board by the Director of Education in December 2008 articulated the steps taken to date against the strategic plan. This included actions, timelines, intended outcomes, and progress to date. Interim reporting also occurs, as the Director reports on progress in meeting the goals of the strategic plan three times a year, at the end of every term. The Director also completes an annual report for the Board, and a Director's communiqué which is shared to all stakeholders.

The school board develops a board improvement plan in response to the requirements of the Literacy and Numeracy Secretariat. The plan is primarily focused on academic priorities, and does not cover the non-academic areas such as human resources, financial services, and facilities services. It was reported that an annual operating plan, which includes non-academic operations, will be developed in the 09-10 school year.

The school board is encouraged to develop a formal annual operating plan, demonstrating its alignment to the Board's multi-year strategic goals, including functional responsibility and timelines. This is a good practice at all levels of the organization, since it enables the Director to report on specific outcomes identified in the operating plan, and how they contribute to the implementation of the Board's Strategic Plan. Moreover, as the operating plan expands to include operations, the development and reporting of annual plans for non-academic departments will become more streamlined. There is an opportunity at the central Board office to develop annual plans for HR, finance, and plant operations, aligned with the overall Board strategic plan.

### **Decision-Making Process**

The primary responsibilities of the board of trustees are to determine policy for the school board, and communicate with parents, students and community stakeholders. The administrative team develops and implements plans and procedures to ensure adherence to Board policies and the accomplishment of key priorities. These responsibilities are clearly outlined in the Administrative and Organizational Structures policy, which was last updated in May of 2008.

The Board meets every three weeks, and all Board and Committee of the Whole meetings are open to the public. As per the Education Act, *in-camera* meetings are conducted to discuss matters of personnel, property, contract negotiations, and litigation. Due to the small size of the Board, all decisions are made by the Committee of the Whole. Items requiring decisions are first discussed at the executive committee, after which they proceed to the Board for a formal discussion and approval.

There is no formal policy review committee, since responsibility for policy review resides within each department. To change a policy, the department drafts a new version, and once feedback is incorporated from staff within the department and the executive leadership team, it goes to the Board for approval. Once it is approved, the policy becomes effective. As a result of this process, there is no formal policy refresh committee. The Director has tasked the executive leadership team with refreshing all policies and procedures within their respective departments in the 09-10 school year. Current policies and procedures are posted on the website, and include the last review date.

### **Organizational Structure and Accountability**

The school board has a total of eight trustees. Six trustees are elected by Separate School ratepayers, one is appointed to represent the interests of the students from the Fort William First Nation and another is a student trustee. The board of trustees is responsible for approving the policies and bylaws governing the school board's operations, and ensures that the educational goals and needs of all students are met.



The organization, roles and responsibilities of the school board's Executive Leadership Team has been formally defined and documented. It includes the Director of Education, two Superintendents of Education, one who has responsibility for curriculum and the other for special education; an Associate Director, Superintendent of Business and Corporate Services and Treasurer of the Board; and a Manager of Human Resources. The Director has also created an Education Officer position that is responsible for school effectiveness.

The Executive Leadership Team meets regularly to perform a three-fold function: one, to assist the Board in decision making and policy development; two, to interpret, communicate and implement Board policies and decisions within the system; and three, to provide a forum for the Director and Superintendents to discuss current operational issues and seek input, ensuring that the Director is kept informed of all matters.

Each trustee has responsibility for a 'family of schools'. This structure helps develop common education strategies to improve student achievement. The school board has also developed up-to-date job descriptions for the Director and superintendents, and has made their names and areas of responsibility available on the school board's website. A school board organization chart is also available on the website.

## **Succession and Talent Development**

The school board has adopted succession planning and talent development processes to build and sustain academic leadership capacity, in the form of the Aspiring Leadership Program. This includes a combination of job shadowing, paying for principal qualifications for key performers at the teacher's level, and paying for Supervisory Officer qualifications for a few principals. The school board also recommends individuals with potential to become leaders in the system to the Board. This commitment to succession planning is also underlined in the strategic priorities which includes leadership.

However, the school board has not established a formal succession plan or implemented initiatives to support its non-academic positions. The school board would benefit from the establishment of a formal succession plan for key management positions.

## **Stakeholder Engagement**

Management actively seeks stakeholder consultation, and has a dedicated communications officer to support effective two-way communication between all stakeholders. Various communication channels, such as a Director's communiqué, school newsletters, website postings, and public consultations, keep key stakeholders engaged through the year. The school board values community input, and provides

opportunities for effective involvement in decision-making processes for the full-range of stakeholders.

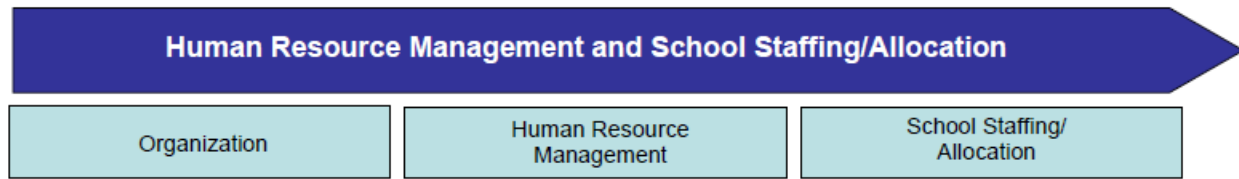
The school board uses its public website to disseminate information regarding its policies, the director's report, Board meeting agendas and minutes, and financial reports to external constituent groups. Management and the Board solicit stakeholder input during the strategic planning process, budget development process, accommodation reviews, and the building of new schools.

Members of the executive leadership team are actively involved at various provincial and national forums, including the Council of Director's of Education and actively collaborate with peers in similar Northern school boards. The Board has a formal policy on staff participation in system committees, which was last refreshed in May 2008 and underlines the value of staff involvement in external committees, to ensure that the school board learns and shares best practices from across the sector.

**Recommendations:**

- The school board is encouraged to develop a formal annual operating plan to cover all aspects of its operations, including human resources, financial management, and facilities management. The format of the operating plan should be updated to demonstrate its alignment to the Board's multi-year strategic plan. This will also enable the departments to track and report progress of their defined priorities and goals throughout the year.
- The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators, with a particular focus on non-academic operations.
- The school board should consider establishing a formal refresh cycle for its policies, to ensure periodic review of all policies across functional areas. This could include forming a policy committee to consider policies for review or development.

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



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

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

#### 3.1 Human Resource Organization

The review of the organization of the HR department assesses:

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

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

## Development and Reporting of Annual Goals and Priorities

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

## Organizational Structure and Accountability

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

## Monitoring and Communication of Policies

Leading Practices – Human Resource Organization	Evidence of Adoption?
HR management has processes in place to monitor H R policy compliance by all staff and management.	No
HR management builds staff capacity in understanding of HR policies and administrative procedures.	No

## Development and Reporting of Annual Goals and Priorities

The Employee Services (ES) function currently does not develop its own annual departmental plan. Instead, departmental priorities are driven by yearly initiatives identified in the strategic plan, which are aligned with ES.

Management should consider developing an annual departmental plan, complete with measurable targets, designated accountabilities, and target timelines that are aligned with the annual operating plan. This in turn, would roll up to the overall strategic plan. This would help link department priorities with performance measures and accountabilities, facilitate clear definition of roles, enable collaboration among the team members, and provide a roadmap for the department.

## **Organizational Structure and Accountability**

The ES department performs several functions, including maintaining employee profiles, and administering employee benefits and managing health and safety programs. The HR functions report to the Manager of Employee Services who is part of the Executive Leadership Team.

Other roles, such as staff allocation and performance appraisals for academic staff, are conducted by the superintendents of education, while the staff allocation process is managed by the Superintendent of Business and Corporate Services, with support from ES.

The ES department's job descriptions are accurate and up-to-date, and the department has clearly defined organizational units delineating roles and responsibilities. A current organization chart is posted on the website, alongside contact information for key ES staff. . The ES department assumed responsibility for employee services as of the 07-08 school year, and added a coordinator of employee services to their team in order to help manage a number of new projects that are being rolled out such as attendance management, as well as to improve communications within the department.

Department staff are qualified through a combination of professional designations and work experience.

## **Monitoring and Communication of Policy**

ES has responsibility over a number of policies, all of which are posted on the school board website. They include policies on recruitment, health and safety, workplace harassment, and performance evaluations, among others. New policies and procedures are communicated to staff through various means, including sending out emails informing staff of a new policy via mailing lists, and at professional development days. They are also an agenda item at labor management committees.

Due to a number of policies being out of date, compliance with ES policy is currently done on an individual policy basis, and there are no formal supports for compliance. The board is encouraged to continue to refresh their policies during the 09-10 school year, and establish a formal policy review structure and supports for compliance.

Once the policies and procedures have been reviewed, the board is also encouraged to provide regularly scheduled ES policy awareness, training and education sessions to staff.

## **Recommendations:**

- The HR department should consider developing an annual departmental plan aligned with the operating plan and overall strategic plan. This will enable the

department to track and report the progress of its defined priorities and goals throughout the year.

- The HR department should consider developing processes to monitor ES policy compliance, and develop measures to build staff capacity in understanding ES policies and administrative procedures.
- The HR department should consider providing regularly scheduled ES policy awareness, training, and education sessions to build staff capacity in understanding HR policies and administrative procedures.

