Ministry of Education

Operational Review Report
Toronto District School Board

April 2010

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Executive Summary

This report details the findings and recommendations of the Operational Review of Toronto District School Board (the school board) conducted by the Operational Review Team composed of external consultants from PricewaterhouseCoopers LLP and Ministry of Education staff. The Operational Review was conducted over two weeks beginning November 16, 2009.

Introduction

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

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

The Toronto District School Board is the largest school board in Canada and among the largest in North America. The review team recognizes that the unique characteristics of the school board and the complexity of its operations create the need for continued improvement of management practices.

The school board's Grade 3, Grade 6 and Grade 9 results have shown steady improvements over the last few years, and meet the provincial average scores in many areas. From an operations perspective, the review demonstrates that the school board has adopted a number of the leading practices. Noted strengths include recruitment and hiring practices, investment arrangements with the City of Toronto, purchasing policies and procedures, and progress in implementing energy management initiatives.

The review has also identified improvement opportunities for the school board. Based on its findings, the review team believes there are areas where a subsequent in-depth review and detailed action plan would provide more substantive and targeted support to school board management.

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

Governance and School Board Administration

The school board has adopted several leading practices in governance and school board administration, including:

- The board of trustees (the Board) has formal by-laws governing the processes for decision-making to address student achievement targets and operational performance. The by-laws contain provisions on agenda-setting and decision-making processes for both special and regular board meetings.

- The board of trustees and senior administration proactively engage internal and external stakeholders regularly, through a variety of communications vehicles.

- Key senior staff from all functional areas are members and participants in sector committees of provincial associations and Ministry workgroups.

The review team notes that the school board would benefit from expanding its activities in several governance areas, summarized below.

The board of trustees elected a new Chair effective December 2009. He is committed to developing positive and respectful relationships with the trustees, Director, and staff. The Board appointed a new Director of Education for a four-year term, effective July 1, 2009. Since then, the Director has focused on establishing an effective working relationship with the Board. The working relationship between the Director and the new Chair appears to be positive.

At present, the Board does not have a formal governance model that is clearly documented and that delineates the roles and responsibilities among the Board, the Director, and senior administration. The Board has conducted reviews of its governance principles in the past. In 2004, the Board endorsed the Relationship Committee's report. This contained the basis upon which the relationship between the Director and staff and the board of trustees would continue to develop. The report highlighted 15 principles key to effective relationships within the TDSB.

Through the years, the work on governance continued to follow the tenets of the 2004 report, with a heightened focus on structural changes by the Ministry of Education during 2007 and 2008. The Relationship Committee became the TDSB Governance Review Committee (GRC), which in 2008 renewed the Board's commitment on governance to the Ministry. In a report to the Board, the GRC outlined a response to the Ministry on a range of options concerning structural changes to improve governance. The Ministry released the Report of the Governance Review Committee in April 2009.

At about the same time, the TDSB reconvened its Committee on Governance. The school board made a formal presentation to the Ministry of Education, while the Chair made a formal presentation to the Standing Committee of the Legislature.

The Board and the Director have indicated that one of the Board's priorities is to update the Board's governance principles, with a view to establishing a formal governance model for the Board. The Director has shared the beginnings of this plan with trustees.

Although the operational review of the school board took place before Bill 177 was passed, the review team considered the provisions of the new legislation, and has provided recommendations which would assist the school board in meeting the requirements of Bill 177.[1]

The Board has a policy on performance appraisal of the Director dated the year 2000.[2] The current director's appraisal process will include the framework for an annual review, to be supplemented by more frequent interim reviews.

The Board by-laws contain provisions regarding the establishment of standing and special board committees. The Board also establishes task forces and community advisory committees with specific mandates. The Chair and Director acknowledge that the establishment of special and advisory committees can increase the workload of administrative staff.

Management acknowledges the need to meet the trustees' information requests related to their respective committee mandates. The Board could better define the number of special and advisory committees, along with their objectives, expected outcomes, and timelines. This would allow management to provide timely and useful information to trustees, in an efficient and effective manner.

The Board's strategic plan development process is currently in transition. As an initial step in developing a multi-year strategic plan, the Director made a presentation to the Board related to the *Vision of Hope* document[3] in October 2009. In February

2010, the board of trustees approved-in-principle certain key elements of the "Vision". It is anticipated that following the municipal election in 2010, the board of trustees will articulate a strategic planning process and establish a multi-year strategic plan for the

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[1] Bill 177, an Act to amend the Education Act with respect to student achievement, school board governance and certain other matters. December 15, 2009
[2] http://www.tdsb.on.ca/ppf/uploads/files/live/94/218.pdf
[3] The *Vision of Hope* document represents the interim strategic direction of the Board. The document sets out three key priorities for the school board: student achievement, parental and community engagement, and financial stability.

school board. The Director and the Board are currently collaborating on approaches to strategic planning.

The school board develops an annual Board Improvement Plan to ensure alignment with the Ministry of Education goals of student achievement, equity, and public confidence.

The Board has established a formal *Policy Framework* document which requires that the Board's policies be current and relevant. However, there is no regular review cycle for policies. Although the operating procedure on policy development and management require that policies clearly show a proposed date for review, some policies only indicate their original date of adoption, but no indication of when they were last reviewed or updated.

The school board has posted a transitional organization chart on its website. The Director intends to revise the organization structure to improve alignment with key priorities and direction for the school board. The organization structure will be finalized as part of the strategic planning process, to ensure it supports the strategic priorities. The operational review team notes that the Executive Officer of Business Services, as the chief financial officer of the school board with responsibility for both the operating and capital budgets, does not have a direct reporting relationship to the Director of Education. A generally accepted leading practice is for the chief financial officer of a public or private organization (particularly one with an annual budget in excess of $2.6 billion) to report directly to the chief executive officer of the organization.

For capital planning and finance, the school board uses a matrix organization with the Business Services department responsible for the financing aspects, and the Facility Services department responsible for the capital needs assessment.

The Board recognizes the need to plan for pending retirements at the senior administration level in the medium term. The school board is in the process of developing a formal *Leadership Development, Mentoring and Succession Planning*

Strategy for certain staff groups.[4] The school board has also established the Professional Learning Unit which supports professional development of teaching and support staff. The Professional Learning Unit has taken the lead in the development and implementation of a formal succession and talent development plan.

The school board proactively engages system stakeholders, using various means. The Director and supervisory officers serve on a number of regional and provincial committees.

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[4] Principals, vice-principals and non-unionized support staff (Schedule II).

Recommendations:

- The Board, supported by school board administration, should review the Board's governance principles to establish a formal, documented governance model that clearly delineates the roles and responsibilities among the Board, the Director and senior administration. In line with provisions of Bill 177 which was passed in December 2009, Board members should carry out their responsibilities in a manner that assists the school board in fulfilling its duties under the Act and entrust the implementation of Board policy and the day-today management of the school board to the Director of Education.

- Following the upcoming municipal election in 2010 and in line with provisions of Bill 177, the Board should finalize the establishment of a multi-year strategic plan. In the development of the multi-year strategic plan the Board should build on the preliminary strategic direction, *Vision of Hope*, set by the Director of Education in 2009.

- Once the Board establishes a multi-year strategic plan, the Director of Education and senior administration should develop an annual operating plan of their goals/priorities, incorporating both academic and non-academic departments. The plan should be aligned with the Board's multi-year strategic plan and have goals that are specific, measurable, achievable, and relevant. The departments of the school board should develop annual operating plans aligned with the overall annual operating plan of the school board.

- The provisions of Bill 177 require that every board should develop and maintain policies and organizational structures that promote student achievement and well-being and ensure effective stewardship of the board's resources. The school board should finalize the reorganization process and establish an organization structure that would support the strategic direction of the Board. The organization structure should be documented in the organization chart and published on the school board's website.

- As part of the reorganization process, the school board should review the reporting relationship between the Director and the Executive Officer of Business Services and consider establishing a more direct line of reporting between these two roles.

- The school board should clearly delineate a single role to be responsible for the capital plan, including both capital needs assessment and financing aspects. This role should be responsible for coordinating and finalizing the school board's capital plan, which is currently suspended in development. Considering the school board's significant capital financing needs, the Board should consider

identifying the Executive Officer of Business Services to have primary responsibility for the finalization of the capital plan.

- The school board should continue to expand its formal Succession and Talent Development Plan to cover all staff groups including executive-level management positions.

Human Resources Management and School Staffing/Allocation

The Employee Services department has implemented a number of the leading practices:

- The Employee Services department monitors and ensures compliance with protocols by providing staff with orientation training, ongoing training, and regular communication.

- The school board uses a number of mechanisms to recruit, including attending recruitment fairs, providing recruitment materials to interested candidates, on-line presence, on-line job advertisements and providing student teacher placements. The school board has established standard hiring procedures for all staff groups to ensure consistent practices and employment equity.

- The school board has established labour relations committees with all nine local unionized bargaining units. In general, there is open communication with the unions, which can be attributed to the formal labour relations committee structure and the ongoing informal communication between staffing offices of the employee services department and the unions.

- The Employee Services department analyzes absences data using the school board's information system, which was recently implemented to identify trends by employee group.

Employee data is automatically synchronized with external benefit carriers. The payroll results are uploaded into the Ontario Teachers Pension Plan (OTPP) every pay period. Data in Ontario Municipal Employees Retirement System (OMERS) is synchronized using e-access.

The current Employee Services annual departmental goals are aligned with the previous Director's priorities. Since the Board's strategic planning process is currently in transition, the Employee Services department has not had the opportunity to fully align its annual goals with the board-wide operating plan and the Board's strategic planning document. Senior administration indicated that work has begun to align the 2009-10 operating plan with the transitional strategic planning document, *Vision of Hope*.

The school board has established procedures and protocols to support the Ministry mandated performance appraisal processes for teachers and principals. The Employee Services department has begun implementing performance evaluations for non-union management staff. Performance appraisal processes have not been finalized for all unionized support staff groups.

The school board does not have a formal attendance management program. The employee services department has identified some attendance management initiatives as a priority for the current year, to reduce absenteeism related to accidents and injuries, and to enhance processes to accommodate and assist employees to return to work.

The school board is in the process of establishing pay equity plans for affected staff units. There are a small number of outstanding salary placement grievances.

The school board engages an external benefits consultant. The consultant continually monitors and compares the benefits plans on behalf of the school board. The school board has not recently conducted an independent compliance audit of its benefit carrier. Management noted that an audit is planned for early 2010.

The school board collects staff feedback using a number of mechanisms, including informal input from unions, teachers and principals, and formal feedback through labour relations committees and regular school staff meetings. In 2009, the Employee Services department began conducting exit interviews with non-union management staff. For unionized teaching staff, formal exit interviews are not conducted.

Recommendations:

- Once the Board's multi-year strategic plan is finalized and management develops a board-wide annual operating plan, the Employee Services department should expand its goal-setting process by establishing measurable targets, specific timelines, and responsibilities to create a department operating plan. This plan should be aligned with the school board's annual operating plan.

- The school board should finalize the establishment of a formal performance review process for all staff groups. Management should continue to track performance appraisals and ensure that performance appraisals are conducted within the established review cycles.

- Management should establish a formal attendance management program.

- Management should develop a mechanism to assess and report on the effectiveness of the attendance management process/programs to senior administration and the Board.

- Management should conduct independent compliance audits of its benefits carrier to ensure adherence to the plans' terms and conditions.

- Management should finalize the pay equity plans for all employee groups of the school board.

- Management should continue conducting periodic and confidential staff surveys, to improve communication with staff and provide input for professional development plans and HR policies.

- Management should also consider conducting exit interviews with all staff groups to obtain feedback on HR policies, as well as process and program improvements.

Financial Management

The Business Services department has implemented many of the leading practices:

- The department provides various types of support to staff in understanding and applying financial policies and procedures. The school support unit provides regular formal training to school-based staff on use of the enterprise management system.

- The Business Services department monitors compliance with relevant policies and procedures by establishing controls and approval requirements, reviews and sample audits.

- The school board has established a policy and high-level procedures for budget approval that outline the process followed by staff when presenting recommendations to the Board concerning the budget.

- The school board has established investment arrangements of the City of Toronto which have provided the school board with favourable interest rates.

- The school board has a banking services agreement with one financial institution and is regularly examining and discussing options for various services provided.

- The City of Toronto maintains a sinking fund for the repayment of debt incurred on behalf of the school board to finance capital projects. Currently, the sinking fund is in a surplus position.

- The Board has established a formal policy on fundraising. The school board's business development department has established a guide on fundraising activities which is available on the school board's website. To provide support to

principals in managing the school budget the business services department has established the *Principal's Guide to Managing Your School Budget.*

- The business service department has established procedures to record and track the various EPO grants received.

- The school board has established policy and procedures on purchasing consistent with key requirements of the Broader Public Sector Secretariat (BPS) Supply Chain Guideline. The school board has maintained ISO 9001 certification for purchasing since 2000.

- The school board's expenditure guidelines contain provisions regarding the use of purchasing card (PCards). There are standard processes in place to ensure compliance of staff with the PCard guidelines.

The review team notes that the school board would benefit from expanding its activities in several areas of financial management, as summarized below.

The Business Services department has established key annual priorities for 2008-09, which were added to the school board's *Key Commitments by Department.* These priorities are aligned with the previous Director's annual system priorities. The Business Services department has also established an annual departmental plan, *Key Areas of Focus*, for 2008-09, which identifies department priorities, actions, responsibilities, and timelines. Management noted that it will be working to align an annual departmental operating plan with the Director's transitional strategic direction, *Vision of Hope*.

Management indicated that the current format of interim financial reports has been tailored to meet the specific needs of the board of trustees. The Business Services department has actively participated in the work of the Interim Financial Reporting Committee (IFRC). The IFRC provided recommended guidelines for the timing, format, and content of interim financial reporting for school boards. While the format of the school board's interim financial reports is generally consistent with the principles outlined in the IFRC's recommendations, there are some differences in terms of visual presentation and summary information provided.

The Board has an audit committee which meets three times a year. Currently, there are no external members on the committee.

The school board has established online ordering with one office stationery vendor. The school board has not implemented electronic supplier interface for ordering, purchasing, and payment.

Recommendations:

- After the Board's multi-year strategic plan is finalized and executive management establishes an approved board-wide annual operating plan, the Business Services departmental operating plan should be aligned with the school board's annual operating plan.

- Management should review the recommendations of the Interim Financial Reporting Committee (IFRC) and consider enhancing the school board's current interim financial reporting format to more consistently match the IFRC guidelines. Management should also communicate the IFRC recommendations to the board of trustees and request trustees' feedback on the recommended format of interim financial reports.

- Management should proceed with its intention to establish an internal audit function giving due consideration to the new Ministry direction on internal audit.

- Management should ensure the internal and external audit plans are clearly documented and acted upon by senior management.

- Management and the board of trustees should consider including external advisors on the Board's audit committee in accordance with the Ministry's emerging direction on internal audit.

- The school board should continue identifying opportunities for implementation of electronic supplier interface for ordering, purchasing, and payment.

School Operations and Facilities Management

The Facility Services department has implemented many of the leading practices:

- The Facility Services department provides appropriate training to custodial and maintenance staff to address policy issues and the need for compliance with regulatory requirements. Maintaining an on-line repository of regulations, manuals and guidance documents helps management ensure that all staff have access to relevant and current information.

- The Facility Services department has established a dedicated employee development unit which supports training and development needs of facilities staff.

- The Facility Services department has adopted cleaning standards for schools and has developed a standard set of processes and tools to monitor, manage and report on results.

- The school board has established a formal green clean team since 2004 and the school board's operational procedure (*Go Green: Climate Change Action Plan)* includes a green clean policy statement.

- The Facility Services department purchases, allocates and tracks equipment. Each site has a caretaking capital equipment inventory report which lists all equipment assigned to each site.

- The Facility Services department works closely with the purchasing department to develop standard processes for procurement of custodial supplies. There is a joint purchasing/facility services committee that works cooperatively to address purchasing issues and streamline processes.

- The school board's enterprise management system contains a module for work orders which allows staff to automatically initiate, approve, track, and record orders.

- Wherever practical, centralized technology is installed to automate energy regulation and conservation.

- The school board uses various communication mechanisms to share news of successful environmental projects among schools and with the broader community.

- The Board's purchasing policy and administrative procedures support the use of products and services that support environmental sustainability.