### 3.2 Human Resource Management

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

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

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

#### Staff Recruitment/ Hiring

Leading Practices – Human Resource Management	Evidence of Adoption?
Recruitment policies and administrative procedures are reviewed annually, and are aligned with staff planning to support student achievement.	Yes
The hiring policies and administrative procedures for the staff groups are harmonized and shared with managers throughout the school board.	Yes

## Labour Relations

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

## Employee Performance Evaluation Processes

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

## Attendance Management Processes/Programs

Leading Practices – Human Resource Management	Evidence of Adoption?
The school board maintains appropriate processes and systems to monitor staff attendance on a timely basis.	No
Attendance management processes/programs exist that include employee supportive policies and procedures to minimize the cost of absenteeism.	No
Management periodically reports on the effectiveness of the attendance management processes/programs to senior management and the board.	No

## Management of HR and Payroll Data

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

## Management of School Board's Employee Benefit Plans

Leading Practices – Human Resource Management	Evidence of Adoption?
Employee data is automatically synchronized between the school board and the external carriers (i.e., OTPP, OMERS and the board's benefit provider(s)).	Yes
Policies and procedures ensure the board's benefit plans are managed appropriately.	Yes

## Monitoring Staff Satisfaction

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

## Staff Recruitment/Hiring

The school board currently has two policies supporting the recruitment process. The first is the Teacher Selection, Hiring and Placements policy, currently under review. This policy outlines procedures and guidelines on selection and placement, the advertising of positions, and criteria for screening, among others. As the need arises, the school board places ads in local and provincial newspapers, and a notice to hire teaching positions is posted in all schools. This policy will be reviewed this year to ensure it meets current needs. In the interim, a teacher recruitment process procedure for 2008/09 was developed.

The second policy is a Support Staff- Recruitment, Selection and Hiring policy, last reviewed in 1994 and also on the roster for policy refresh this year. This policy outlines the procedure departments must follow when there is a vacancy.

The recruitment plan is aligned with the staffing plan, and recruiting practices generate enough qualified candidates. It was reported that turnover of staff is low, and due to the teachers college at Lakehead University, there are a number of graduates available to fill in open vacancies. Recruitment is an ongoing process, and the board adds to its supply list annually. The board reported that the one area that can be difficult to staff is at the director level. As a result, an external staffing agency is sometimes used to fill this position.

New hire policies and procedures are standardized into one package for various staff groups, and ES must approve every hire recommended by departments. Management



organizes orientation sessions for new hires in both academic and non-academic departments.

Equal opportunity is assured through an accessibility committee, as well as a statement on employment equity that the board follows.

## **Labour Relations**

The school board maintains seven different collective agreements with its employee groups, which consist of secondary teachers, elementary teachers, occasional teachers, the permanent and supply secretarial group, custodians, and student support group. These collective agreements are managed by the ES staff. Board administration has indicated that they maintain collegial relationships with bargaining agents.

The grievance procedure at the school board is documented in the collective agreements. Due to the regular ongoing communication between management and unions, there have been very few grievances at the school board. The collective agreements are administered via labour-management committees, which comprise members of the Board and union. The department has demonstrated a focus on maintaining communication with the unions and non-union employee groups, and meets monthly with each union to discuss any potential concerns. ES provides coaching to school administration on procedures to take in both mitigating and handling grievances.

## **Employee Performance Evaluation Processes**

The school board has developed procedures for conducting employee performance appraisals. In line with the Ministry of Education's 'Supporting Teaching Excellence' document, the school board evaluates its experienced teachers on a five-year cycle. New teachers are reviewed twice during the first year as part of the New Teacher Induction Program (NTIP). ES ensures that notations are reported to the Ontario College of Teachers for new teachers who have completed the NTIP. The teacher performance appraisal (TPA) is executed by principals and channeled to the respective superintendent of education and subsequently filed at the central board office. In addition to the five-year cycle, a principal or superintendent may trigger a supplemental TPA as required. Principals are responsible for conducting teacher performance appraisals, but may delegate this responsibility to vice principals.

Non-teaching staff, including support and administrative staff, are appraised prior to the completion of their probationary period, in accordance with their respective collective agreement or employment contract. Employees with more than one year of service are evaluated once every three years thereafter. Temporary employees are evaluated at least once during their term of employment with the Board, or as per the terms of their collective agreement. Each September, the department issues each school and department a list of employees due for evaluation. The performance evaluation is

conducted by the employee's supervisor. Superintendents are responsible for principal and vice principal performance appraisals, and supervisory staff are responsible for administrative and support staff appraisals.

The school board has also developed a policy on the evaluation of the Director of Education. This evaluation is conducted annually commencing in May in conjunction with the cyclical review of the Board's strategic plan.

The school board practices indicate there is full awareness of progressive disciplinary procedures for students at both the elementary and secondary level. The process is a phased approach as follows: prevention and intervention in minor cases; office consultation and referral in major cases; and board level involvement for cases where suspension or expulsion becomes the decision. These procedures are well documented in a progressive discipline procedure for elementary and secondary schools.

However, the school board does not have a formal policy or process governing the formal discipline of teaching and non-teaching staff. Typically, discipline is triggered by incidents, after which a meeting is set up between ES, management, and the employee. The trustees and management should consider developing a formal policy or process governing the formal discipline and dismissal of non-teaching staff, to ensure consistency and transparency.

Management has developed a policy for staff development, which is currently under review. Each department has dedicated professional development budgets for self directed learning. Training needs are either established by individual departments, union feedback or Ministry guidelines, and ES plays a supporting role in delivery. ES also inputs individual training into HRIS, to track employees' professional development.

Staff development varies from group to group, and is predominantly based on in-house training on professional development days. However, there are no minimum hours set for training, nor is there a process for evaluating the quality of staff development activities. Although the school board has not developed specific policies for staff/professional development, extensive professional development programs are in place for the academic staff. In addition, the school board has set-up a 'New Leadership Program' to facilitate leadership development for academic staff.

The department is encouraged to set up formal professional development guidelines for non-teaching staff which includes annual learning plans, minimum training hours, and an in-depth supervisory training program for all managers of administrative functions within the school board. Training evaluations should also be completed as part of this process. This will help ensure the school board is meeting the needs of its employees, and provide training for future leaders on the non-teaching side.

## **Attendance Management Processes/Programs**

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

The school board is moving forward with SBCI (School Boards' Cooperative Inc.) to assist in developing and implementing attendance management and disability management policies and operating procedures. Administration is currently working on an attendance management process, which will include clear steps for all school board staff to take in reporting an absence, as well as the steps for management to address absenteeism and support employee attendance. This process will include refined coding, which will ensure that the school board can track whether supply teachers are brought in to backfill due to professional development or absenteeism. This will improve the current process, which is based on daily reporting by secretaries on individual employees which is then verified by principals.

A comprehensive attendance management program will provide management with a consistent and structured approach to improve attendance, by engaging in positive reinforcement with employees and adopting standardized practices across all employee groups. An attendance management program will also ensure that HR can periodically report on the effectiveness of the attendance management process to senior management and the Board. The Board is encouraged to look at the Efficiency and Effectiveness Committee of COSBO (Council of Student Business Organizations) Report on Attendance Management.

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

The payroll function resides within the ES department, and reports to the manager of employee services. Separate system modules for HR and payroll within IPPS ensure segregation of data at the system level. Updates to personnel records for pay and benefit changes or other compensation adjustments are only performed by authorized staff.

HR records are current, including the formal tracking of teacher qualifications and experience. Superintendents and managers work together if there is a position on the non-teaching side that needs to be reclassified, and management works with unions if it is a unionized position. Teacher qualifications are synchronized twice a year with the Ontario College of Teachers database. New hire qualifications are confirmed as part of the application documents teachers submit as part of the recruitment process.

The pay equity plan is currently under review. The school board does not have any outstanding pay equity issues or grievances.

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

The school board's benefits and wellness services are provided directly by the insurance company. Management ensures the school board's benefit plans are managed appropriately, by outsourcing this to an independent compliance auditor. A review of the renewal proposals effective September 1, 2009 confirmed that the school board's rates are competitive compared with other school boards. Processes are in place to mitigate costs. For example, the health and safety officer monitors all accommodation of staff to return to work and SBCI advises the board on initiatives to lower WSIB and LTD costs. Management provides the Board with a report on the cost of plans, and explains costs and other pressures to them during the presentation of the budget. As a result, cost containment initiatives have not been implemented, since the Board has never found itself in a situation where it has gone over budget.

Employee data is entered manually, and automatically synchronized among the school board's external carriers. Management ensures that all eligible employees are properly enrolled, by performing an audit on OTIP and an enrollment and corresponding edit check for Manulife. The board has discussed putting an annual audit in place. In the meantime, the board requests a refresher of beneficiary information from staff.

Management reported that compliance audits of the board's insurance carrier are conducted periodically to ensure adherence to the benefit plans terms and conditions. The school board is encouraged to do so to ensure accuracy and validity of claims paid.

### **Monitoring Staff Satisfaction**

Management does not conduct confidential staff satisfaction surveys or formal exit interviews. While it is noted that the school board operates within a small community and experiences low turnover, practices such as staff surveys and exit interviews can provide management with valuable input, for both professional development and policies impacting future employee relations.

### **Recommendations:**

- The department should continue to develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance, including positive reinforcement for employees and standardized practices across all employee groups.

- Management should periodically report to the Board and senior management on the effectiveness of its attendance management program, once it is in place.
- Management should consider conducting compliance audits of the school board's insurance carrier to ensure adherence to the benefit plans terms and conditions. This will ensure accuracy and validity of claims paid.
- Management should consider developing a formal policy or process governing the formal discipline and dismissal of non-academic staff, to ensure consistency and transparency.
- Management should expand the scope for its staff satisfaction surveys to include all employee groups. This would improve communication with staff, and provide input for professional development plans and HR policy.
- Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy, as well as process and program improvement.

### 3.3 School Staffing/Allocation

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

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

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

## Processes for Annual Staff Planning and Allocation

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

## Monitoring and Reporting on Staff Allocation

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

## Processes for Annual Staff Planning and Allocation

The school board does not have a formal policy or procedure for the determination and allocation of total staff requirements. The Board reported that this is driven by legislation and collective agreements. However, management notes that its staffing allocation models and formulas have been very effective in meeting Ministry class size policies and targets.

The current process is based on enrolment projections, student need, class size requirements, preparation time, and alignment to collective agreements. Staffing forecasts by employee group and a desired staffing allocation by school is also taken into account, after which the staffing chart is developed. Consideration and discretion is given to special cases, such as the population of 'high needs' in a given school. A process for hiring additional staff also occurs mid-year. For both elementary and secondary panels, any new staff outside of the above processes is processed as a new initiative and reviewed and approved separately in the budget process.

The school board is encouraged to develop a formal staffing allocation policy to ensure the best utilization of staff.

**Monitoring and Reporting on Staff Allocation**

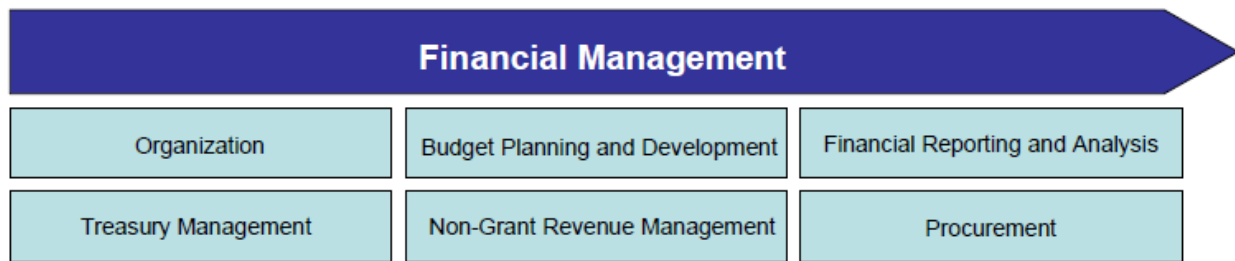
Staffing levels are consistently monitored by the central board office in collaboration with school administrators. The SBO monitors school allocation in conjunction with HR, and allocations are within budgeted levels, as all staffing is Board approved. The school board reported that the funding formula works.

Management periodically reports on the annual allocation of staff, and provides a staffing report to the Board every third meeting. Adjustments to staff allocation are done through the Board for approval, with a requirement to also demonstrate the source of additional funding for staffing, if for example, the school board was given an EPO grant. The Board reported that adjustments to staff allocations for school-based staff are infrequent, as measure to ensure utilization remains on target occurs during the planning process.

**Recommendations:**

- Management is encouraged to develop a formal staffing allocation policy to ensure the best utilization of staff.

## 4. Financial Management – Findings and Recommendations



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

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

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

### 4.1 Finance Organization

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

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



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

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

### Development and Reporting of Annual Goals and Priorities

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

### Organizational Structure and Accountability

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

### Monitoring and Communication of Policies

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

### Development and Reporting of Annual Goals and Priorities

The department does not currently develop its own annual departmental plan. Instead, departmental priorities are driven by yearly initiatives incorporated into the strategic plan.

Management should consider developing an annual departmental plan, complete with measurable targets, designated accountabilities, and target timelines, aligned with the

annual operating plan. This in turn, would roll up to the overall strategic plan. This would link department priorities with performance measures and accountabilities, facilitate clear definition of roles, enable collaboration among the team members, and provide a roadmap for the department.

### **Organizational Structure and Accountability**

The department reports to the Associate Director, Superintendent of Business and Corporate Services and Treasurer of the Board, through the Manager of Financial Services. The Associate Director oversees plant services, IT, and financial services.

Each of these functions reports to the Associate Director through a manager. The department's job fact sheets are accurate and up-to-date, and the department has clearly defined organizational units delineating roles and responsibilities. A current organization chart is posted on the website, alongside contact information for key finance staff.

Staff in the department have appropriate financial designations and relevant experience to perform their roles.

### **Monitoring and Communication of Policy**

The department has responsibility over a number of policies, all of which are posted on the school board website. They include policies on purchasing, expense reimbursement, and fair labour practices.

Policy compliance is maintained through the financial system, along with a combination of manual reviews and audits. For example, financial services staff monitor for compliance with appropriate accounting of funds when reviewing all requisitions, before purchase orders are issued.

The department also provides various types of training targeted at specific groups of staff. As an example, school secretaries were trained on the new expenditure guidelines and Principals and Vice-Principals are provided with training on new policies, such as the internal purchasing guidelines.

Financial policies are largely up to date. All policies are available to school board employees on the school board's website

### **Recommendation:**

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

## 4.2 Budget Planning and Development

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

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

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

### Annual Budget Development Process

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

### Risk Mitigation and Board Approval

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

Leading Practices – Budget Planning and Development	Evidence of Adoption?
targets. It provides useful and understandable information for all stakeholders.	

## Annual Budget Development Process

The annual budget process at the school board is transparent, clearly communicated, and well documented, and incorporates input from all key stakeholders. Traditionally, as part of the development of the operating and capital budgets, the Executive Leadership Team has sought input from the Board, school principals, and the Special Education Advisory Committee. In 2008-09, Administration recommended broadening the process by seeking input from Catholic School Councils. School councils were invited to provide input into the budget process by way of an electronic submission. A total of nine schools responded, and it was reported that the information was helpful in gauging needs at individual schools. In many cases, the administration was able to address the needs identified. Following approval of the 2008-09 budget, a follow-up letter was forwarded which outlined the outcomes of the budget process.

The school board has developed a budget manual that details the annual budget planning process, and guides the activities through to final budget approval. Instructions for budget preparation, guidelines on budget transfer, and examples of budget forms (with instructions) are all part of the manual.

To begin the annual budget process, the Manager of Financial Services and the Accounting Supervisor provide each budget planning unit leader with an Excel workbook summary of the unit's operating budget. The workbook will show all non-salary accounts in the unit budget, with the previous year's budget and actual amounts and the current year's budget amounts. The workbook also contains all necessary forms and related instructions.

Each planning unit then consults with appropriate personnel and prepares the unit submission. Budget planning unit leaders are responsible for entering the proposed figures for the new budget year in the workbook, along with an explanation of any increases or decreases. Requests for any new budget accounts are made to the accounting supervisor.

The workbook also contains a worksheet showing all full time equivalent (FTE) staff in the Planning Unit. Budget planning unit leaders must review the staffing and enter the projected FTE's for all employee groups for the new year.

Complete budget submissions are sent to the Accounting Supervisor by March. The Accounting Supervisor then prepares the staffing, salary and benefit cost components of the budget for each planning unit. School based staffing is governed by staffing

formulae and enrolment, collective agreement commitments, and Ministry of Education requirements.

Once enrolment and staffing forecast are complete in April, budget submissions and an overview of the funding model are reviewed with the Board before the formal presentation. This is in addition to the three to four preceding meetings with the Board during the course of the budget preparation. These meetings are designed for allowing administration and trustees to provide input during the planning process. At this point, any additional changes in the form of expenditures or revenues are incorporated. The Board of Trustees also has a process in place where twice a year unforeseen non-staffing expenditures can be brought to the Board for budget approval.

The budget is finalized and formally approved by the Board in June at a Committee of the Whole meeting. The revised and complete budget estimate package is then sent to the Ministry. In February and June of each year, there is a review of budget status reports. A review and approval of audited financial statements by the Board occurs in December.

The budget development processes account for all required cost and revenue changes. The school board reported that they post balanced budgets every year. With the importance of enrolment to the board's budget, the administration closely monitors factors such as birth rates and economic projections, and tracks retention rates from grade 6 to 7 and grade 8 to 9, common enrolment transition periods. The Board also recognizes the need to work more closely with its First Nation communities in the effective management of tuition fees.

The school board reported that a formal expenditure/reduction plan exists as part of the budget development process. The school board focuses on large cost items such as energy management and staffing when incorporating performance measures into the budget planning process, and focuses on remaining on target with the allocations. Nongrant revenues are not a large source of income, as school board buildings are free for use by the community, and minimum income is derived from the onsite daycares.