- The utilities administration group has developed a software application to track energy consumption, Energy Consumption Database (Web Ed). The energy consumption database is used to track consumption, set consumption targets, and monitor deviations.

- The Board has recently established a health committee to address issues related to student health and safety, including healthy nutrition, anaphylaxis, pandemic planning, and other issues that may be raised by the public.

- The school board proactively engages with the community and encourages the use of school facilities.

- Management ensures that energy efficiency standards are included in design specifications.

- Management has established a project management methodology which allows it to monitor and control construction projects and their costs.

The current 2008-2009 priorities of the Facility Services department are aligned with the previous Director's key commitments. Since the Board's strategic planning process is currently in transition, the Facility Services department is working to align its annual goals and priorities with the strategic priorities outlined in the Director's *Vision of Hope.* In addition to the key commitments, the Facility Services department undertakes several planning activities that support the overall strategic direction of the school board in the area of facilities management. These planning activities, supported by the work of the General Asset Program Planning (GAPP) working groups, established policy directions to guide the development of a board-wide capital plan, a draft secondary program plan (*Better Schools, Brighter Future),* and a draft long-term strategic plan for the school board's built environment.

After the operational review of the department in 2007, management proposed a new organizational structure, with the view to improving the effectiveness and efficiency of facilities services delivery. It is envisaged that the proposed reorganization of the Facility Services department will be presented by the Director to the Board as part of the proposal for the reorganization of the school board administration.

Each year management develops a major maintenance and renewal plan, using consultation and inputs from various stakeholders. Management noted that the significant operating deficit has resulted in a reduction of funding available for maintenance work. There is a significant backlog of maintenance projects, and maintenance work is largely reactive.

The school board has approved a revised energy management strategic plan that includes operational procedures to target, track, report and monitor energy and conservation management savings. The operational procedure includes detailed implementation stages, timelines, funding requirements, a discussion of the role and involvement of various stakeholders, and also targets and goals regarding its implementation and evaluation. Management intends to report annually on the conservation savings identified in the operational procedure. As the targets identified in the operational procedure are very recently published, there are as yet no documented reporting on actual savings as per the operational procedure.

The Utilities Administration Group within the Facility Services department is responsible for forecasting and monitoring utility budgets, preparing and analyzing energy consumption and cost, and energy procurement. The Utilities Administration Group has also developed an Energy Consumption Database (Web Ed) to track energy consumption. Management is currently revising the environmental policy to establish a focus on climate change actions and set targets for greenhouse emissions. As part of the climate change action plan, management intends to develop a strategic energy plan which would help achieve emission reductions of 20 per cent by 2020.

The Employee Services department's Health and Safety unit is responsible for the school board's occupational health and safety policies and procedures. The Board has recently established a health committee to address issues related to student health and safety, including healthy nutrition, anaphylaxis, pandemic planning, and other issues that may raised by the public. However, the school board has not developed a cohesive health strategy or plan that reflects the school board's health policies and procedures.

Over the past several years, the school board has undertaken a number of capital planning activities to address issues of declining enrolment, unused capacity, and aging infrastructure. However, the school board has not submitted a multi-year capital plan to the Ministry, due to a number of challenges the school board has had in the area of capital planning.

Recommendations:

- Management should enhance the annual key commitments process, by establishing an annual operating plan with measurable departmental goals, specific timelines, and responsibilities. Once the Board multi-year strategic plan is finalized and management develops a board-wide annual operating plan, the Facilities Services department operating plan should be aligned with the school board's annual operating plan.

- The school board should finalize the reorganization of the Facility Services department. Once the new organization structure is approved by the Board, the roles and responsibilities should be documented in formal job descriptions.

- Using a consultative process, senior administration should develop a multiyear plan for major maintenance and renewal projects. The plan should address the board's preventative and deferred maintenance priorities and optimize the use of available funding (Annual Renewal Grant and Good Places to Learn funding). The plan should be approved by the Board.

- Management should proceed with its intention to report annually on the conservation savings achieved against the targets and goals identified in the school board's *Go Green: Climate Change Action Plan.*

- The school board should consider establishing an integrated health plan or strategy that would reflect the existing policies and procedures regarding health and safety of school board employees and students. Management should also consider establishing a central coordinating role for the development, implementation, and monitoring of the plan.

- Management should continue to implement its plan to eliminate the capital deficit, including accommodation reviews and disposition of surplus property. The school

board should establish a multi-year capital plan which would incorporate all aspects of the existing school board's strategic accommodation planning, including *Better Schools, Brighter Futures* and *the Built Environment Strategy.*

- Management should review processes for maintaining SFIS, and identify areas for improvement to ensure that the data is accurate and up to date.

1. Background and Overview

1.1 School Board Profile and Structure

The Toronto District School Board is the largest school board in Canada and among the largest in North America.

The Board is supported by 22 publicly elected Trustees. The Trustees work to ensure that all students realize their potential and succeed. They are advocates for education, and are the voices of the public, ensuring educational concerns are addressed.

The Toronto District School Board provides educational services to approximately 239,000 students in 479 elementary and 126 secondary schools. The school board's enrolment decreased by about 31,353 students from 2002-03 to the 2009-10 fiscal year, or about 12 per cent overall. This trend of declining enrolment, which is occurring across the province, is expected to affect the school board over the next few years.

The school board's Senior Administration structure is as follows:
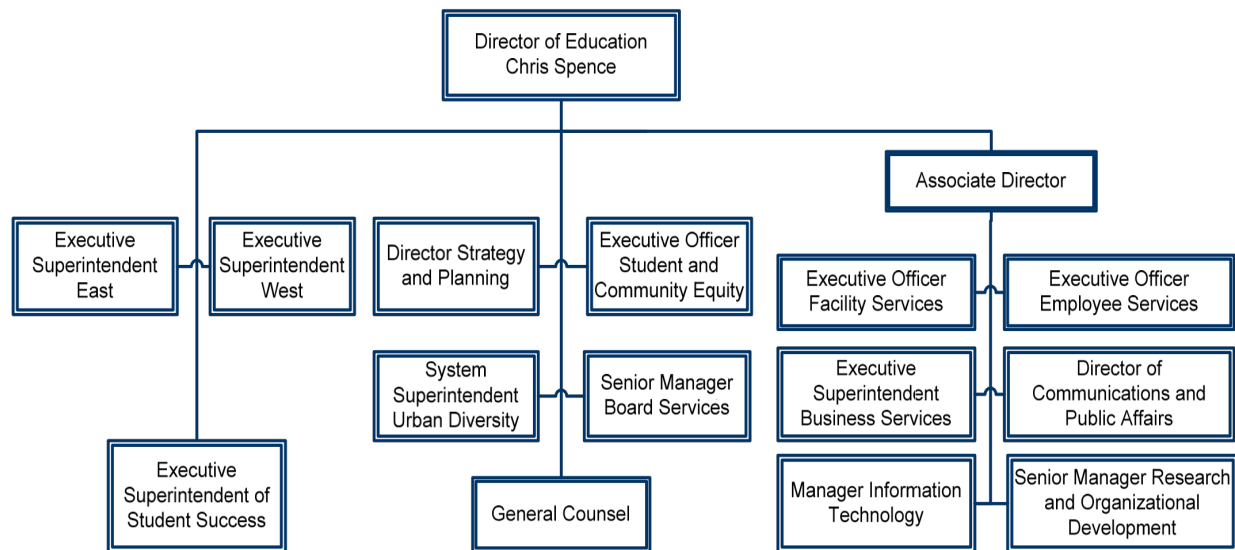
Figure 1

1.2 Key Priorities of the School Board

The school board's mission statement is:

"Our mission is to enable all students to reach high levels of achievement and to acquire the knowledge, skills, and values they need to become responsible members of a democratic society. We value:

- Each and every student

- A strong public education system

- A partnership of students, schools, family, and community

- The uniqueness and diversity of our students and our community

- The commitment and skills of our staff

- Equity, innovation, accountability, and accessibility

- Learning environments that are safe, nurturing, positive, and respectful."

In 2009 the Director of Education developed and presented a *Vision of Hope* strategy to the Board, which sets out three key priorities for the school board:

- Student Achievement - identifies a number of priority initiatives that value who the school board's learners are, and the work required to meet their needs and styles and create the best possible learning environment.

- Parent and Community Engagement - as the most multicultural school board has a parent community that is equally diverse. The strategy recognizes and proposes to address the challenges of communication within this setting, such as time, transportation, location and translation, and proposes to find the means to overcome them.

- Financial Stability – the strategy recognizes that financial stability is critical to the school board's continued success.

1.3   Student Achievement

The Grade 3, Grade 6 and Grade 9 results have shown steady improvements over the last few years and meet the provincial average in many areas. Grade 3 results in writing and math have been steadily improving since 2002-03 and continue to meet the provincial average. The results in reading have declined since 2005-06 and remain below the provincial average.

Grade 6 EQAO results in reading, writing and math have improved since 2006-07 and meet the province average.

Grade 9 academic results improved in 2008-09 and meet the province average. Grade 9 applied results improved in 2008-09 but remain significantly below the provincial average results.

The following charts demonstrate the school board's EQAO results over the last seven years.
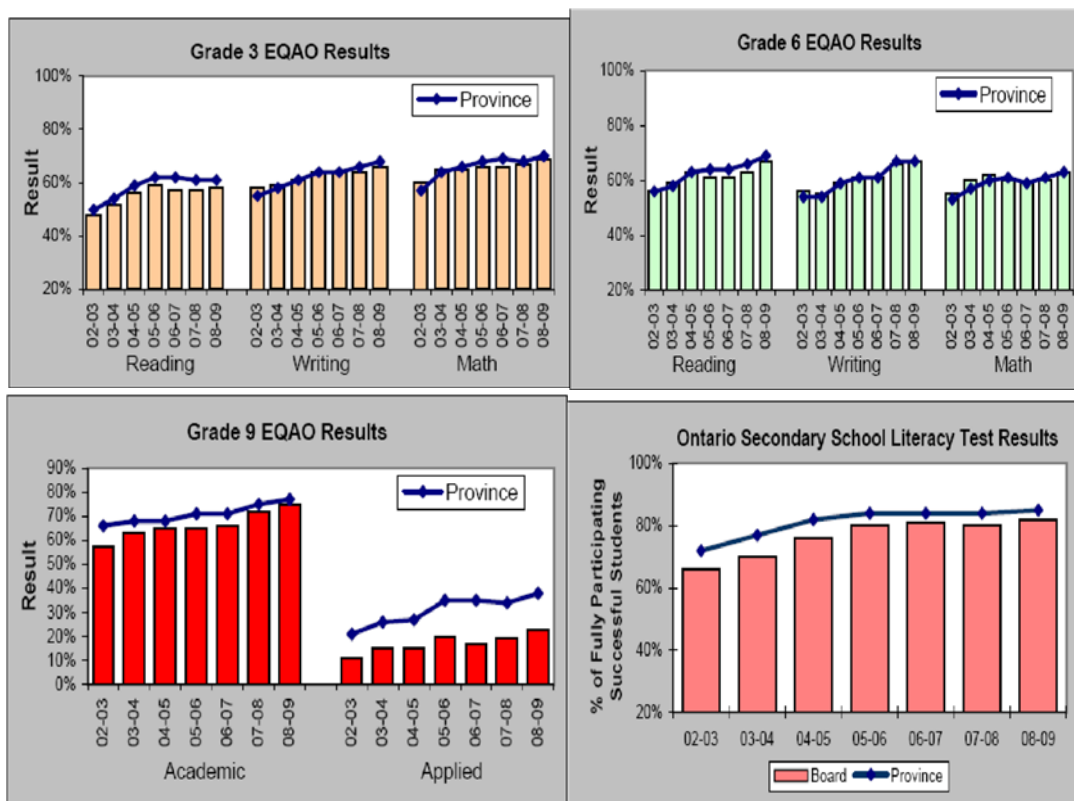
1.4 Fiscal Overview

The following table highlights key financial data for the school board.

Summary Financial Data (Revenues)

Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Legislative Grants	$906,054,875	$970,106,154	$1,037,058,372
Local taxation	$1,434,783,169	$1,454,833,165	$1,448,885,204
Board Revenues	$115,804,063	$124,383,440	$108,804,854
Other Operating & capital Grants	$41,080,682	$51,865,222	$47,720,814
Total Revenues (Schedule 9)	**$2,497,722,789**	**$2,601,187,981**	**$2,642,469,244**

Summary Financial Data (Expenditure)

Expenditures	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Operating expenditures	$2,410,316,508	$2,502,018,272	$2,556,093,076
Capital expenditures - Before transfers from reserves	$85,915,448	$99,790,584	$97,154,597
Transfer to (from) Reserves	$3,658	-$9,351,531	-$1,541,816
Total Expenditures	**$2,496,235,614**	**$2,592,457,325**	**$2,651,705,857**
In-year Surplus (Deficit)	**$1,487,175**	**$8,730,656**	**-$9,236,613**

School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Reserve for Working Funds	$0	$0	$5,730,656
School Activities	$8,655,330	$6,545,421	$272,949
Special Education	$1,821,419	$1,675,444	$675,444
Inner City	$675,080	$1,064,828	$1,064,828
Benefit Fund on Deposit	$0	$101,800,000	$101,800,000
Site Funded	$374,050	$732,757	$732,757
Lease Premises Renewal - TLC	$0	$354,898	$354,898
Total Reserve Funds (Schedule 5)	**$11,525,879**	**$112,173,348**	**$110,631,532**
Pupil Accomodation Allocation Reserve	$1,966,640	$0	$0
Student Success	$164,053	$242,067	$242,067
Proceeds of Dispositions Reserve- School Buildings	$19,095,309	$1,524,001	$0
Energy Efficient School - Operating	$0	$1,930,174	$0
Total Deferred Revenues (Schedule5.1)	**$21,226,002**	**$3,696,242**	**$242,067**
Total Board Reserves and Deferred Revenues	**$32,751,881**	**$115,869,590**	**$110,873,599**

In the interim financial report for the first quarter of 2009-10, management has projected a balanced position for the end of the fiscal year, as opposed to a deficit of $9.2M (as submitted in the Revised Estimates). Management indicated that the format of the interim financial report has been tailored to meet the needs of Board Trustees, and reflects new budget information that became available since the submission of the 2009-10 Revised Estimates to the Ministry.

1.5 Key Statistics: Toronto District School Board

The following table highlights key statistics for the school board.

Day School Enrolment

Day School Enrolment	2002-03 Actual	2009-10 Revised Est.
Elementary Day School ADE	178,688	155,067
Secondary Day School ADE	91,915	84,182
Total Day School Enrolment	**270,602**	**239,249**

Primary Class Size

Primary Class Size	2003-04	2009-10
% of Classes Less Than 20	19%	76%
% of Classes Less Than 23	52%	96%
Average Class Size - Jr/Inter	24.83	23.9
% of 3/4 Classes 23 & Under	37%	100%
% of Combined Classes	30%	42%

Staffing

Staffing	2003-04	2009-10
School Based Teachers	16,190	15,950
Teacher Assistants	2,205	2,457
Other Student Support	2,690	3,718
School Administration	818	898
School Clerical	1,384	1,329
School Operations	2,757	2,803
Other Non-Classroom	973	1,263
Total Staffing	**27,018**	**28,416**
Teacher - Pupil Ratio	**1:17**	**1:15**
FTE Staff per 1,000 Pupils (ADE)[5]	**99.8**	**118.8**
Total Salary & Benefits as % of Net Operating Expenditures	**91.70%**	**95.70%**

[5] Note: Impacted by Class Size and Special Education

Special Education

Special Education	2003-04	2009-10
Special Education Incremental Expenditures	$236,842,803	$305,351,934
Special Education Allocation	$245,333,717	$285,001,453
Spending above Allocation (Reserve)	**-$8,490,914**	**$20,350,481**

School Utilization

School Utilization	2003-04	2009-10
Number of schools	584	601
Total Enrolment (ADE)	270,602	239,249
School Capacity (Spaces)	317,723	309,254
School Utilization	**85.2%**	**77.4%**
Board Area (Km^2)	**631**	**631**
Number of Trustees	**22**	**22**

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 student achievement strategies and effective school board operations.