At the TBCDSB, enrolment forecasts are performed by the Superintendent of Business and Corporate Services, through a calculation of promotion and retention factors for the previous four years. The factors are normalized for unusual circumstances. (e.g. additional enrolment due to school closure by coterminous board.) The factors are used to project enrolment for the upcoming year for all grades except JK. The board also gathers data regarding birth rates in the City of Thunder Bay, which is compared to admissions four years forward. Factors are determined to help project JK admissions. The above process is used to provide a preliminary forecast for budget and staffing processes. The preliminary forecast is fine tuned during the budget process as follows:

- **High School.** The number of option sheets for the upcoming year is obtained through the registration process. Factors are calculated to determine historical retention rates from the option sheets to actual enrolment both at opening day and at the enrolment count dates. The numbers arrived at from that process are used to estimate enrolment for the upcoming year.
- **Elementary School.** Following the JK registration process, schools are asked to forecast enrolment for the upcoming year. Those figures are compared to Board generated projected totals for reasonability. Following that process, elementary enrolment for the upcoming year is estimated.

In both the secondary and elementary panels, unique or unusual circumstances that could affect the upcoming year are considered and factored into final projections.

The school board has posted margins of error less than 1%, since they remain conservative in their staffing forecasts, and add as needed. This has also resulted in a system where any debt incurred must have a funding source attached to it.

As part of the budget process, staffing costs are compared with coterminous boards to ensure efficient use of resources.

### **Risk Mitigation and Board Approval**

The school board reported that their key risk area is staffing, in particular absenteeism and use of supply teachers which affects their overall staffing budget. The department has developed procedures to help mitigate the risk of spending beyond authorized/budgeted levels. The accounting supervisor prepares the following documents to assist in the identification of possible financial problems:

- **Monthly reports to the Executive Leadership Team by the Manager of Financial Services.** Reports are analyzed, and any areas of concern are addressed. This includes department budget status reports, school budget status reports, monthly and year-to-date employee absences, and WSIB claims.
- **Revised Estimates for the Ministry of Education.** Potential financial concerns will be identified and can be addressed mid-year. This includes a review of staffing, enrollment and recalculation of GSN based on actual October 31 enrolment and actual staffing
- **Bi-weekly comparison of payrolls.** These are reviewed by the Accounting Supervisor and any concerns are addressed.
- **March 31, 2009 year end for Ministry of Education for consolidation in the Province's books.** This is reviewed by auditors.

### 4.3 Financial Reporting and Analysis

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

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

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

#### Integrated System for Variance Analysis and Financial Reporting

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

#### Interim and Annual Financial Reporting

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

#### Audit

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Management maintains an independent internal audit function	No

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

### **Integrated System for Variance Analysis and Financial Reporting**

The school board uses an integrated financial system to record, track and report financial data. The system integrates general ledger, accounts payable, accounts receivable, budget, and purchasing modules. The financial system facilitates variance analysis and management reporting.

A limited number of Finance staff with the appropriate system access are responsible for setting-up the chart of accounts and maintaining aliases. The financial system allows the budget holders (i.e. principals, managers and superintendents) to print their own budget tracking reports directly. All schools can access their budget online, allowing them to track their commitments.

### **Interim and Annual Financial Reporting**

A number of factors (including variances in actual enrolment versus projections, contract negotiations, macro-economic trends, and Ministry directives) can produce in-year percentage variances between budget estimates and actual costs. Interim financial reporting allows management to track these variances, and communicate them to the trustees and other key decision-makers. To that end, finance staff at the school board prepare monthly expenditure variance reports for the executive leadership team that compares budget to actual. Twice a year, in January and May, interim financial reports and an enrolment update are presented to the Board of Trustees. This is approved by the Director before presentation. These reports to the Board provide a summary of expenditures by operating area.

The department should expand on existing report templates, to incorporate the recommendations made by the Committee on Interim Financial Reporting for School Boards released in September 2009. Enhancements should include calendarized reporting that uses historical expenditures as a benchmark for comparison. Formal approval of interim financial reports should be performed by senior management, to ensure accountability for the integrity of the reports. This will also provide more accurate information on whether variances are in line with historical spending trends.



## Audit

The primary function of the internal auditor is to provide added assurance that internal controls established by management are operating effectively, and are in compliance with policies and procedures. Currently, the school board does not have an internal auditor, and is waiting for further direction from the ministry.

Developing a mandate for the internal audit function would assist the executive leadership team and the board of trustees in their overall governance and accountability roles. The internal audit function can also help develop performance measures and indicators for programs and services. The function should report to a committee of the Board. The annual audit plans would be presented and approved by the committee, and all reports would be presented to the committee.

The ministry's direction on internal auditing in school boards continues to evolve, with a regional model emerging as the preferred option. The school board is encouraged to enhance its internal audit capabilities once there is a clear boundary on the scope of the function and the associated delivery / funding model.

The school board also reported that it does not have an audit committee, and is currently awaiting further direction from the ministry. The establishment of an audit committee with external advisors should be considered, because along with significant changes in accounting in recent years, annual financial statements are becoming more complex. External members support audit committee members in understanding what constitutes sound internal accounting and operational control processes.

The external advisors would not be voting members, since current legislation only recognizes trustees as voting members on school board standing committees. The professional backgrounds of the external members could include professional accountants, lawyers or other professionals, depending on the needs of the committee and its mandate. This would ensure that an objective third-party view is applied to the review of financial statements, auditor's report, and in-year reports produced by management. Bill 177 now before the legislature (as of September 2009) will require the establishment of an audit committee in school boards, and the inclusion of external members in the audit committees. Should Bill 177 pass in its current form, the ministry intends to bring forward a regulation on audit committees which will specify their composition and requirements.

The school board provided copies of the external auditor's annual management letters, with management's response for the past three years. Based on the recommendations, management reported they had developed a plan to address the concerns raised, and which was subsequently acted upon. The external auditor's management letter, auditor's report and audited financial statement are presented annually to the Board,

and any recommendations are acted upon by management. It was reported that this presentation is done without exception each year.

### Recommendations:

- The department should develop calendarized reporting that uses historical expenditures as a benchmark for comparison. This will provide more accurate information on whether variances are in line with historical spending trends.
- Management should continue to participate in the emerging Ministry direction to establish regional models for internal audit across the school board sector.
- Management and the board of trustees should consider formalizing an audit committee that includes external advisors to contribute to the finance audit committee's effectiveness.

## 4.4 Treasury Management

The purpose of reviewing treasury management processes is to assess:

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

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

### Cash and Investment Management

Leading Practices – Treasury Management	Evidence of Adoption?
Existence of an efficient cash management process to maximize interest income, using short-term investments where appropriate and to ensure that the board's debt service costs can be met to maturity.	Yes
Cash management activities are consolidated with a single financial institution.	Yes

Leading Practices – Treasury Management	Evidence of Adoption?
Management periodically reports to the board on the performance of the investment activity and the approved investment policy in accordance with the <i>Education Act</i> .	Yes
Management periodically compares the school 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

The school board's cash management process is efficient, minimizing idle cash by monitoring daily cash flows against forecasts and making short term investments. The department uses its financial system to monitor and report on cash flow. Bank reconciliation is performed by a separate function within finance daily. Staff involved in cash management are covered by the school board's insurance policy.

Management has consolidated cash management activities for the school board and the majority of its schools with one financial institution. Schools are permitted to do banking at their local institution. The school board maintains all bank accounts, which include the main operating fund, the reserve fund, awards and trust, and charitable accounts. The school board reviews its banking services/agreement every three years.

Management actively monitors financial risk related to cash/investment management, and has a plan to mitigate associated risks in accordance with the limits set out in the Education Act. Reports are generated for unusual accounting transactions and other critical exceptions. To minimize the case of this happening, the board has authorization levels for wire transfers which can only be approved by the manager of financial services or the accounting supervisor. An external audit of the treasury management function also takes place annually. The treasurer provides the board of trustees with an investment report through the budget year-end.

The department reported that they look at the competitive rates of banks, but do not periodically compare banking terms and conditions to those of similar schools. Consideration should be given to doing so, to ensure the school board is getting the best rate possible for their investments.

## Recommendations:

- Management should consider periodically comparing the school board's banking terms and conditions to those of similar school boards, to ensure it is getting the best rate possible for its investments.

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

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

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

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

### Management of School-Based Funds

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

### Management of Non-Grant Revenue

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

## **Management of School-Based Funds**

Management ensures adequate controls are in place to safeguard school based funds, and coordinates the annual reporting of revenues and expenditures from schools and school councils. Fundraising activities involving students are based on the guidelines provided in the Board's fundraising policy. This is supplemented by the school board's purchasing policy and accounting procedures which provide a clear process for all school activity funds and the handling of petty cash.

The finance department is responsible for the oversight of funds generated by schools and school councils, which are accounted for through cashnet. The accounting supervisor in the finance department has full access to the bank accounts at the school level, and looks at the accounts monthly as part of the central oversight. The school principal is responsible for collecting funds at the school level. The school board does not currently have any fundraising activities specifically for capital projects.

## **Management of Non-Grant Revenue**

Due to the small amount of non-grant revenues from daycare fees, management ensures adequate controls are in place to safeguard non-grant revenue and coordinate the annual reporting of revenues and expenditures from all sources through their regular accounting procedures.