Governance and school board administration processes are reviewed to:

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

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

- Assess how policies and related procedures are generated and maintained;

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

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

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

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

Establishment of an Effective Governance Model

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The school board's governance model clearly delineates the division of duties and responsibilities between the board of trustees and the director of education to support an effective working relationship.	No

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

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees, using a consultative process, develops and communicates a multi-year strategic plan that provides a framework for annual planning.	No
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 report 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.	No

Organizational Structure and Accountability

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The organizational structure has clearly defined organizational units that delineate roles and responsibilities, minimize administrative costs and ensure effective and efficient operation.	No
A departmental organization chart (supplemented with a directory of key staff contact information) is publicly available on the board's website.	No

Succession and Talent Development

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

Stakeholder Engagement

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

Establishment of an Effective Governance Model

The board of trustees elected a new Chair effective December 2009. He is committed to developing positive and respectful relationships with the trustees, Director, and staff.

The Board appointed a new Director of Education for a four-year term, effective July 1, 2009. Since then, the Director has focused on establishing an effective working relationship with the Board. The working relationship between the Director and the new Chair appears to be positive. The Director recognizes that a successful relationship with the Board depends significantly on the openness of communications between the Board and the Director and vice-versa, and that the information needs of trustees vary individually. As a result, the Director is creating opportunities to ensure trustees have frequent information updates both formally and informally.

The Board comprises 22 trustees with a combination of new and experienced members. The tenure of trustees ranges from three to 31 years. Seven trustees have served for nine or more years.

There are four standing committees of the Board. Each trustee is required to be a member of one standing committee primarily based on personal interest. Each standing committee is composed of five trustees and meets every fifth week. According to the Board's by-laws, there are four standing committees as follows:

- Administration, Finance and Accountability Committee, which considers and makes recommendations to the Board on administrative matters, including finance matters

- Program and School Services Committee, which considers and makes recommendations to the Board on education matters

- Human Resources Committee, which considers and makes recommendations to the Board on human resources and staff development matters

- Operations and Facilities Management Committee, which consider and make recommendations to the Board on operational matters, including property matters.

There is also a Planning and Priorities Committee, which is a permanent committee of the Board with a mandate to make recommendations to the Board regarding the development of a strategic plan, the Board inter-governmental relations, meetings of the Board and the standing committees, Board by-laws and procedures, senior leadership succession plans and professional development of Board members. It is composed of the Chair, Vice-Chair, immediate past Chair, the Chairs of the Standing Committees, and one additional representative of each Standing Committee.

The Board by-laws contain provisions for the establishment of standing and special Board committees. In 2009-10 the Board approved the establishment of 10 special committees including an Ad Hoc Community Consultation Group, Budget Committee, and Administrative Space Workgroup.

The Board also establishes task forces and community advisory committees with specific mandates. It also approves their organization and membership. The advisory committees are composed of community representatives and trustees. The committees are co-chaired by a trustee and a member of the community. A publicly available handbook outlines the role and policies and procedures for community advisory committees.

The Chair and Director acknowledge that the establishment of special and advisory committees can increase the workload of administrative staff. Management acknowledges the need to meet the trustees' information requests related to their respective committee mandates. However, the Board could better define the objectives, expected outcomes, number and timelines for special and advisory committees. This would allow management to provide timely and useful information to trustees in an efficient and effective manner.

The school board has an extensive history related to the creation of a governance model. Since 2001, the Board has received reports from various committees, which have moved the agenda on governance gradually forward.

In 2004, the Board endorsed the Relationship Committee's report, which contained the basis upon which the relationship between the Director and staff and the board of trustees would continue to develop. It identified eight components, such as a vision, mission, strategic direction/themes and priorities; environmental scan; climate/culture; director's leadership, performance and succession; key strategies, educational and corporate plans; policies, programs and procedures; risk management; review and succession of top talent and internal and external communications plans. The report highlighted 15 principles key to effective relationships within the TDSB. The report did not address: the role of the Chair and the Director; managing conflict among the trustees, the Director and TDSB employees; work and information management; roles, responsibilities, authorities and accountabilities; the Board committee structures.

Through the years, the work on governance continued to follow the tenets of the 2004 report with a heightened focus placed on structural changes by the Ministry of Education during 2007 and 2008. The Relationship Committee became the Governance Review Committee (GRC), which in 2008 renewed the Board's commitment on governance to the Ministry. In a report to the Board, the GRC outlined a response to the Ministry on a range of options concerning structural changes to improve governance. A clear message of collaboration with the Ministry was enhanced by key messages of de-amalgamation being harmful to the progress made on student achievement and that the Board could best support student success with administrative decentralization.

GRC also recommended the Board welcome, support, and participate in the provincial review to modernize the role of the trustee; bring in expert help to improve the processes (building on by-law changes already made); refining the mandate of the Planning and Priorities Committee, and perhaps its process, to make more integrated and strategic decisions; and improving accountability by commitments to PD for trustees; a code of conduct with third-party adjudication; development of accountability frameworks for governance and student achievement with objectives and performance measures. The Board approved the GRC's recommendations.

The Ministry released the *Report of the Governance Review Committee* in April 2009. At about the same time, the TDSB reconvened its Committee on Governance. The school board made a formal presentation to the Ministry of Education, while the Chair made a formal presentation to the Standing Committee of the Legislature.

Work on elements of governance does continue — for example in September 2009, Trustees voted and approved to rename the "Ethics Review Committee" as the "Conduct and Ethics Review Committee" and to re-establish the group with new members with a clear mandate from the Board to uphold codes of behaviour for Trustees and to impose sanctions against a trustee who has breached those codes. On an annual basis, trustees are required to reaffirm, in writing, their acceptance of the Board's Code of Conduct and Ethics for Trustees, Meeting Norms and any other codes adopted by the Board that set standards for the behaviour of trustees. Four trustees were appointed to the Conduct and Ethics Review Committee.

At present, the Board does not have a formal, documented governance model that clearly delineates the roles and responsibilities among the Board, the Director and senior administration. The Board and the Director have indicated that one of the Board's priorities is to update the board's governance principles with a view to establishing a formal, documented governance model for the Board, and the Director has shared the beginnings of this plan with trustees.

The Director released an Annual Report in 2008-09. It included an overview of the financial results, the key accomplishments by department, the awards for academic achievement, an update on parent engagement and school community partnerships and a report on a variety of TDSB initiatives.

Although the review of the school board took place before Bill 177 was passed, the review team has considered the provisions of the new legislation and provided recommendations to help the school board meet the requirements of the Bill in relation to the duties of the members of the Board and the Director of Education, multi-year and annual planning, and performance appraisal of the Director of Education.

Development of the Board's Strategic Directions/Plan

The Board's strategic plan development process is currently in transition. In the past the Director would establish system priorities and key commitments. The Executive Council would plan its annual goals and departmental activities around system priorities. At present, the Board does not have a formally documented strategic direction or plan.

As an initial step in the development of a multi-year strategic plan, the Director made a presentation to the Board related to the *Vision of Hope* document in October 2009. The document sets out a future vision for the school board and three key priorities including student achievement, parent and community engagement, and financial stability. In

February 2010, the board of trustees approved-in-principle certain key elements of the "Vision".

The Chair and Director acknowledge that effective strategic planning requires the Board to develop an overarching strategic direction spanning several years. There is also an understanding that trustees should have ownership over the process for developing a multi-year strategic plan and its subsequent content. Senior Administration should be responsible for the development and implementation of an annual operating plan that would be aligned to the strategic direction.

It is anticipated that following the municipal election in 2010, the board of trustees will articulate a strategic planning process and establish a multi-year strategic plan for the school board. The Director and the Board are currently collaborating on approaches to strategic planning. They have considered striking a strategic planning committee and commencing work on the strategic plan in 2010.

The Director will use input collected from over 200 stakeholders during the first several months of his tenure. The trustees are also considering other sources of data and information for the strategic plan such as stakeholder engagement and an environmental scan. It is envisaged that the strategic plan will be a living document that would be reviewed and updated at least on an annual basis.

The *Vision of Hope* is currently a work-in-progress and may serve as a foundation for the strategic planning process. It is anticipated that the strategic plan will ultimately provide the framework for annual operational planning. As the strategic planning process is currently in transition, senior administration has not had the opportunity to fully align the annual operating plan with the interim strategic planning document. However, senior administration has begun working to align the 2009-10 operating plan with the *Vision of Hope.*

The school board develops an annual Board Improvement Plan (BIP) focusing on the academic functions of the school board to ensure alignment with the Ministry of Education goals of student achievement, equity and public confidence.

Decision-Making Process

The Board has formal, documented by-laws governing the processes for decision making to address student achievement targets and operational performance. The by-laws contain provisions on agenda setting and decision-making processes for both special and regular Board meetings.

The Chair and the Director review the agenda for regular Board meetings based on items identified from the reports and recommendations of the Board's four standing

committees. Meetings to review Board agenda are also attended by the Vice Chair and members of the Executive Council.

In virtually all cases, staff prepare reports that include briefing notes on the specific agenda items. These reports and briefing notes are first presented to Executive Council for review and input. Occasionally, the report or briefing note may be referred back to staff for further refinement. The Executive Council conducts a final review of the report or briefing note, which is then directed to the appropriate standing committee for consideration. The standing committee would then refer the report and related recommendations to the Board for approval. If the standing committee alters the staff recommendation(s) that fact will form part of the committee's recommendation to the Board.

Two or more members of the Board may include an item in the agenda for a regular Board meeting by submitting a request in writing to the Director at least seven days prior to the meeting. It is stated in the by-laws that an item may be added to the agenda for a regular meeting at the discretion of the Chair, in consultation with the Director, no later than the day before the meeting. An individual trustee may submit an agenda item directly to the Board for consideration as a new business item. A majority of the Board must agree to add a new business item. Items submitted by trustees are usually directed to the appropriate committee and/or staff for information, comment and recommendations.

The role of the standing and permanent committees in the consideration and preliminary discussion of various issues contributes to the effective and efficient functioning of the Board. In general, during Board meetings the trustees affirm many items discussed by committees using committees' recommendations.

The Board has a policy outlining the intent and governing principles for Board policies. It states the Board establishes specific policies to guide the actions of the Director and staff. There is a supplementary operating procedure that provides a process and instructions for developing policy that will be presented to the Board for consideration. The policy on policy development requires that policies shall be current and up to date. However, there is no review cycle to ensure regular reviews and updates of policies. Policies are updated and developed as issues are raised. Management maintains an inventory of all policies. Although the operating procedure on policy development and management indicates that policies will include a proposed date for review, some policies only indicate the dates of adoption and appear to be dated.

The school board has established an operating procedure to provide instructions for developing operational procedures that will be presented to the Executive Council for consideration. It outlines the roles and responsibilities of staff in the policy development and review process. The operating procedure indicates that the Director holds the

primary responsibility for overseeing the Board's operational procedures process. Within the Director's office, the responsibility for the day-to-day management and co-ordination of operational procedures is the responsibility of each department and its management staff.

For new policies and revisions to existing policies, school board staff draft the policy and present to the Board for review and approval. The review process may have several iterations. Depending on the nature of the policy school board staff may engage various stakeholders for feedback and input. The operating procedure on policy development provides objectives and strategies for policy consultation such as public meetings, advisory committees, delegations to the policy development committee, expert panel, and public opinion poll.

Organizational Structure and Accountability

The school board has published an organization chart on the school board's website. It reflects the transitional structure of the school board administration. The Director intends to revise the organization structure to improve alignment with key priorities and direction for the school board. It is envisaged that the organization structure will be finalized as part of the strategic planning process to ensure that a new structure supports the strategic priorities.

The current organization structure identifies a mix of academic (i.e., School Service and Urban Diversity) and non-academic (i.e., Strategic Planning, Board Services) reporting directly to the Director. Six non-academic functions, including the Executive Officer of Business Services, report to the Associate Director. The reporting structure of the school board administration has undergone several changes in the past. For example, in the previous organization structure, the academic functions reported to the Associate Director, while the non-academic functions reported directly to the Director.

The Executive Officer of Business Services (the school board's chief financial officer responsible for both the operating and capital budgets) does not have a direct reporting relationship to the Director of Education. A generally accepted leading practice is for the chief financial officer of a public or private organization (particularly one with an annual budget in excess of $2.6 billion) to report directly to the chief executive officer of the organization.

For capital planning and finance, the school board uses a matrix organization, with the Business Services department responsible for the financing aspects, and the Facility Services department responsible for the capital needs assessment.

The Executive Council is composed of the Director, Associate Director, and 13 executive superintendents and officers.

The names and contact information for superintendents of education responsible for families of schools are published on the school board's website. The school board's communications department maintains a central mailbox, and distributes electronic mail to staff.

Succession and Talent Development

The Board recognizes the need to plan for pending retirements at the senior administration level in the medium term.

The school board is in the process of developing a formal *Leadership Development, Mentoring and Succession Planning Strategy* for principals, vice-principals and nonunionized support staff ("Schedule II"). Specifically, the school board's principal/viceprincipal leadership competencies have been aligned to the practices and competencies outlined in the Ontario Leadership Framework. For the school board's "Schedule II" support staff, the competencies from the performance management process provide a framework for the support staff leadership development initiatives.

The school board has established the Professional Learning Unit which supports professional development of teaching and support staff. The Professional Learning Unit has taken the lead in the development and implementation of a formal succession and talent development plan.

The school board maintains a pool of qualified principals and supervisory officers to be considered for future vacancies. The Employee Services department reviews expected retirement trends to estimate upcoming vacancies.

Stakeholder Engagement

The school board has demonstrated that it consistently administers its responsibilities (both directly and through its committees) in an open and transparent manner. The school board engages directly with the community through the advisory committees, which can make deputations and recommendations to the standing committees. Community members and groups can also make deputations to the standing committees. The school board administration, for a variety of different purposes, engages with staff in the City of Toronto as well as School Councils and Ward Councils. The school board is working proactively to engage the student community and student Super Councils, through a variety of media, events, and youth engagement initiatives.

The senior administration actively participates in various committees, locally and across the sector. The Director is a member of the Council of Ontario Directors of Education (CODE), as well as the regional committee of directors of education. Other senior staff are involved in different sector committees, related to their fields of expertise.

Recommendations:

- The Board, supported by school board administration, should review the Board's governance principles, to establish a formal, documented governance model that clearly delineates the roles and responsibilities among the Board, the Director and senior administration. In line with provisions of Bill 177 which was passed in December 2009, Board members should carry out their responsibilities in a manner that assists the school board in fulfilling its duties under the Act, and entrust the implementation of Board policy and the day-to-day management of the school board to the Director of Education.

- Following the upcoming municipal election in 2010 and in line with provisions of Bill 177, the Board should finalize the establishment of a multi-year strategic plan. In the development of the multi-year strategic plan, the Board should build on the preliminary strategic direction, *Vision of Hope*, set by the Director of Education in 2009.

- Once the Board establishes a multi-year strategic plan, the Director of Education and senior administration should develop an annual operating plan of their goals/priorities, incorporating both academic and non-academic departments. The plan should be aligned with the Board's multi-year strategic plan and have goals that are specific, measurable, achievable, and relevant. The departments of the school board should develop annual operating plans which are aligned with the overall annual operating plan of the school board.

- The provisions of Bill 177 require that every board should develop and maintain policies and organizational structures that promote student achievement and well-being and ensure effective stewardship of the board's resources. The school board should finalize the reorganization process and establish an organization structure that would support the strategic direction of the Board. The organization structure should be documented in the organization chart and published on the school board's website.

- As part of the reorganization process, the school board should review the reporting relationship between the Director and the Executive Officer of Business Services and consider establishing a more direct line of reporting between these two roles.

- The school board should clearly delineate a single role to be responsible for the capital plan, including both capital needs assessment and financing aspects. This role should be responsible for coordinating and finalizing the school board's capital plan, which is currently suspended in development. Considering the school board's significant capital financing needs, the Board should consider

identifying the Executive Officer of Business Services to have primary responsibility for the finalization of the capital plan.

- The school board should continue to expand its formal Succession and Talent Development Plan to cover all staff groups including executive-level management positions.

3. Human Resource Management and School Staffing/Allocation – Findings and Recommendations
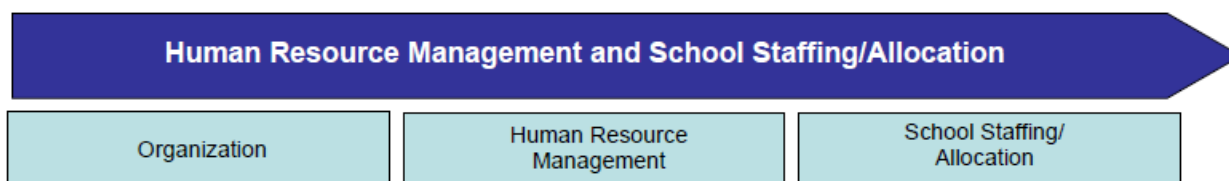
Effective management of human resources ensures an adequate number of qualified staff throughout the organization can perform their prescribed duties. Policies and procedures to develop staff are in place, through performance appraisals, professional development and support services. Staff allocations 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 field-work, 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 organizations, and identifies where evidence was found to indicate that the practice was adopted in full. Where the evidence was not present or the practice was not completely adopted at the time of the review, a "No" indicates that an improvement opportunity exists.