The finance department has set up discrete Accounts Receivable to manage revenue from the band council, as determined by the tuition agreements. The band council is invoiced twice a year on 30 day payment terms. The recoveries made on this account are reported as a separate line item to the trustees in the quarterly financial reports.

EPO grants received by the school board are designated to appropriate superintendents and/or project leads. A new project code is created for each EPO grant in the financial system and assigned a G/L code with revenue and expense lines. Any carry-over of funds to the next academic year is reviewed by the executive leadership team, and approved by the Director and the superintendent of business.

The Director and Superintendent of Business and Corporate Services presents the Board with a yearly report on an overview of the various grants, their purpose and amount.

## **4.6 Supply Chain/ Procurement**

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

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

### Policies and Procedures

Leading Practices – Supply Chain/ Procurement	Evidence of Adoption?
Approved procurement policies and procedures are clearly communicated to staff with purchasing authority and are periodically reviewed and updated.	Yes
Approved procurement policies clearly outline circumstances under which the board will use competitive versus noncompetitive procurement methods.	Yes
Contract award criteria include elements other than the lowest cost, such as total cost of ownership, value, quality, vendor performance, etc.	Yes
Purchasing managers monitor purchasing activities for compliance with the Board's procurement policies and procedures.	Yes

### Participation in Group Purchasing Initiatives

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

## Purchasing Levels of Authority

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

## Policies and Procedures for PCard and Corporate Card Use

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

## Accounting for Completeness of Purchase/Payment Cycle

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

## Use of Electronic Funds Transfer

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

## Policies and Procedures

The Board developed a purchasing policy to ensure fair and equal treatment of all qualified suppliers and provide the best value for the school board. This policy was last reviewed in November 2008, and is considered by the Board as up to date. Management also developed a Reference Guide for the Purchase of Goods and Services, to support the implementation of the Board's procurement policies. This document is very thorough, and covers purchase orders, competitive purchasing, small purchase funds, petty cash, and travel and conference costs. Circumstances where the

school board will use competitive versus non-competitive procurement methods are also covered in the guide. The school board reports that sole source contracts are infrequent, and used only in cases where there is a specific product that only one vendor can supply.

Procurement policies and procedures are communicated to all staff in three ways. They are:

- Emailed to everyone every year
- Attached to any relevant policy update memos from the director (hard copy or email)
- Posted on the website

Hospitality and travel expenses are covered in a separate policy, which is aligned with the Ministry directive and posted on the school board's website. There are also Board bylaws that govern expenses. However, due to the low transaction volume and the department's ability to carefully review each submission, the school board reported that this is not considered an area of high risk. Management ensures costs are in accordance with guidelines as accounts payable reviews the related expenses, and the Superintendent of Business and Corporate Services approves the reimbursement.

The school board's current purchasing policy and procedures consider factors other than lowest price in vendor selection. They include consideration of the quality of product, service, timely delivery, and compliance with proposal requirements, complete with applicable certification.

Purchasing officers monitor purchasing activities for compliance with the board's procurement policies and procedures. This is reinforced in the purchasing guide, which stipulates that it is the responsibility of all supervisory staff to understand the purchasing and expenditure reimbursement policies and guidelines. This includes an expectation to ensure that staff comply with the updated policies and guidelines.

The Board has not yet begun to align current policies with OntarioBuys' Supply Chain Guideline.

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

Management has developed strategies to increase purchasing power and minimize the costs of goods and services procured, and actively participates in purchasing consortia. The school board's procurement strategy includes participation in consortia to realize cost savings. It actively participates in the Lakehead Purchasing consortium, which covers natural gas, electricity, and materials such as lighting. It is also considering



participating in the Ontario Education Collaborative Marketplace (OECM). The school board is encouraged to look at joining other consortia as part of its overall procurement strategy.

### **Purchasing Levels of Authority**

There are a number of purchasing authorization levels (depending on the job position and function) which are monitored and controlled by financial services, and outlined in section 6 of the Purchasing Policy. For example, orders in the amount of \$1,000 or less may be placed at the discretion of the appropriate approval authorities, or Purchasing Officer. Orders exceeding \$1,000 up to \$5,000 require three competitive quotes where there are two suppliers who can supply the goods or services. Orders exceeding \$5,000 to \$25,000 require three competitive quotes in writing where there are more than two suppliers who can supply the goods or services. Orders exceeding \$25,000.00 require a tender called by the Purchasing Officer or an approved consultant, architect or engineer through publication.

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

The school board has not adopted PCard or Corporate cards. Instead, the Board provides manual cheques to school principals and administration departments for low dollar purchases. The use of manual cheques creates additional labor-intensive work for all staff, and also exposes the school board to increased risk. A preferred practice that is used extensively across the school board sector is to target low dollar value transactions through a PCard program. The school board should review the volume of low dollar purchase orders with an aim to identify whether an increase in the purchase order threshold limits and a promotion of PCards would increase efficiency. As part of its upcoming tendering process for banking services, the school board should perform an analysis of low dollar spending, to determine whether the cost of adopting PCards would be justified in the reduction of administration, cost and risk associated with issuing manual cheques for high volume, low value purchases.

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

The board's finance department performs three-way matching among purchase orders, vendor invoices, and packing receipts. While hard copy packing receipts are maintained at the shipping locations (schools), the principal is responsible for signing-off the documents and school secretaries update receiving information into the financial system. The entire process is done on-line, and the accounts payable department matches the packing receipt number with the invoice before the bill is paid. Packing receipts remain on file for seven years.

Management is encouraged to expand the implementation of electronic supplier interfaces for ordering, processing, and payment.

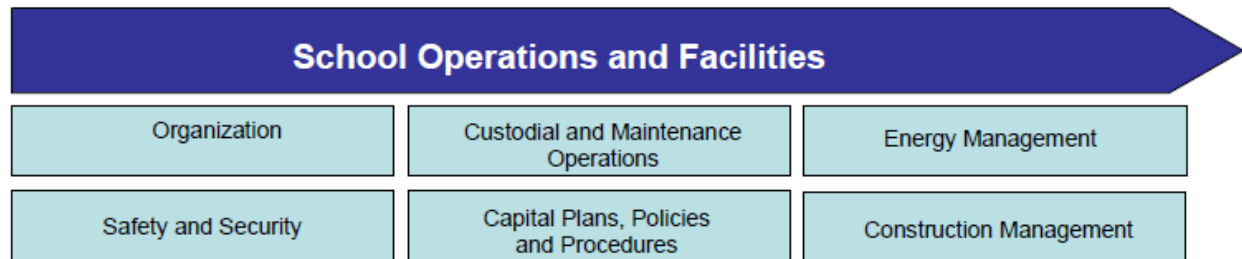
**Use of Electronic Funds Transfer**

The Board does not currently use EFT for payments. Management recognizes that additional EFT opportunities should be explored to maximize efficiency within the Finance department.

**Recommendations:**

- Management should investigate the use of PCards to use for small purchases, to reduce the volume of supplier invoices processed by accounting. To that end, it should perform a transaction/spend analysis of purchase orders, to identify optimum threshold limits that maintain budgetary control while managing volume of invoices.
- Management is encouraged to implement an electronic supplier interface for ordering, processing and payment. This is an opportunity for the school board that can result in increased process efficiencies.
- Management is encouraged to explore additional Electronic Funds Transfer opportunities with all appropriate suppliers, to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.

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



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

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

### 5.1 Operations and Facilities Organization

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

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

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

### Development and Reporting of Annual Goals and Priorities

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

### Organizational Structure and Accountability

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

### Monitoring and Communication of Policies

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

### Development and Reporting of Annual Goals and Priorities

The department does not currently develop its own annual departmental plan. Instead, departmental priorities are driven by yearly initiatives incorporated into the strategic plan

and the annual budget. The yearly initiatives are developed through a process where the list of needs from individual schools, the five year renewal plan, and the list of capital projects are assessed based on available budget.

Management should develop an annual departmental plan, complete with measurable targets, designated accountabilities, and target timelines that are aligned with the annual operating plan. This in turn, would roll up to the overall strategic plan. This would help link department priorities with performance measures and accountabilities, facilitate clear definition of roles, enable collaboration among the team members, and provide a roadmap for the department.

### **Organizational Structure and Accountability**

The department reports to the Associate Director, Superintendent of Business and Corporate Services and Treasurer of the Board through the Manager of Plant Services. The Manager of Plant Services oversees both plant and custodial staff. The school board outsources all of its maintenance work and thus, a maintenance department does not exist.

The department's job fact sheets are accurate and up-to-date, and include major duties and responsibilities, and skills and knowledge required. The department has clearly defined organizational units delineating roles and responsibilities. An up-to-date organization chart is posted on the website, alongside contact information for key plant services staff.

Department staff are qualified through a combination of professional designations and work experience. Professional designations are also required from contractors who perform work for the school board.

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

The department has responsibility over a number of policies, all of which are posted on the school board website. This includes procedures on daily facilities inspection, temporary facility shutdowns, and cleaning procedures.

New policies and procedures are primarily communicated to staff through the head custodian. There is also a strong focus on education in the plant services department, with support for six custodial professional development days of the year.