Development and Reporting of Annual Goals and Priorities

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

Organizational Structure and Accountability

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

Monitoring and Communication of Policies

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

Development and Reporting of Annual Goals and Priorities

The Employee Services department develops a set of annual goals which sets the direction for the department. Each goal is briefly described and coded to indicate how it is aligned to the Director of Education's key priorities. The departmental goals are included in the goals put forward by the Director, which are presented to the Board annually. The Executive Officer of Employee Services meets with the Director each year to provide a departmental report identifying the progress achieved against the departmental goals. The Director compiles a summary report for the Board based on meetings with each department to indicate the achievements made over the course of the year.

A sample of the Employee Services department's 2009-10 goals includes:

- Providing training, advice and support on the new collective agreements;

- Meeting Primary Class Size caps;

- Continue to develop and implement performance appraisal processes for unionized support staff groups;

- Expanding the leadership mentoring program in the area of employment equity and to reflect student demographics in hiring; and

- Operationalizing the restructuring of the Employee Services department to improve customer service.

The Employee Services Council, which is composed of the Executive Officer and the senior managers of Employee Services, is responsible for establishing the annual departmental goals. These goals form part of the Executive Officer's annual performance plan. Each senior manager within the Employee Services department is responsible for tracking progress relative to the specific goals for their service area throughout the year.

The current Employee Services annual departmental goals are aligned with the previous Director's priorities. It should be noted, however, that as the Board's strategic planning process is currently in transition, the Employee Services department has not had the opportunity to fully align its annual goals with board-wide operating plan and Board's strategic planning document. Senior administration indicated that work has begun to align the 2009-10 operating plan with the transitional strategic planning document, *Vision of Hope*.

The Employee Services Council meets weekly to discuss current issues, reports and initiatives. The Employee Services department receives input and feedback from principals through elementary and secondary advisory groups on which one principal from every family of schools is a member. The principals and vice-principals are surveyed annually on the Employee Services department's initiatives. Surveys generally aim to gather feedback regarding the impact of recent initiatives and the need for new initiatives.

The Employee Services department also obtains informal input during monthly principals' meetings. The Employee Services department is allocated some time during the meetings to present on different topics related to employee services. Through working closely with the unions, the department obtains feedback and input from the unions on matters affecting staff.

The key reports developed by the Employee Services department include the elementary class sizes report and the staff allocation portion of the budget documents. The class size reports are provided to the Board in the fall, and the staff allocation report is presented in the spring. The staff allocation report forms a key component of

the budget process. The information in the staff allocation report is updated and presented to the Board the following fall. In addition, trustees may make requests for *ad hoc* reports to the Employee Services department. Requests for complex reports that involve significant time and resources require a formal Board approval.

Organizational Structure and Accountability

The Executive Officer of Employee Services is responsible for the Employee Services department of the Board and reports directly to the Associate Director. The Employee Services department reports to the Human Resources Committee of the board of trustees. The Executive Officer is supported by six senior managers who are responsible for the following service areas within the department:

- Compensation Services

- Labour Relations – Employee Assistance

- Labour Relations – Negotiations/Arbitration

- Staffing, Recruitment & Contract Services Elementary Teaching

- Staffing, Recruitment & Contract Services Secondary Teaching

- Staffing, Recruitment & Contract Services Support Staff.

The Employee Services department provides most services centrally to ensure clear communication, compliance with collective agreements, policies and protocols and consistency in services. However, some activities are school-based, such as hiring decisions. These activities are all supported by guidelines issued by the Employee Services department centrally.

The Employee Services department has an organization chart for the department and for each area (function) within the department. The Employee Services department maintains job descriptions for all staff. The current organization structure of the Employee Services department was established following the department reorganization that took place almost two years ago. The department is continuously re-evaluating specific roles and the service delivery model. One of the current organization priorities of the Employee Services department is to update the clearly delineated job responsibilities within the school board's human resource information system.

The offices of Elementary Teaching, Secondary Teaching and Support Staff are responsible for staffing, recruitment, implementation of collective agreements, employee relations, employment equity, performance appraisal processes, and records and data management. Management noted that having these offices established for key

employee groups allows the school board to build relationships with specific staff groups and their unions and to gain in-depth knowledge of collective agreements. Management noted that these offices work together in many areas and aim to achieve consistency in procedures and processes whenever practical.

The Compensation Services office is responsible for coordinating all components of compensation, including payroll, pay equity, and benefits plans. This function also manages the human resources/payroll module of the school board's information system.

The labour relations function comprises of two service areas: employee assistance and negotiations/arbitrations. The responsibilities of the employee assistance's function include occupational health and safety, return to work, police reference checks, accommodation requests and employee behaviour investigations. The negotiations/arbitrations function is the service area which is responsible for negotiating collective agreements for unionized staff and conducting arbitrations and grievances.

The Employee Services department also provides oversight and support for a number of IT applications, including SAP HR/Payroll, automated dispatch of replacement teachers and support staff, teacher performance appraisal and a recruitment application for teaching staff.

Senior management of the department have appropriate professional qualifications and experience. The general requirement for senior staff of the Employee Services department is in-depth knowledge of schools operations and past experience working in a school environment. Training and professional development is provided for senior staff to further develop business and human resources acumen. Some mid-level staff within the department hold Certified Human Resources Profession (CHRP) designations.

Monitoring and Communication of Policy

The Employee Services department is responsible for the development of protocols that provide the operational procedures for implementation of the Board's policies. There are also Employee Services protocols which are not tied to any Board policies. These protocols have been established to enhance or operationalize the collective agreements, or cover areas that are not addressed in collective agreements.

The protocols for Employee Services are posted on the school board's intranet and are divided into four categories: staffing and recruitment, employee relations, records management, and general.

The Employee Services department monitors and ensures compliance with protocols by providing staff with orientation training, ongoing training, and regular communication.

The Employee Services department produces a calendar for schools which includes reminders indicating items that principals need to review with staff and reports to be submitted. The department sends regular memos to principals regarding implementation of protocols and provisions of collective agreements. In addition, the department provides a staffing update every Friday for secondary level staff.

Recommendation:

- Once the Board's multi-year strategic plan is finalized and management develops a board-wide annual operating plan, the Employee Services department should expand its goal-setting process by establishing measurable targets, specific timelines and responsibilities to create a department operating plan. This plan should be aligned with the school board's annual operating plan.

3.2   Human Resource Management

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

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

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

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

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

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

Staff Recruitment/Hiring

Leading Practices – Human Resource Management	Evidence of Adoption?
Recruitment policies and administrative procedures are reviewed annually, and are aligned with staff planning to support student achievement.	Yes

Leading Practices – Human Resource Management	Evidence of Adoption?
The hiring policies and procedures for the respective staff groups are harmonized and shared with managers throughout the school board.	Yes

Labour Relations

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

Attendance Management Processes/Programs

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

Management of HR and Payroll Data

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

Management of School Board's Benefit Plans

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

Monitoring Staff Satisfaction

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

Staff Recruitment/Hiring

Recruitment is an ongoing activity of the school board and is seen as an effective means to increase awareness and interest in the school board. Recruitment of teaching staff is based on anticipated needs and analysis of historical hiring patterns. The Employee Services department also strives to have a workforce that is reflective of the diversity of its students.

Teacher recruitment is led by the department's Elementary and Secondary Teaching offices and is supported by principals and vice-principals. The school board uses a number of mechanisms to recruit, including attending recruitment fairs, providing recruitment materials to interested candidates, online presence, online job advertisements and providing student teacher placements.

Principals and vice-principals participate in recruitment fairs at faculties of education for new teachers and at community colleges to promote support staff positions, such as childcare workers and social workers. The school board also facilitates approximately 2,400 student teacher placements throughout the year from Torontobased universities as well as from faculties of education outside of the Greater Toronto Area. The school board has developed partnerships with a range of postsecondary institutions to help secondary school students be successful in meeting their program requirements.

The support staff office works closely with colleges to recruit candidates for the supply roster. The support staff office also uses the Jobs in Education website and community newspapers for advertising positions in specific areas. Applications are received online.

The school board uses an online application system to hire teachers. The information from the application website is synchronized with an application database. Although hiring occurs throughout the year, most activity occurs in March.

The hiring cycle begins in January when potential candidates are screened for interviews for the *Eligible to Hire* list. The Employee Services department uses standard assessment criteria to conduct preliminary screening of potential candidates. The Recruitment Administrator is responsible for coordinating interviews with candidates identified through the screening process. The interviews for the *Eligible to Hire* list are conducted centrally by teams of principals, vice-principals and other school board staff. The *Eligible to Hire* list is used by the school board as a pool of eligible candidates to fill vacant teaching positions as well as a pool when names are added to the occasional teacher rosters throughout the year. The Elementary and Secondary Teaching offices monitor the list throughout the year to ensure that there are a sufficient number of teachers qualified in each subject area and in each geographic zone across the school board.

School principals are responsible for making personnel decisions to fill the allocated staffing positions. The Employee Services department has established a standardized process for posting vacancies, for which candidates on the *Eligible to Hire* list can apply. The interviewing and hiring process is supported by protocols established centrally by the Employee Services department, which are available on the intranet. Using the online database, a principal can screen for candidates on the *Eligible to Hire* list with specific qualifications. A staffing officer is responsible for confirming credentials, ensuring the correct process has been followed and making a formal offer. This ensures

compliance with the recruitment and hiring policies and protocols and helps ensure that there is equity in the hiring process.

Orientation sessions for new staff are conducted centrally through the Elementary and Secondary Teaching offices. Orientation for new teachers is supported primarily through the New Teacher Induction Program (NTIP). Principals are responsible for providing school-specific orientations to staff at the beginning of each year through mechanisms such as conducting staff orientation meetings and providing school manuals.

Labour Relations

The school board has established labour relations committees with all nine local unionized bargaining units. Within each staff group, a number of sub-committees are established such as staffing committees, consultation committees, labour management committees, professional development committees, and health and safe workplace committees. The type of committees and frequency of committee meetings differ by group but most have at least one committee that meets monthly with the school board.

In general, there is open communication with the unions, which could be attributed to the formal labour relations committee structure and the ongoing informal communication between staffing offices of the Employee Services department and the unions. The nature and effectiveness of the overall relationship varies across the union groups.

The Senior Manager of the Labour Relations – Negotiations/Arbitrations division of the Employee Services department is the chief negotiator for all collective agreements. Senior managers of the three staffing offices and their staff are also directly involved in negotiations. Support for this team is provided by staff within the negotiations/arbitrations division, the school board legal department, benefits staff and occasionally planning staff and data analysts. The Board's Human Resources Committee also provides direction and maintains trustees' awareness of the direction and issues within the bargaining process. When negotiations of collective agreements with unionized groups are underway the Board, through the Negotiations Steering Committee, provides parameters to the negotiations teams and is regularly updated on the progress of negotiations.

The process for dispute resolution is included in the collective agreements for unionized staff and generally follows a similar model with some variation within each agreement. The school board maintains a timely and effective approach in response to employee relations issues. Typically, the first stage aims to resolve disputes informally at the school level.

The senior managers of the offices of Elementary Teachers, Secondary Teachers and Support Staff encourage open communication between the unions and their staff to keep the offices informed early on potential issues to facilitate settlement through

informal dispute resolution. These offices support and advise principals in informal and formal dispute resolution processes. In addition to providing support throughout a dispute process, these offices provide training, workshops and informal consultation on employee relations to principals, vice-principals, and managers throughout the year. Principals, vice-principals, and managers are provided with professional development training and workshops on how to deal with issues that could result in grievances. Additional information is provided at the principal/viceprincipal/central department meetings. New elementary principals and vice-principals are provided with training as part of the orientation prior to beginning their school assignments. Three employee relations courses are available to all elementary principals and vice-principals through professional development. After new collective agreements are ratified, training is also provided for principals, vice-principals and managers around implementing the changes that have been made to the collective agreements. Relevant information is also communicated throughout the year through reminders and memos to principals and managers and through discussions on specific issues at family of schools and central department meetings.

The Employee Services department monitors grievances and arbitrations. Outstanding issues are included in the agenda for the weekly Employee Services Council meetings. The department tracks and analyzes grievances and arbitrations data over time to identify trends. This information is used to identify potential topics for professional development.

Employee Performance Evaluation Processes

The Board has established a policy on performance appraisal for the Director of Education. The policy was approved in 2000 and has not been reviewed since the date of adoption. The new Director has indicated to the Board that a revised formal performance appraisal process should be adopted. In response, the Board struck a committee with a mandate to develop the Director's performance appraisal process.

The appraisal process will include the framework for an annual review supplemented by more frequent interim reviews. The Director and the Board have agreed that an interim review would be beneficial at the end of the Director's first year. The Board should finalize the performance appraisal process for the Director and conduct formal reviews at least annually.

The school board has established procedures and protocols to support the Ministry mandated performance appraisal processes for teachers and principals. The Employee Services department has begun implementing performance evaluations for non-union management staff. Performance appraisal processes have not yet been finalized for all unionized support staff groups. The detailed performance appraisal procedures and

standard forms and templates are included in performance appraisal manuals for each staff group by the staffing offices.

The performance appraisals of non-union management staff are conducted on a three-year review cycle. Appraisals are conducted relative to a competency-based checklists and evaluation of performance relative to annual goals. This process was established through a pilot process and staff were provided with an opportunity to provide input.

Principal Performance Appraisals (PPAs) were piloted three years ago and implemented across the board starting last year. As part of the performance appraisal process, each principal is responsible for completing a performance plan that outlines the goals for the school and an individual annual growth plan that supports performance plan. The superintendent holds a minimum of three meetings with the principal throughout the year to set the initial plans, an interim review and revisions to the plans, and lastly a final discussion around the achievements and results relative to the goals. The superintendent completes a report which covers the dialogue through the year, achievements and recommendations for improvement.

Experienced teachers are evaluated on a five-year cycle. The Teacher Performance Appraisals (TPA) consist of a holistic evaluation of 16 teaching competencies resulting in a rating of satisfactory or unsatisfactory, and comments and feedback specific to each competency area. In addition to the TPA manual, principals are provided with a framework for evaluating the teaching competencies and providing individualized feedback to promote professional growth and practice.

As part of the New Teacher Induction Program (NTIP), beginning teachers are evaluated through a TPA process for New Teachers, which includes two evaluations per year. Appraisals consist of an evaluation of the teacher over one teaching period and a pre- and post-meeting with the principal. To complete the NTIP program successfully, a teacher must receive a satisfactory rating on two appraisals within the first two years.

Training is provided for new principals and vice-principals on conducting TPAs for new teachers. Monthly principal/vice-principal meetings are used to share and discuss best practices and methods for providing feedback.

The Elementary and Secondary Teaching offices identify and share with principals the list of teachers who are due for an appraisal at the beginning of each year. Teachers are provided with written notification that they will be evaluated before the end of the school year. It is the responsibility of the principal with oversight from the superintendent and the staffing office to ensure that TPAs are conducted within the timelines. Superintendents are responsible for approving TPAs from their family of schools and sending signed copies to the Employee Services department. The senior managers of the staffing offices review all performance appraisals that receive an unsatisfactory rating. The completion of TPA documentation is coordinated using an electronic system

with manual approvals. The Employee Services department monitors the progress of TPAs through this system.

The senior managers for the Support Staff office and Elementary and Secondary Teaching offices are responsible for the success of the performance appraisal processes and for providing training for staff involved. The Employee Services department estimates that the non-completion rate for TPAs is approximately 10 per cent due to various circumstances, which are followed up on by the these offices. The offices monitor compliance with the established TPA cycle through reviewing completion reports generated by the electronic system and communicating reminders to principals throughout the year.

Central coordinating principals in the Elementary and Secondary Teaching offices provide guidance, documentation, and support to principals who identify staff who receive an unsatisfactory rating on a TPA. Principals informally advise the coordinating principal who liaises with the local union representative. The teacher, principal, coordinating principal, and union representative meet to establish an improvement plan to address issues identified in the teacher's performance.

Annual Learning Plans (ALPs) are part of the performance appraisal process. These plans are completed by all teachers by October of each year. Teachers receive a summary report at the completion of a TPA, which identifies recommendations for improvement that should be included in the teacher's ALP. The content of the ALP is teacher driven with consultation from the principal.

The Employee Services department has a procedure that outlines the disciplinary process following an allegation of inappropriate behaviour. The Support Staff office and the Elementary and Secondary Teaching offices are responsible for disciplinary processes and for providing advice and support to principals. These offices provide principals and managers with a guidance document that outlines the progressive discipline processes to follow and scripts for conducting meetings with the staff member. Training is provided to staff and supervisors around disciplinary issues. The collective agreements outline different steps to be followed in a disciplinary case.

Professional development is guided through joint professional development committees of the school board and union groups. The school board has recently established the professional learning, training and leadership unit which reports to the Associate Director responsible for professional learning, training and leadership development. Through partnering with other departments this group is responsible for ensuring all staff have access to the necessary learning.

The professional learning, training and leadership unit has conducted a system survey to identify existing training opportunities and the preferred delivery format for training. Currently, the unit is analyzing the feedback to map out the existing learning

opportunities and the gaps for each employee group across the school board relative to three categories of learning: compliance, recommended/mandated and continuous.

An online electronic learning management system is used to track participation in learning opportunities. The department provides training opportunities online, inperson and through job-embedded delivery mechanisms. Training sessions are evaluated to assess the effectiveness and are adjusted based on input. The department is moving to providing more job-embedded learning based on feedback. A mentoring model is being adopted across the employee groups.

Attendance Management Processes/Programs

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

The school board does not have a formal attendance management program. The Employee Services department has identified some attendance management initiatives as a priority for the current year to reduce absenteeism related to accidents and injuries and to enhance processes to accommodate and assist employees to return to work. The Employee Services department also tracks absenteeism rates and occasional teacher fill rates on a weekly basis to identify trends in absences and effectiveness in filling vacancies from the current pool of occasional teachers in each geographic zone of the school board. These reports are shared with senior administration and with the union groups. The Employee Services department indicated that it is committed to maintaining open lines of communications with union groups to address any concerns related to the establishment of a formal attendance management program.

Management has established protocols, reason codes and forms for documenting absences. Collective agreements contain clauses that govern attendance management, such as leave of absence forms and self-funded leave forms. The Employee Services department has established a formal process for staff to notify the school board when they are absent through an online system that also electronically dispatches occasional teachers and some support staff positions to fill these absences.

The Employee Services department undertakes analysis of absences data using the school board's information system which was recently implemented to identify trends by employee group. This information is currently available at the school level. A cumulative report identifying the trends across all schools based on the first year of data from 2007-08 is planned to be presented to the Board early in 2010.

The Employee Service department has implemented several support programs for staff including accommodated and early return to work and an employee assistance program.

Incidents resulting in WSIB claims are tracked in an electronic system and analyzed to identify trends by staff group and type of accident. These trends are shared with the supervisors and unions of the staff groups to focus on preventing these incidents through training and changes to processes. These trends are reported to the HR committee of the Board. The Labour Relations – Employee Services group works with staff to provide accommodations or modifications to allow staff to return to work earlier. This was already in place for custodial staff and similar processes are in place with all other staff groups.

The school board has an Employee Assistance Program (EAP) which is reportedly well used by staff. Employee Services receives quarterly reports on usage trends for EAP services. The school board has a program to promote wellness through increased awareness such as postings on bulletin boards.

The Support Staff office has worked closely with the facility services department to address attendance issues. To provide support to supervisors, the Employee Services department has established standard letters to be used to commend staff for exemplary attendance or when there are attendance issues. An attendance recognition program for custodial staff has been implemented.

Management of HR and Payroll Data

Within the Employee Services department, payroll processing activities are segregated from changes to employee records within separate divisions. The Support Staff office and the Elementary and Secondary Teaching offices are responsible for identifying changes to any personnel information within their respective employee groups, such as promotions, new hires or pay changes. There are both automated and manual compliance and control processes in place to ensure the integrity of changes made to employee records.

The payroll function is part of the Compensation department. Payroll staff do not have access to staff files, except for the files for a small number of former board employees that have pension plans through the school board. They also have access to trustee files. The manager of payroll periodically runs a report through the HR system to identify any changes to staff files that must be reflected in staff pay. There is additional segregation with payroll between the staff who process remittances and those who process gross to net pay. All school board staff have been enrolled in direct deposit.

To ensure controls are in place, the department monitors and reviews reports of staff paid over certain thresholds, excessive values on timecards, negative refunds,

questionable banking information and variances from one pay period to the previous. The department also has a dedicated audit and compliance clerk who conducts audits of internal payroll processes. For example, an audit to ensure that support documentation exists for staff changes will be conducted in early 2010.

The Support Staff office and the Elementary and Secondary Teaching offices are responsible for verifying and updating staff qualifications. These offices are responsible for checking the Ontario College of Teachers database for new teacher information, promotions or transfer/surpluses. Before the annual staffing process begins each year, each teacher receives a qualification verification form that they are responsible for signing off on. This process is built into collective agreements.

The school board is in the process of establishing pay equity plans for affected staff units. There are a small number of outstanding salary placement grievances.

Management of the School Board's Benefit Plans

The Compensation department within Employee Services is responsible for management of benefit plans. The school board's benefits plans are managed as an administrative services only (ASO) arrangement. The school board has not recently conducted an independent compliance audit of its benefit carrier. The school board indicated that an audit is planned for early 2010. Management monitors costs on a monthly basis to identify changing trends in specific types of claims. The school board works closely with the benefit provider's investigation unit to review the adjudication process.

The school board engages an external benefits consultant. The consultant continually monitors and compares the benefits plans on behalf of the school board. Management reported that the consultant will be conducting an in-depth analysis of the administrative fees of the benefit providers relative to other carriers in early 2010.

The school board also plans to engage an external consultant to conduct a Benefit/Pension process review to determine where there are opportunities for increased efficiencies and greater alignment to the organization's strategic direction. In addition recommendations will be made to minimize risks and develop strategies to address any data integrity and resourcing issues.

Employee data is automatically synchronized with external benefit carriers. The payroll results are uploaded into the Ontario Teachers' Pension Plan (OTPP) every pay period. Data in the Ontario Municipal Employees Retirement System (OMERS) is synchronized using e-access.

During negotiations with the unions, the benefits department provided data to cost out the different options available within the funding provisions set by the Provincial

Discussion Table (PDT) agreements. This internal analysis was supported by data from the benefit providers and benefits consultant. Management noted that the key objective during negotiations was to maximize the value of benefit plans for employees. The benefits department conducts comparison of trends and benefit plans used by other school boards. During the negotiations, management extensively used information on benefit plans of other school boards provided on the portal set up by the Ontario Public School Boards' Association (OPSBA). Management discusses any benefits plans issues with labour management committees.

Monitoring Staff Satisfaction

The school board collects staff feedback using a number of mechanisms, including informal input from unions, teachers and principals, and formal feedback through labour relations committees and regular school staff meetings. At the secondary level, management has conducted surveys to collect feedback from teaching staff and principals on specific areas such as staff allocation and the transfer process.

In 2009, the Employee Services department began conducting exit interviews with non-union management staff who resign or retire from the school board. These interviews are primarily conducted by senior managers of the staffing offices and follow a structured interview format. For unionized teaching staff, formal exit interviews are not conducted.

Recommendations:

- The school board should finalize the establishment of a formal performance review process for all staff groups. Management should continue to track performance appraisals and ensure that performance appraisals are conducted within the established review cycles.

- Management should establish a formal attendance management program.

- Management should develop a mechanism to assess and report on the effectiveness of the attendance management process/programs to senior administration and the Board.

- Management should conduct independent compliance audits of its benefits carrier to ensure adherence to the plans' terms and conditions.

- Management should finalize the pay equity plans for all employee groups of the school board.

- Management should continue conducting periodic and confidential staff surveys, to improve communication with staff and provide input for professional development plans and HR policies.

- Management should also consider conducting exit interviews with all staff groups to obtain feedback on HR policies, as well as process and program improvements.

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 policies and procedures govern the development of an annual staffing plan and allocation process that reflects the priorities of the Board and Ministry initiatives.	Yes
The staff allocation process monitors adherence to key Ministry and board policy parameters, such as: class size, prep time, collective agreement requirements and other board directions.	Yes

Monitoring and Reporting on Staff Allocation

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

Processes for Annual Staff Planning and Allocation

The staff planning and allocation process is facilitated by a planning committee that is chaired by the associate director and is comprised of planning staff, staffing offices, superintendents of education, program department staff, Facility Services staff, principals and Business Services senior staff. The committee meets weekly throughout the year, and oversees and facilitates the allocation of teaching staff, vice-principals, educational assistants, school-based safety monitors, caretakers and school office staff. The school board has established critical path protocols to guide allocation of various staff groups.

The planning process begins in December with preliminary enrolment projections. The projections are based on a number of sources, including cohort retention rates, projected immigration and kindergarten enrolment, relevant information from the Ministry of Education and the City of Toronto. The committee reviews all proposals for new programs and decides on the continuation or termination of existing specialized programs.

The staff allocation model is generated based on the enrolment projections, ministry requirements, the financial framework provided by Business Services and the allocation distribution model and collective agreement requirements. The model is set by the planning committee working closely with Business Services to identify the number of staff available to be allocated. Planning software is used to track class size and staff allocation. The software allows management to track critical points such as when the Board model is released and when enrolment projections become actual.

Support staff allocations are conducted through the same staff allocation committee, and follow the same timelines as those for teaching staff. Allocation formulas for various support staff groups are based on various factors, such as enrolment and square

footage. Staff allocation processes follow timelines set out in the various collective agreements. Collective agreements also impact staff allocation, through class size provisions, and timelines in the process are affected by provisions regarding lay-offs, surplus, and transfer procedures.

Monitoring and Reporting on Staff Allocation

Once the system allocation model is set and the allocations are approved by the Board, the support staff office and the elementary and secondary teaching offices are responsible for identifying the specific staff to fill the allocation model in conjunction with school administrators. In March, these offices release profile allocations for each school for all staff types to the family of schools superintendents to allow them to look at the overall staffing complement and identify whether there are any changes that need to be made at a school-specific level. Staffing is established using the software to monitor the model parameters. Vice-principals are allocated based on enrolment and program considerations. Family of schools superintendents have some flexibility to make judgements around whether staff movements should be made within their areas. Principals are also given the opportunity to provide input into the enrolment projections and staffing allocation needs.

Once input has been received from principals and superintendents, the specific school projections are adjusted to match the overall system projections. The support staff office and the elementary and secondary teaching offices work with principals to ensure there is a good understanding of the staff allocation process and the importance of accurate projections. These offices provide update reports to the planning committee every week during March. Once school-by-school allocations have been determined, meetings are held with all principals and superintendents by quadrant or region with these offices and planning staff.

For the elementary panel, the collective agreements dictate the need for a school staffing committee to monitor the process. Principals provide the staffing model to the parent community and teachers for feedback. The elementary teaching office reviews each school's staffing model to ensure that it meets the allocation. For the secondary panel, each school has an in-school staffing committee that reviews staff seniority and qualifications. The secondary teaching office works with the secondary staffing committee that is composed of principal and union representatives. Any vacancies must be reported openly and clearly documented. A staffing report is provided to unions at the end of September followed by a final report at the end of October.

In both elementary and secondary panels, all vacancies are assigned numbers. Tracking of vacancies ensures that no under/over hiring occurs.

4. Financial Management – Findings and Recommendations

Financial Management

Organization	Budget Planning and Development	Financial Reporting and Analysis
Treasury Management	Non-Grant Revenue Management	Procurement

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

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

4.1 Finance Organization

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

- The establishment of policies and procedures to support the key finance functions, activities and required business priorities and their alignment with student achievement targets;

- Finance department support of the overall goals/priorities and accountability measures established by the school board;

- The efficiency and effectiveness of the departmental structure and 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 departmental operating plan that is aligned to the annual operating plan accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified accountability.	No

Organization Structure and Accountability

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

Development and Reporting of Annual Goals and Priorities

The Business Services department established key annual priorities for 2008-09, which were added to the school board's *Key Commitments by Department.* These priorities are aligned with the previous Director's annual system priorities. The key priorities were established as follows:

- Increase funding by continuing to advocate for adjustments to provincial funding benchmarks;

- Continue to improve financial accountability and reporting to Board and public;

- Implement the Capital Asset System to comply with PSAB requirements on Reporting on Tangible Capital Assets;

- Increase international student fees, Business Development and Contracted Services revenues by net $2M;

- Review Accounts Payable automation systems to further improve processing efficiencies in accounting;

- Develop a business case for consideration of consolidation of TDSB warehousing and Printing, Mailroom, Courier and Logistics functions.

The Business Services department has also established an annual departmental plan, *Key Areas of Focus*, for 2008-09, which identifies department priorities, actions, responsibilities and timelines.

Management noted that it will be working to align an annual departmental operating plan with the Director's transitional strategic direction, *Vision of Hope*.

Organizational Structure and Accountability

The Business Services department of the school board is responsible for finance; budget, revenue and financial planning; administrative services; and business development of the school board.

The Business Services department's management includes the Executive Officer, Business Services, three comptrollers and the Senior Manager of Business Development. The Comptroller, Finance is responsible for the accounting, accounts payable and contracted services and partnership development. The Comptroller, Budget, Revenue and Financial Planning is responsible for financial reporting and planning and school support services. The Comptroller of Administrative Services is responsible for purchasing and distribution services, risk management, student transportation, international students and admissions office, printing, mailroom, courier and logistics, contracted services and partnerships development, and the special projects unit.

The Business Services has organizational charts for each of the unit within its purview with clear lines of reporting relationships. There are formal job descriptions for all staff of the business services department. Finance staff have appropriate professional designations and experience. Management noted that the website of the Business Services department is currently being improved and will include key staff contact information.

Monitoring and Communication of Policy

The Business Services department is responsible for policies pertaining to purchasing, staff and trustee expenses, budget and investments. These policies are posted on the school board's website. The Business Services department has developed administrative procedures related to business services which are also published on the website.

The department provides various types of support to school board staff in understanding and applying financial policies and procedures. There are workshops and information sessions for administrators and managers where the agendas have included updates from business services.

The department has a school support unit that provides regular formal training to school-based staff on the use of the school board's financial management software and management of school-based funds. The school support staff periodically visit schools to provide informal training and advice. The school support unit is currently working to improve its approach to formal training for school councils on fundraising and school council funds. The school support unit has published a guide to support school councils in managing their funds, *Managing Non-Board Funds – A School Council Guide.* The business services department has also established a *Principal's Guide to Managing the School Budget.*

The Business Services department monitors compliance with relevant policies and procedures by establishing controls and approval requirements, reviews and sample audits for all departments, schools and school councils.

Recommendation:

- After the Board's multi-year strategic plan is finalized and executive management establishes an approved board-wide annual operating plan, the Business Services departmental operating plan should be aligned with the school board's annual operating plan.

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 level) approach to enrolment forecasting that drives the budget process	Yes
Budget planning 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 targets. It provides useful and understandable information for all stakeholders.	Yes

Annual Budget Development Process

The school board has established a policy and high-level procedures for budget approval. The following points outline the process followed by senior staff when presenting recommendations to the Board concerning the budget:

- A comprehensive review of current expenditures

- Identification and addressing of inefficiencies

- Establishment of equitable distribution of resources

- Identification of provincial funding gap and impacts of proposed expenditure reduction

- Identification of critical data to support the Board's efforts to improve provincial funding

- Development of a strategy to seek support from other governments and organizations in the Board's advocacy to change the provincial funding model.

The Board's Administration, Finance and Accountability (AFA) Committee considers and makes recommendations to the Board on administrative matters, including finance matters. In 2008-09, the committee was actively involved in the annual budget development process. For the development of the 2010-11 annual budget plan, the Board approved the establishment of a separate Budget Committee.

The 2009-10 budget planning began in September 2008 with the AFA Committee considering a budget strategy and developing a budget process. In November 2008, a Financial Planning Seminar was conducted for the board of trustees to provide the context and fiscal background for the school board to begin the annual budget planning for 2009-10.