The manager of plant services is responsible for monitoring and communicating changes to the various regulations that govern the school building and property matters. These are communicated to head custodians throughout the year as well as at the scheduled head custodial meetings which take place three or four times a year. Any new policies relating to maintenance would be communicated to the respective

contractors by the SBO as the school board's maintenance is outsourced. Additional policies relating to health and safety are sent to the Manager of Employee Services to distribute amongst the health and safety department, and the SBO manages policies relating to construction as part of overseeing renewal and construction.

### **Recommendation:**

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

## **5.2 Custodial and Maintenance Operations**

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

- Whether custodial and maintenance services are responding effectively and efficiently to maintaining an optimized learning environment for students;
- Whether the department has the appropriate organizational structure to effectively manage service delivery;
- Whether 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.

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

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The school board has adopted cleaning standards for schools and has developed a standard set of processes and tools to monitor, manage, and report on results.	Yes

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The school board has implemented a formal green clean program as part of its overarching Education Environmental Policy.	Yes
Management's custodial/ maintenance allocation model optimizes the use of staff and considers various factors (e.g. square footage, portables, gyms, etc).	Yes

## Development of Annual/Multi-Year Maintenance Plan

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

## Training to Support Skills Development and Safety

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

## Standardization of Cleaning and Maintenance Supplies

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

## Project Management, Monitoring and Support Systems

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
An automated (computerized) work-order system and process records, monitors, and evaluates projects ensuring the effective use of resources.	No

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

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

To maintain a consistent level of school cleanliness across the system, the department has developed cleaning procedures and standards for its custodians. The cleaning procedures are based on Clean Sweep, a professional development program that covers all aspects of professional cleaning, including floor and carpet care, washroom and window maintenance, odor control, kitchen and laundry cleaning, and industrial cleaning. It was reported that the plant services department is currently developing a board custodial manual, based on components of the Clean Sweep program as well as its own internal procedures.

The department has created daily facilities inspection checklists and logbooks, and weekly and monthly inspection schedules. The department uses custodian log books to monitor, manage, and report on cleaning standard results. Daily and monthly inspection results are reported in the custodian log books, which are regularly reviewed by supervisors. Head Custodians or designates are also responsible for completing a daily facilities inspection, early in the morning before staff and students arrive.

The school board currently employs 80 custodial staff, 65 of whom are full-time and 15 are part-time. Each school has a head custodian. The allocation model for custodians is based on square footage, and is predetermined in consultation with the unions. The school board has compared the custodial staff allocation model with other school boards. It was reported that the school board is average in its custodial staff numbers. It was also reported that the allocation model works well for the size of the board, and optimizes all staff.

The school board has implemented the use of environmentally friendly cleaning products as part of its environmental policy. In September 2008, it began work on a business case to evaluate the benefits of implementing a formal green cleaning program. The school board's pilot research found that it was possible to implement a green cleaning product program with only a marginal increase in cost, and no reduction in cleaning standards. Potential benefits from this program identified by the school board include: improved indoor air quality and learning environments for students and staff as a result of fewer toxic substances being introduced through the cleaning and maintenance process; less exposure to toxic chemicals for custodial staff; increased lifespan for facilities and equipment as a result of the elimination of corrosive chemicals; and protection of the environment, as a result of fewer toxins.



As a result, the Board approved full implementation of a green cleaning program which became effective September 1, 2009. The results to date have been shared with the Thunder Bay local press, and the Zero Action Waste team, a public sector group in Thunder Bay.

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

Although the school board outsources all maintenance, management still develops a multi-year maintenance plan for major maintenance and renewal projects. The plan includes timelines, the contractor assigned, and when the project was complete. The plan is developed by management, which maintains a list of maintenance projects that is updated as new requests are made and projects are completed. The plan is linked to the strategic plan.

While the department should be recognized for developing a maintenance plan, there are opportunities to improve the rigor and alignment of this process. The plan should align to the departmental plan once it is developed.

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

The school board has an extensive training program in place for its custodians. This includes over six days of professional development training covering a wide range of areas such as ergonomic training, procedures on reporting of injuries, WHMIS Training, and clean sweep. Due to feedback received from head custodians, there is a strong focus on providing training on slips and falls this year. The custodial manual that is currently being developed will also supplement the current training.

Maintenance workers who are brought in on contract are required to be trained on safety compliance. Vendors who bring in products are required to provide training on product use and any safety requirements.

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

The department uses an Excel-based inventory system to track and control major cleaning equipment. Contract maintenance workers bring in their own equipment. Due to lack of storage at individual schools, the school board reported that each school keeps a maximum of two month's worth of supplies.

It was reported that management has defined common standards to ensure efficient procurement of supplies, and since September 2009, is following the green procurement policy. Monthly ordering sheets are sent in from individual schools to the school board for processing. Additional standards including minimizing cost are included in the school board's purchasing policy.

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

The department does not have an automated work order system. Instead, maintenance issues are reported through a variety of methods by principals and head custodians. Requests are manually triggered by the manager of plant services, who calls in a prequalified contractor to resolve issues. The head custodian at each school is responsible for confirming the problem was fixed.

The school board should consider adopting an electronic work order system to track effort and costs associated with work orders. This will allow for comparison with benchmarks from previous years, and support project estimates and evaluations to ensure the most effective use of resources.

Senior administration regularly evaluates the effectiveness of its maintenance and custodial service delivery. A business case done for maintenance confirmed the board's decision to outsource this function.

The board reported that vandalism is not a major issue for their schools.

### **Recommendation:**

- The school board should consider developing an automated work order system to track effort and costs associated with work orders. This will allow for comparison with benchmarks from previous years, and support project estimates and evaluations to ensure the most effective use of resources.

## **5.3 Energy Management**

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

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

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

## Energy Management Plan

Leading Practices – Energy Management	Evidence of Adoption?
In reference to the <i>Ontario Green Energy Act, 2009</i> , senior administration has established a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.	Yes
Procurement practices support the objectives and targets of the energy management plan	No
Successful conservation initiatives are communicated across all schools and with other school boards.	Yes

## Tracking and Reporting Energy Conservation

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

## Energy Management Plan

The school board's energy management plan, based on partnership with Honeywell Energy Services Canada Limited, is well underway. The school board recently entered into a project with Honeywell that saw schools retrofitted with various measures designed to improve building comfort, reduce energy consumption, improve indoor air quality, and reduce greenhouse gas emissions. The initial schools were chosen based on their expected longevity.

Additional funding was received in April 2009, through the Ministry of Education's investment to improve the energy efficiency of Ontario schools. Part of this funding will be used to launch additional retrofit projects in phase 2, which includes installing solar panels on the roofs of certain schools. There will also be an installation of a solar lawn sign at the Education Center. A unique aspect of the solar panels is that they offer an option to install 'living labs' at the school board's senior elementary schools. These solar powered classrooms would be used as demonstration sites for the portion of the senior elementary curriculum which focuses on renewable energy, conservation, and ecology.

The classrooms will include equipment which will allow students to observe and monitor electricity creation and use on a real-time basis.

These projects were communicated across schools, and poster and “ride a bike to school” contests were launched to involve and empower students in the energy initiatives.

Moving forward with these initiatives has made Thunder Bay Catholic District School Board one of the first school boards in the province to introduce sustainable classrooms. It affirms the Board’s strong statement regarding its commitment to environmentalism. The school board’s work was recently recognized by the Ontario Power Authority as a best practice in energy management.

The school board’s procurement policy does not include a formal clause requiring all new equipment to be energy efficient. However it was reported that this is already covered through Honeywell’s program. To ensure internal consistency, the school board is encouraged to include a formal clause in the procurement policy that all new equipment must be energy efficient.

The school board is part of the Lakehead Purchasing Consortium for electricity and natural gas and engages a consultant to time purchases of electricity and gas.

The school board is commended for these efforts, and is encouraged to remain committed to continual improvement on this program, including options in addition to Honeywell.

### **Tracking and Reporting Energy Conservation**

As part of the energy retrofit program, the Board was presented with a report outlining the first year of savings from the energy retrofit program. Honeywell developed a system to track consumption and identify opportunities for further savings.

As part of the reporting process, baseline and actual data was gathered, as well as projected and updated actual savings. This was compiled into a report that outlined total savings against the plan.

As part of the contract, vendor billing is administered by Honeywell. Pending next steps in the energy retrofit program with Honeywell, management is encouraged to leverage the ministry database and consolidate billing in an electronic format. The board also reported that they are aware of the Ministry-sponsored Utilities Consumption Database, and are participating in the program.

The school board has developed a number of other programs, including recycling programs at every school. With all of the good work the school board is performing in

this area, they are encouraged to develop developed an overarching environmental policy that addresses both environmental education and responsible management. It was reported that the Board is looking at setting up an environmental committee, which would be a good first step.

### **Recommendation:**

- The school board should include a formal clause in the procurement policy that all new equipment must be energy efficient.
- The Board should develop an overarching environmental policy that addresses both environmental education and responsible management. It was reported that the Board is looking at setting up an environmental committee, which would be a good first step.
- Management should ask the utility companies to provide consolidated billing in an electronic format. This would support more efficient monitoring and forecasting of energy consumption.

## **5.4 Health, Safety and Security**

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

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

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

### **Health, Safety and Security Management**

<b>Leading Practices – Health, Safety and Security</b>	<b>Evidence of Adoption?</b>
Develop, implement and monitor an occupational health and safety strategy/plan that reflects the board’s occupational health and safety policies and administrative procedures and ensures the school board is in	Yes

Leading Practices – Health, Safety and Security	Evidence of Adoption?
compliance with associated occupational health and safety statutory requirements.	
Develop, implement and monitor a security strategy/plan that reflects the board's security and student safety policies and administrative procedures and ensures the board is in compliance with statutory/policy security requirements.	Yes
Develop, implement and monitor a health strategy/plan that reflects the board's health policies and procedures and ensures the school board is in compliance with statutory health requirements.	Yes

## Health, Safety and Security Management

The health and safety portfolio is led by a Health and Safety officer, who reports to the Manager of Employee Services.

A central joint health and safety committee of seven staff and management representatives meets three or four times a year to discuss system-wide issues. This is supplemented by each individual school's joint health and safety committee, which is responsible for implementation. The joint health and safety committee issues periodic reports to the Director as required.

The school board has a Safe School Policies and Procedures. The policy was revised early last year, and implemented in February 2009. Part of the Safe School Policies and Procedures includes a Police School Protocol, which includes lock-down procedures. The Police School Protocol was developed to meet the policy direction of the Ministry of Education and Ministry of Public Safety and Security, which mandates that school boards and police services establish a protocol for the investigation of school-related occurrences. This is based on the shared belief that maintaining a safe school environment in which the best possible education for students can be provided is a shared responsibility. As part of this initiative, the school board has implemented safe schools teams at each school, aligned with the anti-bullying team. Monthly reports from each group are submitted to the Board for review.

A communication plan was developed in collaboration with the local police to inform the community of this initiative.

The school board's health and safety policy is currently under review. The Board was recognized by the Ministry for having 21 of its 22 schools accept the Healthy Schools Recognition Program. In the interim, the school board has taken a number of measures for H1N1 preparedness, including developing a steering committee composed of the Director, the Manager of Employee Services, the Associate Director and Superintendent of Business, and the health and safety officer and health and safety assistant to coordinate school board activities and communication regarding the H1N1 virus. A

weekly update which highlights their activities serves as an information source for the school board's stakeholders. The school board has also created a dedicated webpage on its website with information on H1N1. The team is working very closely with the Thunder Bay District Health Unit to monitor and manage the H1N1 flu virus.

The school board has a policy on "Sabrina's law", an act to protect students with an anaphylactic allergy. The school board monitors water and air quality standards, and outsources this duty to companies specialized in this field.

## 5.5 Capital Plans, Policies and Procedures

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

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

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

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

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

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

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

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

In compliance with Ministry requirements, the school board has completed its capital liquidity template, and submitted its capital plan.

The process began with the board of trustees directing Administration to conduct an extensive review of all school facilities, to document facility deficiencies. Administration engaged Honeywell as part of this process, to develop a proposal to improve energy efficiency and air quality in their schools. The board was then presented with a report outlining the condition of each facility relative to a set of accommodation standards. The report evaluated the following components of each building: accessibility, gymnasium, library, computer labs, learning center, staff meeting and work space, playground, parking and bus access, and others as required. This report served as a basis for many of the improvements that were subsequently completed.

Administration utilizes a variety of different data sets to help determine capital needs projections, and forecasts, including population and in-migration numbers captured in the census, as well as regional population projections obtained from the Thunder Bay Planning Department. The multi-year capital plan, which is based on 10 years, is reviewed every 18 months by the committee of the whole, and is considered a living document. Before it goes to the board of trustees it is reviewed and tabled by the Executive Leadership Team.

In the 2009 Capital Plan update, it appears that a significant amount of long term debt is assumed by the Board over the past two years, to finance capital improvements. However, all long term debt, both current and projected, is funded by project specific Ministry grants. Therefore, although the amount of long term debt is significant, it does not affect the school board's annual operations, or impair the school board's financial position.



The school board reported that there is currently an overutilization of facilities at the primary and secondary level. As a result, seven additions and three renovations formed part of the multi-year capital plan, to meet this need.

The school board reported that it completed the Ministry's Capital Liquidity Template. The board of trustees has also approved the Pupil Accommodation Review Guideline. The Director will be developing new procedures and policies in relation to this guideline during the 09-10 school year.

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

To maintain the accuracy of capital needs, the school board keeps accurate and timely inventories of school capacity and utilization through SFIS and ReCAPP. The school board reported that SFIS is adequate at meeting the needs of the school board. However, there are often software issues, so information that is entered into SFIS is always double-checked.

ReCAPP methodology is also used to maintain an accurate and current assessment of facility conditions. This task is outsourced to an expert in ReCAPP who reports back to the Superintendent of Business. PTR schools are identified through the Facilities Condition Index.

The community is encouraged to use the school board's facilities, which are available at no cost for community activities. This is part of a reciprocal agreement all school boards in Thunder Bay have with the local municipality.

## **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 and future maintenance and operation costs.	Yes
In constructing, acquiring, operating and managing school facilities, the school board is guided by the principles outlined in the <i>Ontario Green Energy Act, 2009</i>	Yes
Senior administration maintains standard policy and/or procedures to rationalize construction projects, including benchmarking against other school board construction costs and design standards (including coterminous boards).	Yes

## Monitoring and Reporting on Progress of Construction Projects

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

## Maintaining Current Approved Professional Service Providers

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

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

Staff and management minimize construction, future maintenance and operations costs with cost-effective designs, standard footprints, energy conservation, and economical construction practices. To control school renewal and construction project costs, management maintains as much standardization as possible.

Before new facilities are constructed, the school board conducts an extensive outreach process with the community, to obtain input from schools and parents. A cost estimator is also provided to the school board, which includes a budget and funding plan for unanticipated contingencies. The school board has remained on budget for all new construction.

The school board reported they are aware of the principles outlined in the Ontario Green Energy act, and work with the architect and Honeywell to look at energy efficient

facilities and savings. The school board is a leader in building sustainable school facilities.

The school board reported that they compare costs with other boards in northwestern Ontario, and engage a cost estimator to ensure the best value for construction spending.

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

Management has an effective process in place to monitor and control construction projects and their costs. Before construction begins, administration provides the board of trustees with all costs and contingencies associated with the project. The board of trustees approves the budget, and if costs exceed the pre-approved budget, the budget goes back to them for approval. They also receive monthly progress reports on any construction projects underway. To date, administration reported that all projects have come in on time and on budget.

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

To control school renewal and construction costs, management evaluates and updates its approved list of contractors annually, according to its standard policies and procedures for procurement, as well as past performance on projects. General contractors and sub-trades are pre-qualified, and construction is outsourced.

## Appendices

### Appendix A: Overview of the Operational Review

#### Operational Review Objectives

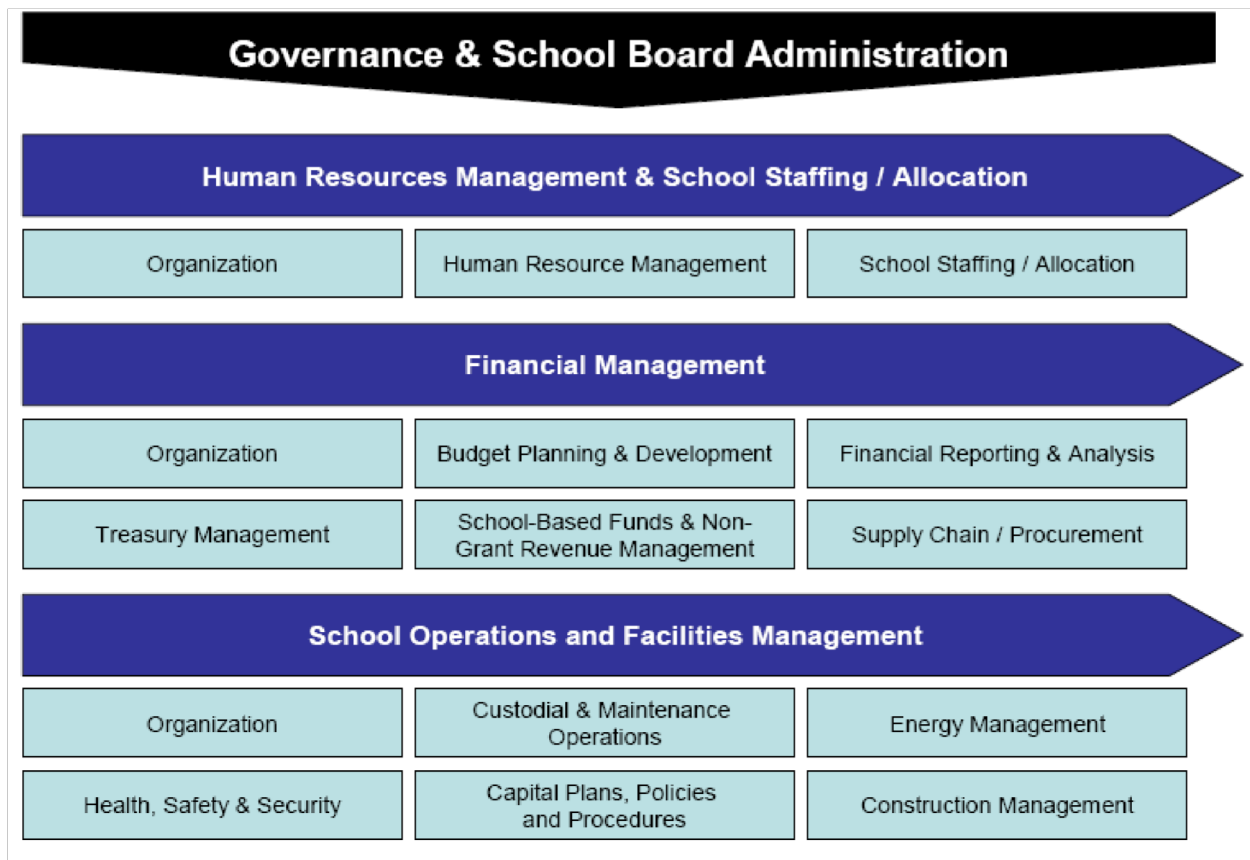
To perform an effective and consistent operational review the Ministry has worked with independent consultants to develop a Sector Guide that defines consistent standards and leading practices against which the operational reviews and analysis will be based.