In January 2009, the Budget department presented revised projections for the current budget year, system enrolment projections and updated budget projections for next year to the Administration, Finance and Accountability Committee. Following this presentation, management conducted a seminar for trustees to discuss information on staffing, trustee priorities, program and resources realignment and determine the public consultation process. Public consultations take place in AprilMay. During February and March budget planning discussions continue and in early March the Board approves the school staffing recommendations and upon the release of the GSN reviews the announcements and implications to the budget forecast for the coming year.

In February 2009, the *New Fiscal Direction* document was developed by staff and trustees and became part of the 2009-10 budget development process. It contained over 40 recommendations and was presented to the AFA committee and the Board for consideration. The recommendations concerned budget development, reporting, staff allocation, HR matters, non-grant revenues, marketing initiatives, and facility services and capital matters. Some of the recommendations were approved by the Board and the remainder were referred to staff for comment back to the Board. The Business Services department has established a tracking template for the New Fiscal Direction which identifies Board approved action items, responsibility, relevant committee, briefing note due date, and progress tracking.

School board departments provide input in the budget development in March-April. Using trend analysis and budget actuals from the previous year, the Business Services department identifies a budget target amount for each department and requires a justification for any request for increase in this amount. The target is based on the anticipated reductions that will be required by the system to achieve a balanced budget. There is a designated member of staff in each department, who is responsible for coordinating the department's input in the budget development process. Once the Business Services department receives all department budget proposals with requests and justifications, it works with the budget holders to achieve final departmental budgets. Management noted that the process is very interactive and transparent for all departments.

In April-May depending on the timing of the release of the GSN, the revised budget forecast based on the GSN announcement is presented to the AFA Committee. The committee also considers input received from public consultation.

The budget planning discussions continue through May and in June the final budget is reviewed and approved by the Board. In the final stage of the budget development process the school board administration prepares a budget plan document which outlines key budget recommendations, rationale for recommendations and highlights of the capital plan. The document also contains a detailed description on expenditure and revenue changes proposed to achieve a balanced budget. Trustees provide their approval for each of the identified changes.

The Business Services department prepares a binder with detailed information on the proposed budget as part of the final budget presentation to trustees. The binder contains a Director's message with an overview of key budget issues, enrolment projections, grant changes and expenditure/revenue changes to achieve a balanced budget, and budget risk analysis. The binder also provides a description of the proposed capital program for the upcoming fiscal year. There is detailed budget information for all departments.

Throughout the budget development process, the Business Services department prepares briefing and information notes for trustees and the Executive Council.

The summary budget document is posted on the school board's website. All departments/cost centres have access to their budgets through the school board's enterprise management system.

The school board has established positive working relationships with other school boards. Management informally obtains comparative data and information on many aspects of school board operations such as utilities and special education. The school board may conduct informal comparison of staffing costs during the collective

bargaining process. For example, several years ago the school board conducted a comparison of its caretaking staff allocation model with other school boards.

The school board has established a formal budget development process, which is transparent and communicated to all relevant stakeholders. The review team noted that over the past several fiscal years, the board has projected a budget deficit at the start of the fiscal year while ending the year with a balanced position. While in-year revisions of budget forecasts are not uncommon amongst school boards, the size and magnitude of the TDSB's budget places a focus on variances between the original budget forecast and the year-end financial statements.

Management noted that in-year revisions of budget forecasts are driven by a number of factors, including changes in legislative grants, teacher gratuity estimates, and utility expenditures amongst other items. Throughout the year, management monitors these factors and communicates these changes to the Board through interim financial reports. Management should continue to monitor and communicate these changes to all stakeholders to ensure a high level of transparency.

Risk Mitigation and Board Approval

Throughout the budget development process, specific budget pressures are identified by management and incorporated into the budget. As part of the first budget development seminar with trustees management, provides information on budget challenges for the upcoming fiscal year. The budget plan document provided to trustees at the final stage of the budget development process contains a section on budget risk analysis.

The school board maintains a reserve for working funds to deal with future budget pressures. The use of reserve funds requires Board approval during the budget development process.

4.3   Financial Reporting and Analysis

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

- Assess whether procedures are in place to ensure that management, the board of trustees and the Ministry receives timely, accurate and complete financial information of all school board activities;

- Identify opportunities to support continual improvement in the effectiveness and efficiencies of all processes;

The following table summarizes the leading practices defined for Financial Reporting and Analysis, and identifies where evidence was found to indicate that the practice was

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

Integrated System for Variance Analysis and Financial Reporting

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

Interim and Annual Financial Reporting

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

Audit

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

Integrated System for Variance Analysis and Financial Reporting

The school board has implemented a custom enterprise management software that supports its essential business and financial functions. Management uses most of the financial modules which are available in the enterprise management system and has implemented the fixed asset management module.

Interim and Annual Financial Reporting

Management prepares interim financial reports for the board of trustees three times a year, at the end of each of the first three quarters.

The interim financial report contains a cover summary, which provides a context and management's discussion of the school board's financial position. The summary describes (at a high level) the original budget approved by the Board, the current forecast based on actual expenditures to-date, and a comparison to the benchmark for actual spending. In addition, management provides an analysis of the financial position, and identifies key risks that may impact the final budget outcomes for the year. This analysis discusses known factors that may materially impact the budget, such as changes in enrolment, staffing levels, and one-time initiatives.

In addition to the cover summary, the interim financial report contains several appendices that provide further detail regarding department expenditures and other information deemed relevant in each particular fiscal period. In the most recent quarterly report (2009-10, 1st quarter), there are three appendices:

- The first appendix is an analysis of change in the financial position, which outlines the projected variance in the overall budget due to changes in revenues and expenditures.

- The second appendix, which was included in previous interim financial reports, contains a department-level breakdown of budget, forecast, previous year actual results, per cent of forecast spent, and per cent of actual spent.

- There are four lines for each department: non-discretionary expenditures (salary and benefits), discretionary expenditures, revenues (where applicable) and the department total. Short comments provide explanations for material variances.

- The third appendix contains a summary of facilities capital projects.

The report is presented to the Executive Council for approval before it is submitted to the Board.

The Business Service department has also implemented additional reporting on an *ad-hoc* basis in the event there is any significant change in the underlying assumptions of the budget between interim reporting dates. Such changes may include enrolments, unusual expenditure variations or changes in revenue expectations.

Management indicated that the current format of interim financial reports has been tailored to meet the specific needs of the board of trustees.

The Business Service department has actively participated in the work of the Interim Financial Reporting Committee (IFRC). The IFRC provided recommended guidelines for the timing, format, and content of school board interim financial reporting. These guidelines are intended to serve as a consistent reporting format, which will provide meaningful financial updates and forecasts in a concise, understandable document for trustees.

While the format of the school board's interim financial reports is generally consistent with the principles outlined in the IFRC's recommendations, there are some differences in terms of visual presentation and summary information provided. The following tables summarize the key differences:

IFRC Recommendations for the Summary Dash Board	Comments on TDSB practices
A table summarizing financial results at a high level, which compares budget to forecast for Revenues, Expenditures and Use of Reserves.	The variance between the budget to forecast is included, but the budget and the forecast are omitted.
A table summarizing enrolment, which compares budget to forecast. This is recommended since it is a key revenue driver.	Included in the 2009-10 1st quarter report – but this is not consistently provided in previous reports.
A table summarizing staffing, which compares budget to actual. This is recommended since it is a key expense driver.	Not included.
Tables should show in-year changes in both dollars and in percentages.	An analysis of change in financial position is provided, but does not show changes as a percentage of budget.
A graph showing the changes in enrolment by elementary categories and at the secondary level for those readers who are more visual.	Not included.
A graph showing changes in staffing for classroom and non-classroom for those readers who are more visual.	Not included.
The dashboard should include a notes area to document key highlights of changes in financial results, enrolment and staffing and any risk matters that will affect the school board's forecast results.	A detailed management discussion of the financial position is provided.
Detailed examination of revenues and expenses, complemented by the bottom line forecast.	Partially adopted – grant revenue is not separately reported, and the reader is not able to determine the overall grant revenue position.
An assessment of the budget risk, which is a comparison of budget (estimates) versus forecast with explanation of significant changes or variances (dollar/percentage) that have occurred since the original budget was prepared. The forecast should be updated with each report as enrolment information and staffing	Partially adopted – includes comparison of budget, forecast, and explanation of variances, but no explicit indication of the variance (dollar/percentage).

IFRC Recommendations for the Summary Dash Board	Comments on TDSB practices
levels change, and as other financial information affecting the forecast becomes available.	
An assessment of current year spending risk, which is a comparison of: The prior year's year-to-date spending as a percentage of actual (not budget as it could have included forecast errors) versus current year-to-date spending as a percentage of forecasts, (not budget otherwise you are missing the in-year adjustments reflected in the forecast).	Included.
The lines or category breakdown of the schedules should be those which best meet the needs of the audience. For expenditures the IFRC recommended following Schedule 10/Data Form D; for revenues, the IFRC recommended following Section 1/Data Form B/D.	Schedule uses department structure found in the school board's financial system.

The school board is facing a capital deficit, and management has regularly reported the capital deficit situation to the board of trustees and other stakeholders. Management has established a capital deficit elimination plan, which includes disposition of surplus property, reductions in capital expenditures, and measures to increase capital-related grant revenue. Management noted that there are a number of complex considerations involved in capital expenditure reporting, including their own decision to include certain operating expenditures and information technology hardware as capital expenditures. Management acknowledges the importance of accurately reporting on the capital deficit situation, and has taken steps to ensure the transparency of the capital budget. Based on the findings, the review team believes that a subsequent in-depth review would provide more substantial and targeted support to management in this area.

Audit

The *New Fiscal Direction* for the Board, which was approved by trustees in 2009, contains a recommendation regarding the establishment of the position of internal auditor. However, this work has been suspended pending the direction from the Ministry regarding the regional internal audit model for school boards. The Superintendent of Business Services is actively participating in the regional working group for the establishment of the internal audit model.

The Board has an Audit Committee, which meets three times a year. Currently, there are no external members on the committee. A mandate has been established for the Audit Committee.

Following an external audit, the Audit Committee meets with the external auditors and reviews the auditor's reports and financial statements. At all meetings the audit committee has the option to conduct an *in-camera* meeting without staff to question the

auditors on any issues. Auditors prepare a management letter with audit findings and recommendations. Management provides a formal response to the management letter.

Recommendations:

- Management should review the recommendations of the Interim Financial Reporting Committee (IFRC) and consider enhancing the school board's current interim financial reporting format to more consistently match the IFRC guidelines. Management should also communicate the IFRC recommendations to the board of trustees and request trustees' feedback on the recommended format of interim financial reports.

- Management should proceed with its intention to establish an internal audit function giving due consideration to the new Ministry direction on internal audit.

- Management should ensure the internal and external audit plans are clearly documented and acted upon by senior management.

- Management and the board of trustees should consider including external advisors on the Board's audit committee in accordance with the Ministry's emerging direction on internal audit.

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 consolidated with a single financial institution.	Yes
Management periodically reports to the board on the performance of the investment activity and the approved investment policy in accordance with the *Education Act*.	Yes
Management periodically compares the school board's banking terms and conditions to those of similar school boards.	Yes
Management monitors financial risk related to cash/investment management, and has a plan to mitigate associated risks.	Yes

Cash and Investment Management

The school board has had a cash advance agreement with the City of Toronto that pre-dates amalgamation. Property taxes received by the school board are pooled with the cash funds of the city for investment purposes. Investment arrangements with the City of Toronto have provided the school board with favourable interest rates. In addition, the school board borrows funds for capital projects, when appropriate, through the advance account with the city. Management noted that the City of Toronto invests school board's funds into eligible investment vehicles. Management periodically compares the rates of interest earned/paid from the City to other comparative measures to ensure they remain competitive.

The Business Services department has set up a cash flow template for cash flow projections. Finance staff undertake daily monitoring of cash flow and provide monthly cashflow forecasts to the treasury department of the City of Toronto as part of the process for the management of the operating advance account.

One member of finance unit's staff conducts monthly bank reconciliations and does not perform any other cash or banking transactions. Finance staff have constant online access to bank information.

The school board has established a policy on investment of surplus cash and reserve funds when they exist. The policy states that the school board may invest funds that are temporarily surplus to its day-to-day operations and any funds held in reserves for whatever purpose in securities that are prescribed under Regulation 471/97, Eligible Investments. The policy outlines investment goals of the school board:

- To achieve the highest possible rate of return on any surplus funds invested in accordance with this policy;

- To utilize self-financing where practical and possible;

- To continue to utilize the services of the City of Toronto as long as the rate of return is competitive.

Management reports publicly on short-term cash investment and interest earned as part of audited financial statements. Management noted that the school board's interest income is low and the excess funds are occasionally invested in 30 days or less paper. There is no separate reporting to the Board on investment activity.

The school board has a banking services agreement with one financial institution and is regularly examines and discusses options for various services provided. The school board has been using the services of this financial institution for over 10 years and renewed the agreement two years ago. The school board has six bank accounts: general bank account, US bank account, revenue account, trust bank account, payroll bank account and vendor payment account for pre-authorized vendors' payments. Most schools use a credit union for management of schoolbased funds since the credit union provides pick-up service to schools.

Daily cashflow analysis and monthly bank reconciliations allow the school board to identify any unusual accounting transactions. All wire transfers require two signatures. Management also ensures physical security of cash and documentation.

The City of Toronto maintains a sinking fund for the repayment of some of the debt incurred on behalf of the school board to finance capital projects. The school board receives regular reports from the treasury department of the City of Toronto on the position of the sinking fund. Management noted that currently the sinking fund is in a surplus position. The school board has also issued debt which is being funded on a semi-annual basis with an earmarked amount from the Facility Renewal Grant.

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 and non-grant revenue;

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

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

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

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

Management of School-Based Funds

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

There is a school support unit within the Business Services department. There are eight staff members in the school support services unit. The school support staff provide regular training to school administrators during the year such as the use of the enterprise management system and fund collection. Currently, the school support team is reviewing the approach to training for school councils.

Management noted that some school councils have separate bank accounts. School councils are required to comply with Board fundraising policies and procedures. There

is a formal policy and an operating procedure on fundraising. The school board's business development department has an updated 2009-10 guide on fundraising activities which is available on the school board's website.[6] The Business Services department also has a fundraising hotline to provide advice and support to school staff and school councils on fundraising activities.

The school board has implemented a software program to manage non-board accounts. The Business Services department staff do not have central access to school-level information and data on the system. Monthly reconciliation reports generated from the non-board accounts management software are reviewed by principals. The department undertakes periodic planned audits of school-based funds and prepares year-end reports on school-based funds. The school support unit is currently considering the development of a central system that would be integrated with the school board's enterprise management system and allow central monitoring of non-board funds.

Management also noted that it will be reminding all school councils about their annual allocations and the purposes they are to be used for as well as the accountability that applies. A similar communication will be directed to all school principals to remind them that the allocation for school councils is made through the school budget and the funds are allocated for the exclusive use of the school council.

The fundraising procedures state that school principals are responsible for ensuring that resources generated through fundraising activities are used for the purpose that they were raised within a two-year period, from the date of receipt, unless designated for a specific project. The budget and direction for the expenditure of these funds are to be established between the principal and the school/student council.

The principal and the school council are responsible for disclosing information on how funds raised by the school are expended. The school councils are required to comply with reporting requirements as outlined in the Ontario Regulation 612. In addition, the school board has established a guide for the accounting of non-board funds, *Procedures for Non-Board Funds.* The manual provides accounting controls such as principal responsibilities, treasurer responsibilities, rules of the recordkeeping system, signing authority. There is an outline of banking processes and reporting requirements.

The budget department requires an annual PSAB report for non-board funds and parent council funds. The guidelines also indicate that schools shall generate additional financial reports for in-school use. Such reports may include details of all transactions as well as overall income and expense balances. The manual also contains procedures, timelines and standard forms and report templates.

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[6] http://www.tdsb.on.ca/wwwdocuments/parents/fundraising_guide/docs/ FundraisingGuide2.pdf

In addition, there is a school council guide available to all school councils which outlines how to manage and report school council funds, *Managing Non-Board Funds – A School Council Guide*. The school support unit also provides training sessions several times a year for those school council treasurers that wish the training in preparing PSAB school council reports.

To provide support to principals in managing the school budget, the Business Services department has established the *Principal's Guide to Managing Your School Budget.* During the year the Business Services department offers training sessions to support school principals in managing their school budgets and non-board funds.