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

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

#### Operational Review Summary Scope

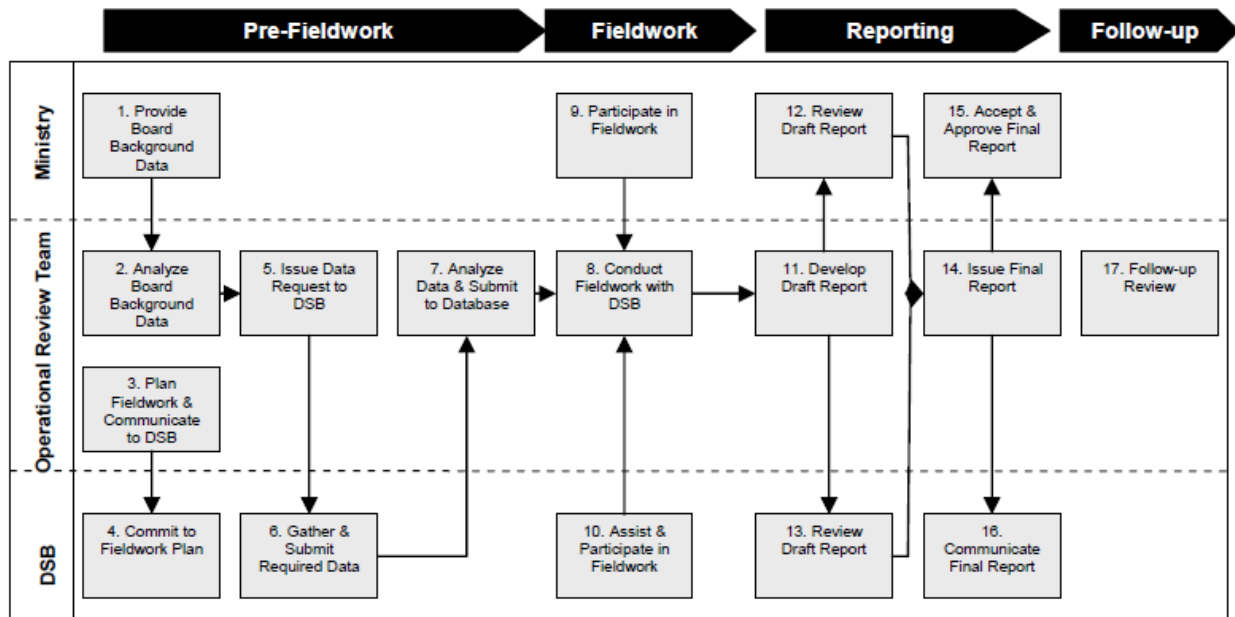
The scope of the Operational Review consists of the following functional areas which have been divided into key processes as shown below. The processes represent the end-to-end lifecycle of activities performed by school boards under each functional area. Each of the processes was examined based on its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



### Operational Review Summary Approach

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

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



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

### Phase: Pre-Fieldwork

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

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

## Phase: Fieldwork

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

## Phase: Reporting

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

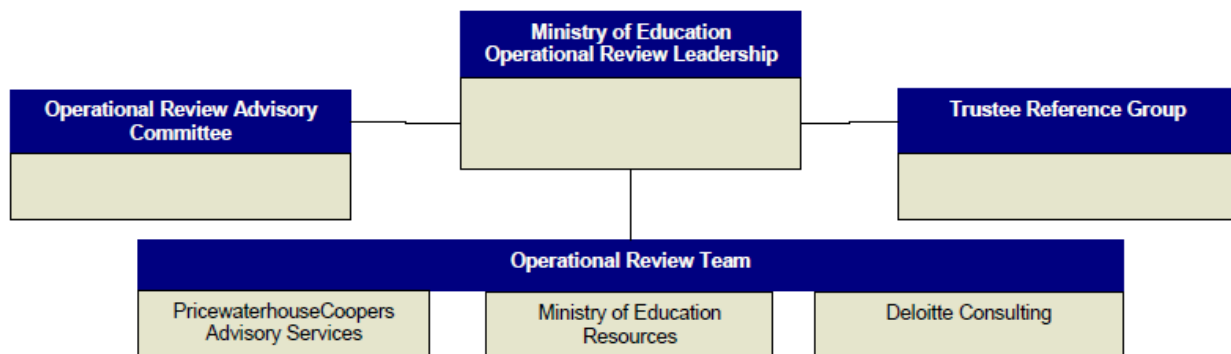
## Phase: Follow-up

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

## The Operational Review Team

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

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



## Limitations of this Review

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



## Appendix B: Summary of Recommendations

### Governance and School Board Administration

No.	Recommendation
1.	The school board is encouraged to develop a formal annual operating plan to cover all aspects of its operations, including human resources, financial management, and facilities management. The format of the operating plan should be updated to demonstrate its alignment to the Board's multi-year strategic plan. This will also enable the departments to track and report progress of their defined priorities and goals throughout the year.
2.	The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators, with a particular focus on non-academic operations.
3.	The school board should consider establishing a formal refresh cycle for its policies, to ensure periodic review of all policies across functional areas. This could include forming a policy committee to consider policies for review or development.

### Human Resources Management and School Staffing/ Allocation

No.	Recommendation
4.	The HR department should consider developing an annual departmental plan aligned with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
5.	The HR department should consider developing processes to monitor ES policy compliance, and develop measures to build staff capacity in understanding ES policies and administrative procedures
6.	The HR department should consider providing regularly scheduled ES policy awareness, training, and education sessions to build staff capacity in understanding HR policies and administrative procedures.
7.	The department should continue to develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance, including positive reinforcement for employees and standardized practices across all employee groups.
8.	Management should periodically report to the Board and senior management on the effectiveness of its attendance management program, once it is in place.
9.	Management should consider conducting compliance audits of the school board's insurance carrier to ensure adherence to the benefit plans terms and conditions. This will ensure accuracy and validity of claims paid.
10.	Management should consider developing a formal policy or process governing the formal discipline and dismissal of non-academic staff, to ensure consistency and transparency.
11.	Management should expand the scope for its staff satisfaction surveys to include all employee groups. This would improve communication with staff, and provide input for professional development plans and HR policy.

No.	Recommendation
12.	Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy, as well as process and program improvement.
13.	Management is encouraged to develop a formal staffing allocation policy to ensure the best utilization of staff.

## Financial Management

No.	Recommendation
14.	The department should consider developing an annual departmental plan aligned with the annual operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
15.	The department should develop calendarized reporting that uses historical expenditures as a benchmark for comparison. This will provide more accurate information on whether variances are in line with historical spending trends.
16.	Management should continue to participate in the emerging Ministry direction to establish regional models for internal audit across the school board sector.
17.	Management and the board of trustees should consider formalizing an audit committee that includes external advisors to contribute to the finance audit committee's effectiveness.
18.	Management should consider periodically comparing the school board's banking terms and conditions to those of similar school boards, to ensure it is getting the best rate possible for its investments.
19.	Management should investigate the use of PCards to use for small purchases, to reduce the volume of supplier invoices processed by accounting. To that end, it should perform a transaction/spend analysis of purchase orders, to identify optimum threshold limits that maintain budgetary control while managing volume of invoices.
20.	Management is encouraged to implement an electronic supplier interface for ordering, processing and payment. This is an opportunity for the school board that can result in increased process efficiencies.
21.	Management is encouraged to explore additional Electronic Funds Transfer opportunities with all appropriate suppliers, to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.

## School Operations and Facilities Management

No.	Recommendation
22.	The department should consider developing an annual departmental plan aligned with the operating plan and overall strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
23.	The school board should consider developing an automated work order system to track effort and costs associated with work orders. This will allow for comparison with benchmarks from previous years and support project estimates and evaluations to ensure the most effective use of resources.

No.	Recommendation
24.	The school board should include a formal clause in the procurement policy that all new equipment must be energy efficient.
25.	The Board should develop an overarching environmental policy that addresses both environmental education and responsible management. It was reported that the Board is looking at setting up an environmental committee, which would be a good first step.
26.	Management should ask the utility companies to provide consolidated billing in an electronic format. This would support more efficient monitoring and forecasting of energy consumption