Management of Non-Grant Revenue

The key sources of the school board's non-grant revenue include Language Instruction for Newcomers to Canada (LINC), tuition fees for non-resident students, the lease of facilities (community use and long-term lease), business development activities, cafeteria, continuing education, and interest revenue.

Community Use of Schools

The school board has established policies and procedures for the community use of schools. The permits department within the Facilities Services department of the school board is responsible for managing the community use of facilities. The school board has an established fee schedule and standard application forms and processes to apply for permits. Payment is made in advance to avoid delinquent accounts.

The school board has established a fee structure to operate the rental of facilities on a cost-recovery basis. The school board has contracted an external consultant to conduct a cost study for the establishment of hourly permit facility fees.

Applications for community use are submitted centrally to the facility services permit unit. Confirmed permits are sent to clients electronically by email. The school board requires payment prior to the start date of the activity. The permit department collects funds and performs reconciliations on a daily basis. Bank deposits are prepared weekly and submitted to the Business Services department to record and deposit. The permit department prepares a year-end account receivable report which is submitted the Business Services department.

The permit department uses an electronic system to track reserved and available facilities. Using the software, self-service features are available for school principals and community users. This allows school principals to book their school space for their non-school-hour activities and provides community clients with access to search for available facilities. The same software is used by the continuing education department for registrations and tracking.

Business Development

The Business Development department of the school board supports fundraising activities and sponsorships both inside and outside of the school board and acts as a resource for parent councils, schools, staff and trustees. The business development department also acts as the first point of contact for those wanting to enter into entrepreneurial partnerships, to make donations, or to seek business opportunities with the school board. As well, business development facilitates board-wide partnerships. The Senior Manager for Business Development is also the Executive Director and CEO of the Toronto Foundation for Student Success (TFSS), an arm's length charitable foundation of the school board. The school board provides funding for the administrative costs associated with the student nutrition programs as well as free office space. This enables the foundation to direct all donations directly to programs. The TFSS provided more than $10M of grants and programming to TDSB schools and students last year.

The business development department is also responsible for management of the school board's cafeteria services and has oversight of the school board's nutrition services. The Student Nutrition program Office supports over 99,000 students daily through breakfast, snack and lunch programs in over 400 schools. A number of school cafeterias are managed in-house and their operations provide a useful benchmark for contracted cafeteria services. The management of cafeteria services involves annual planning, product development, marketing strategy and weekly budgeting, tracking and reporting. The school board's nutritional services unit is actively involved in the implementation of the Healthy Eating Strategy. As part of the strategy healthy food choices are being promoted through pricing and increased awareness among users of cafeteria services.

Continuing Education

The school board has established a policy for continuing education, which provides guidelines for non-funded and ministry-required continuing education programs. There is a separate policy and procedures on external partnerships that covers programs funded through other sources.

The Continuing Education department reports through the Associate Director's office. Course offerings are guided by enrolment data, learner requests, new course submissions and market trend reports. An advisory committee is consulted regularly regarding community programs. The courses offered through continuing education are budgeted for during the budget development process in conjunction with the permits department. The Continuing Education department monitors these programs throughout the year and reviews the data monthly to identify variances, revise budget forecasts and adjust permit needs. This information is also used for budgeting purposes for future

years. The Continuing Education department provides quarterly reports to the Board as well as an annual public report on the continuing education programs.

Registration and payment for continuing education courses can be done online, by phone, by fax, in person or by mail. An increasing number of registrants are using the online registration and credit card payment system. The department has an internal guidebook which provides the financial procedures for handling payments. All registrants are entered into the electronic system, which is used for tracking enrolment and to determine which classes will be delivered. The system also provides a variety of reports related to revenue data, learners' demographics, interest in courses and locations which inform future course offerings In addition to the continuous monitoring and evaluation conducted internally by the continuing education department, an external review of the department was conducted three years ago to assess the viability of the programs provided.

Contracted Services

The school board has established a Contracted Services and Partnership Development department which is part of the Business Services department to acquire and manage learning programs funded through external sources other than the GSN funding. These include language training and employment support programs predominately aimed at adults, out of school youth and recent immigrants. These programs complement what is offered through continuing education and the two departments work closely together to ensure there is no duplication in services. The Contracted Services unit actively seeks and bids on programs that the school board would be eligible to receive funding to provide. A contractual agreement is established with the funding organization that outlines the roles and responsibilities for the provision of programs. For each new program that is established, the Contracted Services unit, supported by the financial unit of the department develops a budget for all direct costs and indirect administration costs. The budgets are closely tracked throughout the year. The funding agencies establish their reporting requirements and sometimes require an external audit. Monthly payment claims are submitted to the funding agency and generally include financial summaries, details of services provided, program statistics (e.g., success rates, retention rates) and satisfaction surveys from participants. The Contracted Services department publishes an annual report.

The Contract Services and Partnership Development department has also established a guidebook and provides training for staff to assist them in creating local school educational partnership opportunities. The department's website lists all partnerships programs available throughout the school board including details about the program and eligibility criteria. An online survey is provided to users to provide feedback on available programs.

International Programs and Admissions Office

The International Programs and Admissions Office of the school board is responsible for recruitment of international students at both the elementary and secondary level. A business plan was established for the revenue generation committee over five years ago to identify how to better organize the marketing and recruitment strategy to increase the number of international students. The school board has increased its attendance at international educational fairs and established relationships with a large number of agents and government agencies in its target markets. The marketing plan is re-evaluated each year to review recruitment activities and strategies.

Education Programs Other (EPO)

The budget department is responsible for the management and tracking of EPO grants. There is a dedicated budget analyst who is responsible for tracking of EPO grants. Management has established procedures to record and track the various EPO grants received. Once a signed contract is received, the Budget Analyst sets up a file and determines what department is responsible for each grant. The Budget Analyst establishes a cost center and works with leads who are responsible for the grant to establish financial reporting requirements. The Budget Analyst prepares periodic quarterly reports for senior management and trustees.

4.6   Supply Chain/Procurement

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

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

- Whether appropriate internal controls exist to 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 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 practices 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/Corporate Card Use

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

Accounting for Completeness of Purchase/Payment Cycle

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
The board's finance department performs three-way matching (purchase order, receipts/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 use of electronic funds transfer (EFT) for vendor payments.	Yes

Policies and Procedures

The school board has established policy and procedures on purchasing consistent with key requirements of the Broader Public Sector Secretariat (BPS) Supply Chain Guideline. Since 2000 the school board has maintained ISO 9001 certification for Purchasing, Accounts Payable, General Accounting and Risk Management.

Management noted that a report is being currently prepared for the Executive Officer of Business Services and the Executive Council regarding compliance of the existing purchasing policy with the Supply Chain Guideline. Any proposed changes in the purchasing policy will be presented to the Board for consideration and approval. Management noted that last time the policy was reviewed was to reflect the Nutrition Taskforce guidelines on buying locally. The school board's purchasing and distribution department is responsible for purchasing, warehousing, and facilitation of redeployment/sale of surplus assets. The policy provides a high-level outline of approval authority for general purchasing and purchasing for facility services.[7]

The purchasing policy and procedures contain provisions on the code of ethics which is based on the Code of Ethics of the Purchasing Management Association of Canada (PMAC) .The key provisions of the school board's code of ethics include values of ethical behaviour, norms of ethical behaviour, and rules of conduct.

The policy is available on the school board's website. There is a purchasing policy and procedures manual. The purchasing and distribution department provides informal

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[7] http://www.tdsb.on.ca/ppf/uploads/files/live/93/180.pdf

training on purchasing procedures during regular meetings with principals. Any changes in policies and procedures are communicated to relevant staff who also have a current hard copy of the purchasing manual.

The purchasing and distribution services department publishes periodic newsletters which address various procurement issues and inform school board staff about changes in policies and procedures.

The school board has established policies and/or guidelines on expenditure which are consistent with the Ministry guidelines. The guidelines are related to the following types of expenditure: conferences and workshops, travel and hospitality, employee recognition, purchase cards, advertising and advocacy. The guidelines are published on the school board's website.

The purchasing procedures clearly outline circumstances where the school board may use non-competitive procurement methods. The school board may use emergency purchasing when circumstances have the potential of affecting the health, life or safety of students or personnel, or result in undue financial losses. Single and sole sourcing may be used only in narrowly defined circumstances such as emergencies, compatibility with existing products and protection of exclusive rights, lack of response to a call for tenders, control of supplies by a statutory monopoly, and the need to maintain validity with warranties/guarantees.

It is stated in the purchasing procedures that while price is an important element in the selection process, there are many other factors that the school board considers when examining tenders such as credibility, contractual, and service point of view, and the total lowest cost.

The purchasing procedures outline methods of purchasing, competitive bidding thresholds, process for requisition review, environmental protection considerations, supplier selection and obligations, public tender procedures and other provisions.

The purchasing procedures contain considerations for environmental protection such as purchasing of durable, reusable and recyclable products, waste minimization, purchasing form local sources, purchasing form suppliers that have a registered environmental management system. The school board participates in the Governments Incorporating Procurement Practices which are Environmentally Responsible (GIPPER). The group brings together several municipalities, the Canadian Standards Association, the Ministry of the Environment and other public organizations.

It is stated in the procedures that the school board advertises all requests for tenders and requests for proposals on nationally available electronic bulletin board systems. MERX and Biddingo portals are used for advertising of tenders.

Management provides regular reports to the Board on purchasing contracts. The reports are presented to the Administration, Finance and Accountability Committee (non-facilities contracts) and Operations and Facilities Management Committee (facilities contracts). The contract awards are provided to the Board for information. Committee approval is required for contracts over $175,000 and up to $250,000 (for non-facilities contracts) and over $250,000 and up to $500,000 (for facilities contracts). Board approval is required for contracts over $250,000 (for non-facilities contracts), over $500,000 (for facilities contracts) and consulting services over $50,000).

Participation in Group Purchasing Initiatives

It is stated in the purchasing policy that the schools board is committed to working collaboratively with other school boards and, where applicable, other public sector agencies, to develop cooperatives and shared services in a wider range of its operations.

Currently, the school board participates in a Vendor of record (VOR) established by the Ministry of Government Services for courier services. The school board is one of the six founding institutions in the establishment and development of the Ontario Education Collaborative Marketplace (OECM). The school board continues to take an active role in most OECM's strategic sourcing initiatives and was the lead organization for the request for proposal for the supply of copier paper.

The purchasing policy requires that each year, in October, management presents a report to the Board outlining all collaborative ventures entered into by the Board during the previous fiscal year including the measurements and effectiveness of existing collaborative ventures.

The report provided to the Board in 2009 outlines various types of collaboration including exchange of information, access to other public organizations' contracts, cooperative tendering, fee for service, and other ventures. The school board participates in cooperative tendering with the City of Toronto and the Catholic School Board Services Association. The school board participates in the Education Municipal Purchasing Group which include several universities and the City of Toronto. Through this group the school board benefited from the pooling of requirements for procurement of some services and by including piggy-back provisions in some tenders.

Purchasing Levels of Authority

The purchasing policy sets out approval authority level for purchasing as follows:

- Contracts for consulting services up to $50,000 are acquired using the Request for Quotation process and may be approved by the Director, or designate;

- Contracts over $50,000 for consulting services are acquired using the Request for Proposal process and approved by the Board prior to an award;

- Where a sole-source consulting services contract exceeding $50,000 is deemed necessary, Board approval is required prior to an award;

- Contracts over $50,000 and up to $175,000, exclusive of taxes, are be approved by the Director, or designate, and presented to the appropriate standing committee for information, except those undertaken by Facility Services;

- Contracts over $175,000 and up to $250,000, exclusive of taxes, are approved by the appropriate standing committee and presented to the Board for information;

- Contracts over $250,000, exclusive of taxes, are approved by the Board, except those undertaken by Facility Services.

There are specific provisions regarding facility services contracts:

- Contracts undertaken by facility services over $50,000 and up to $250,000 may be approved by the Director, or designate, and presented to the appropriate Board standing committee for information;

- Contracts undertaken by facility services over $250,000 and up to $500,000 may be approved by the appropriate standing committee and presented to the Board for information;

- Contracts over $500,000 undertaken by facility services shall be approved by the Board.

Policies and Procedures for PCard/Corporate Card Use

The school board's expenditure guidelines contain provisions regarding the use of purchasing card (PCards). The PCard guidelines include an overarching policy, responsibilities, and procedures for use of PCards. It is noted in the guidelines that all PCard transactions are subject to both internal and external audit. The guidelines also include a standard cardholder agreement.

PCards have transaction limits and a total monthly expenditures limit. The guidelines also indicate specific exclusions for various categories of merchants such as alcoholic beverages, car rentals and hotels. PCard transaction limits and monthly limits are commensurate with the level of authority. Superintendents, principals/viceprincipals, central department managers and district-wide coordinators have cards with transaction limit of $1,500 and monthly limit of $10,000. Academic department heads,

administrative staff, and coordinators/consultants/program team leaders have cards with transaction limits of $1,000 and a monthly limit of $5,000. School librarians have cards with transaction limit of $2,500 and a monthly limit of $10,000 to allow for semi-annual bulk purchases.

Teachers and other approved staff may be provided with PCards for unique program needs with a transaction limit of $500 and a monthly limit of $2,500. Head caretakers and maintenance staff may have a PCard with transaction limits determined by facilities management.

The school board receives monthly transaction files from the PCard carrier and processes information using a custom-built application within the enterprise management system. Processed transaction data is then transferred to the general ledger.

Supervisors review monthly PCard statements and management conducts periodic audits of PCards.

Accounting for Completeness of Purchase/Payment Cycle

The purchasing policy and procedures set out the general requisitioning procedures. Requisitions are made using the school board's enterprise management system. The authorization levels and thresholds are set in the system and attached to specific staff members as determined by their role.

Most of the purchases are made using system contract agreements (SCAs.) External purchases require the person requisitioning the good or service to choose between filling the order through the school board's central warehouse or via a System Contract Agreement (SCA). Low dollar purchases (under $3,500) are made using petty cash and/or purchasing cards. Schools and departments may also issue local purchasing orders (LPOs) under $3,500 through the enterprise management system. They can do this if there are no system contract agreements for the requested products or services, or they are not available from the school board's central warehouse and when the requested supplier is maintained in the vendor master list. Purchases over $3,500 not covered under a system contract agreement are submitted to the purchasing and distribution service department in electronic form for processing.

The school board maintains a number of warehouses. The enterprise management system supports management of the warehouses. However, management noted that the procurement of many supplies, in particular, custodial supplies is done on what is essentially "as needed" basis.

School principals and supervisors receive periodic formal training on use of the enterprise management system. Staff who generate requisitions also receive focused

training on the use of the enterprise management system for purchasing. The enterprise management system supports automation purchase/payment cycle. Purchasing orders are submitted to suppliers electronically. When goods are received, receipt information is input in the system. If shipments are incomplete the system sends out regular notifications on incomplete receipt information. Purchasing staff conduct monitoring of incomplete receipts and prepares a year-end review of incomplete POs.

The accounts payable department matches invoices with POs and receipt information in the system prior to payment. Management noted that the school board is currently preparing an RFP to procure technology to scan invoices to minimize manual input of information.

The school board has commitment accounting. Expenditures are encumbered when a PO is created. Currently, the financial system does not provide an automated alert when there is a budget overrun. Management noted that it is considering a funds management add-on to the enterprise management system which would alert users when there are insufficient funds.

The school board has not implemented electronic supplier interface for ordering, purchasing and payment. The school board uses online ordering with an office stationery vendor. There are also electronic catalogues for products in the school board's main warehouses and for many system contract agreements. The school board is considering adoption of OECM's electronic marketplace.

Use of Electronic Funds Transfer for Greater Efficiency

The school board uses EFT for most of its payments. There are several arrangements for pre-authorized payments.

Recommendation:

- The school board should continue identifying opportunities for implementation of electronic supplier interface for ordering, purchasing and payment.

5. School Operations and Facilities Management – Findings and Recommendations

School Operations and Facilities Management		
Organization	Custodial and Maintenance Operations	Energy Management
Health, Safety and Security	Capital Plans, Policies and Procedures	Construction Management

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

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

5.1 Operations and Facilities Organization

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

- Whether the board of trustees and management have established policies and procedures that support the key departmental functions and activities, strong internal controls and financial management;

- Whether the department supports the overall goals, priorities and accountability established by the school board in support of student achievement targets and strategies;

- The efficiency and effectiveness of the departmental structure and whether roles and responsibilities support the key functions/activities and the required business practices;

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

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
The School Operations and Facilities Management department's goals and priorities are documented in an annual departmental operating plan. They are aligned to the annual board operating plan, accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified responsibility.	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 respective roles and responsibilities. A current organization chart is available to the public.	No
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 Facility Services department is responsible for the maintenance and custodial operations, design, construction and energy management of all facilities at the school board. The Facility Services department established a list of key commitments for the department which set out its specific goals and priorities. The current 2008-2009

priorities of the Facility Services department are aligned with the previous Director's key commitments. The departmental goals are summarized in the Director's goals, which are presented to the Board annually.

The current priorities of the Facility Services department include:

- Plan and implement the TDSB's Capital, Renewal and Good Places to Learn program;

- Improve facility service delivery to schools by implementing the recommendations from the facility services operational review; and

- Improve environmental sustainability.

The 2008-09 Facility Services key commitments are aligned with the previous Director's priorities. Since the Board's strategic planning process is currently in transition the Facility Services department is working to align its annual goals and priorities with the strategic priorities outlined in the Director's *Vision of Hope.* The five re-development projects that have been identified by the Director in the *Vision of Hope* have required the Facility Services department to establish a plan for launching projects.

In addition to the key commitments, the Facility Services department undertakes several planning activities that support the overall strategic direction of the school board in the area of facilities management.

In 2007, the Board established the General Asset Program Planning (GAPP) group, a trustee working group, to support an integrated approach to program revitalization, capital planning, and asset management. The GAPP working group developed a report that identified policy directions to guide the development of a board-wide capital plan. Subsequent to the GAPP process, the Board has approved 10 accommodation reviews and outlined the proposed secondary program delivery model. Using the recommendations of the GAPP working group, the Facility Services department has supported the development of the secondary program plan, *Better Schools, Brighter Futures.* The plan links the delivery aspects of secondary programs with infrastructure requirements. The plan is currently a working document.

In 2007, the school board conducted an in-depth operational review of the Facility Services department. The school board contracted external consultants to assist in the review process and provide recommendations. Following the review, the Facility Services department established 18 project teams composed of Facility Services management staff, principals and vice-principals and union representatives from the

Canadian Union of Public Employees (CUPE) Local 4400 and Maintenance and Construction Skilled Trades Council (MCSTC) to review the planned results stemming

from the recommendations and develop implementation plans. The work of the project teams is coordinated by the Steering Committee comprising the Executive Officer Facility Services, Executive Superintendent of Employee Services and Executive Officer of Business Services, Facility Services management staff and the Vice-President of CUPE Local 4400, and the President and Vice-President of MCSTC. Most of the established project teams have reported to the Steering Committee, and provided over 100 recommendations, both broad and specific.

The in-depth operational review of the Facility Services department provided management with an opportunity to obtain feedback from facilities staff and other school board staff regarding its services. As part of this review, management surveyed maintenance staff to identify inefficient processes. Customer feedback is also collected through regular meetings of the family of schools leads with principals, the superintendent for the family of schools and school-based operations staff.

As part of the effort to integrate the various planning activities and align the plans and strategies with the new strategic plan of the Board, the Facility Services department is completing its long-term strategic plan for the school board's built environment. The Facility Services department consulted extensively with internal stakeholders on the academic side and to identify the built environment needs. The draft *Built Environment Strategy* also contains input from all departments of the school board.

Organizational Structure and Accountability

The Facility Services department operates under the direction of the Executive Officer of Facility Services. The department has two functions: school services and district services. The functional areas are divided into design and construction, real estate, standards, compliance, environment and energy, central services and operations (caretaking and maintenance).

The school board's current organizational chart indicates the structure of the Facility Services department and lines of reporting. The roles and responsibilities of facilities staff are clearly outlined in formal job descriptions. Senior staff in the Facility Services department have appropriate designations and qualifications.

Subsequent to the operational review of the department conducted in 2007, management has proposed a new organizational structure of the department to improve the effectiveness and efficiency of facilities services delivery. The proposed organizational structure aims to facilitate the achievement of the planned results and recommendations identified by the project teams established through the department operational review. The draft organization structure clarifies the roles and responsibilities of facilities managers in terms of day-to-day operations. There are several new positions included in the new structure in the areas of environmental management and sustainability, capital projects and programs and public relations.

There are formal job descriptions for all senior management positions under the new organization structure. The facility services staff have appropriate professional designations and experience.

Management noted that the proposed reorganization of the Facility Services department will be presented by the Director to the Board as part of the proposal for the reorganization of the school board administration.

The current organization chart is not posted on the school board's website. The school board's intranet provides the organization chart and contact details of key Facilities Services staff. The school board's communications department receives all external inquiries and directs them to appropriate Facilities Services staff.

The department has developed a draft service-level agreement with schools in consultation with the Toronto School Administrators' Association (TSAA) which clearly indicates the services provided by the Facility Services department, including indicative prices and estimated timelines of various types of work. It is planned to be released and implemented by September 2010.

Monitoring and Communication of Policies

The Facility Services department maintains a set of operating procedures covering pertinent aspects of facilities and operations management. The Manager of Standards, Compliance, Environment and Design (SCED) is responsible for monitoring changes to the various regulations that govern the school building and property matters. The Manager of SCED also monitors advisories from key professional bodies, other regulatory bodies, and Ministry memoranda.

Appropriate training is provided to custodial and maintenance staff to address policy issues and the need for compliance with the various regulatory requirements. Examples of such training include use of manuals, codes guidelines and WHIMIS.

Up-to-date manuals and codes are posted on the school board's intranet and the Facility Services department website. Maintaining an online repository of regulations, manuals and guidance documents helps management ensure that all staff have access to relevant and up-to-date information.

The Facility Services department carries out numerous inspections to ensure compliance with Board policies and regulatory requirements. Facility Services department family team leaders, head caretakers and principals work together to undertake ongoing inspections to ensure compliance with health and safety, maintenance, caretaking standards, water and air quality, asbestos and mould management and other areas. Facility Services staff also conduct inspections as

required by regulatory agencies such as Toronto Health, Toronto Fire, the Ministry of Labour, and the Ministry of Transportation.

Recommendations:

- Management should enhance the annual key commitments process, by establishing an annual operating plan with measurable departmental goals, specific timelines, and responsibilities. Once the Board multi-year strategic plan is finalized and management develops a board-wide annual operating plan, the Facilities Services department operating plan should be aligned with the school board's annual operating plan.

- The school board should finalize the reorganization of the Facility Services department. Once the new organization structure is approved by the Board, the roles and responsibilities should be documented in formal job descriptions.

5.2   Custodial and Maintenance Operations

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

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

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

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

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

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

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

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

Training to Support Skills Development and Safety

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

Standardization of Cleaning and Maintenance Supplies

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

Project Management, Monitoring and Support Systems

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

Model Supports Cleaning Standards and Maintenance Requirements

The operations division of the Facility Services department has developed and documented procedures and protocols for the delivery of maintenance and custodial services. These documents as well as manuals and codes are posted on the facilities services intranet. This approach allows management to ensure that staff have access to the most up-to-date information. The Facility Services department provides comprehensive information to maintenance and custodial staff, such as the Caretaking Handbook, the Pools Manual, Vital Systems Information, supply catalogues, applicable codes, manuals and floor plans.

Management has established *General Standards of Caretaking and Cleanliness*, which contain expectations for cleanliness based on the leading industry practices. The standards have been approved by the Board. The Facility Services department has also established *General Standards of Building Maintenance*, and *General Standards of Energy Conservation*. These standards have also been approved by the Board.

Until recently, management conducted annual assessments to ensure compliance with the established cleanliness standards. Following an in-depth operational review of the facility services department in 2007, one of the project teams recommended that the Facility Services department should undertake ongoing inspections across families of schools to improve the effectiveness and timeliness of assessments and the quality of customer service.

The new approach for conducting the inspections was implemented in October 2009 and the month-by-month assessment information will be analyzed to provide an annual board-wide assessment. As part of this new assessment process, the school board reported that an action plan (with timelines and commitments) will be developed for each inspected facility. This will help ensure that issues are addressed and rectified on an ongoing basis and in a timely manner. The Facilities Services department has developed checklists for the new process which are currently available in hard copy. The information from the checklists will be entered into a spreadsheet for annual analysis.

The Facility Services department conducts preventative and routine maintenance activities, legislative and compliance inspections and work required to ensure safe and comfortable learning environments. Custodial staff are assigned with responsibilities for scheduled minor preventative maintenance work such as filter changes, lubrication, and belt replacement. Management noted that the school board has a significant number of outstanding deferred maintenance projects. As a result, a large proportion of maintenance work is reactive rather than planned.

The school board is taking part in the Ministry of Education Green Clean Resource Guide Working group. The school board has established a formal green clean team since 2004 and has adopted many of the principles outlined in the Ministry's Green Clean Program Resource Guide. The school board's operational procedure (*Go Green: Climate Change Action Plan)* includes a green clean policy statement.[8] The Facility Services department has established a committee comprising representatives from Facilities Services and Business Services (purchasing), to review and assess green cleaning products for effectiveness. Management noted that all harsh chemicals have been gradually eliminated from use. The Facility Services department has standardized cleaning processes to ensure economical use of chemicals. Management has conducted green clean program pilots at certain schools, reviewed the effectiveness of available green clean products, worked closely with suppliers to select green clean products, and integrated green clean guidelines within purchasing procedures. Overall, the school board has substantially adopted the implementation guidelines recommended in the Ministry's Green Clean Program Resource Guide. Management is encouraged to review the Ministry's Green Clean Program Resource Guide as part of its ongoing efforts to promote green clean at the school board.

Management uses a custodial staffing model which is based on square footage. The formula was developed in consultation with the staff allocation committee and approved by the Board. It includes a provision for absence replacement and supplementary staff for specialized cleaning tasks such as carpet cleaning and furniture moves. The formula considers major factors that impact custodial workloads. The allocation is reviewed and adjusted annually using the information provided by the planning department, permit department and child care providers. Each superintendent is provided with a contingency allocation of 0.5 FTE to address local needs. The total allocation is approved annually by the Board through the staff allocation committee.

The school board's maintenance (trades) staff are allocated to either operations or construction. Family of schools team leaders are assigned with trades staff who primarily perform routine or common maintenance tasks. Regional maintenance supervisors are responsible for region-wide services. Allocation of maintenance staff is reviewed and adjusted each year to address work backlogs in specific areas. Each

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[8] http://www.tdsb.on.ca/ppf/uploads/files/live/92/1756.pdf

year, the four regional managers review the allocation of maintenance staff based on the analysis of trends from the work order information. Operations maintenance staff with insufficient workload can be moved to the construction division. Maintenance staff assigned to the construction division can be reassigned to the operations division to help meet peak demands.

Development of Annual and Multi-Year Maintenance Plan

Each year, management develops a major maintenance and renewal plan, using consultation and inputs from various stakeholders such as planning, operations, Barrier Free Committee, energy management unit and superintendents and school principals. Management allocates budgets for small maintenance projects and minor improvements and renovations. For major projects, the school board uses a variety of funding sources including renewal and Good Places to Learn (GPL) funding. Management adheres to the guidelines and criteria for each type of funding to define the type of work to be performed and its respective timeline. Each year, a portion of funding is also allocated to each family of schools superintendent and to individual schools, as part of the annual window covering replacement program, annual painting program, and a cosmetic maintenance program. In addition, each region in the school board receives an allocation of renewal funding to address major emergencies.

Management uses the ReCAPP database to identify priority projects. Superintendents work closely with family team leaders to identify maintenance priorities. Management noted that the school board's significant operating deficit has resulted in less funding being allocated to maintenance work. There is a significant backlog of maintenance projects and maintenance work is largely reactive. As a result of these pressures, the school board does not develop a multi-year maintenance plan.

Training to Support Skills Development and Safety

The Facility Services department has established a dedicated employee development unit which supports training and development needs of facilities staff. Training programs are offered in-house and by contracted providers and include a number of areas such as orientation for new employees, leadership skills development, and legislative compliance, Board policies and procedures, and skills upgrading. The Employee Development unit has established annual development plans based on training needs assessment. The annual training plan is approved by the facilities services operations leadership team or facilities services council.

The work of the Employee Development unit is supported by an operations advisory group that identifies training needs, coordinates staff attendance of training events and reviews effectiveness of training programs. In addition to formal training programs, the Facility Services department facilitates peer training among custodial staff. Head custodians are responsible for training staff in their schools on various issues and

procedures. Facilities management conducts bi-monthly meetings with head custodians to share information and provide updates on procedures. Team leaders provide monthly health and safety training and updates to trades staff during regular staff meetings.

Project-specific training is provided to staff at sites with new construction or where equipment is upgraded. Training for the use of upgraded equipment includes operation of the equipment, service routines and maintenance schedules. Maintenance and custodial staff are provided with an operations and maintenance manual at the end of each project. The Facilities Services department has a reimbursement program for staff who take courses at educational institutions. The Facility Services department supports staff in attending workshops and conferences to ensure they have current knowledge and understanding of industry trends and regulatory changes.

Management noted that the Employee Development unit and the recently established Professional Learning unit are currently working together to coordinate their plans and programs. The two units are currently jointly developing and providing training programs for health and safety.

Standardization of Cleaning and Maintenance Supplies

The Facility Services department purchases, allocates and tracks equipment. Each site has a custodial capital equipment inventory report which lists all equipment assigned to each location. Family team leaders approve any additions or deletions from the inventory. Each region maintains a master inventory list of equipment assigned to the region, which is organized by school. The school board's enterprise management system captures information on all large capital equipment, including vehicles. Smaller pieces of maintenance equipment are assigned to individual trades staff, and are kept in the school board's maintenance vehicles. Family team leaders and maintenance team leaders conduct an annual inventory of the equipment. The Facility Services department has additional specialized equipment available to all staff at several locations across the regions of the school board. There is a process in place for keeping track of the use of these pieces of equipment. Team leaders sign out the equipment to trades staff, and confirm that the equipment is returned in operating condition.

The Facility Services department works closely with the purchasing department to develop standard processes for procurement of custodial supplies. There is a joint purchasing/facility services committee that works cooperatively to address purchasing issues and streamline processes. The majority of the school board's cleaning supplies are procured through system contracts. Each year, schools are allocated with a custodial supply budget and all custodians are able to purchase supplies from approved vendors using the purchasing module in the school board's enterprise management system. The school board maintains regional warehousing of custodial supplies and there are stock rooms for custodial supplies at each site. The Facility Services

department has established standard cleaning processes and has provided relevant training to custodial staff.

There are several pre-approved vendors that trades staff may use for purchasing of supplies that are not commonly stocked. Trades staff may pick up supplies directly at the supplier or can have the orders delivered. Maintenance supplies that are commonly purchased by trades staff are standardized and stocked in regional warehouses.

The Facility Services department is committed to sustainability and participates in various programs such as EcoLogo green cleaning products, supplier recycling programs, reuse of packaging and low VOC (Volatile Organic Compound) products.

Project Management, Monitoring and Supporting Systems

The school board's enterprise management system contains a module for work orders which allows staff to automatically initiate, approve, track and record orders. Work orders are initiated at the site by the head custodian who submits a notification. Family of schools team leaders review the request and the priority to create work orders with assigned timelines and responsible trades staff.

Recommendation:

- Using a consultative process, senior administration should develop a multiyear plan for major maintenance and renewal projects. The plan should address the board's preventative and deferred maintenance priorities and optimize the use of available funding (Annual Renewal Grant and Good Places to Learn funding). The plan should be approved by the Board.

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 *Ontario Green Energy Act, 2009*, 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	Yes
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.	No
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.	Yes
The Board has established an overarching environmental policy that addresses both environmental education and responsible management practices	Yes

Energy Management Plan

In 2000, the Board has established an environmental policy which demonstrates its commitment to practicing sustainable development. The policy has recently been updated and includes an operational procedure titled the *Go Green: Climate Change Action Plan.* The updated energy management policy and operational procedure references the *2009 Ontario Green Energy Act* and contains measures to be implemented and the tools to monitor and manage the plan.

The *Go Green: Climate Change Action Plan* operational procedure addresses 10 key actions, organized by three categories: Planning for the Long Term, Quick-Starts, and Organizational Change. The operational procedure also includes detailed implementation stages, timelines, funding requirements, a discussion of the role and involvement of various stakeholders, and also targets and goals regarding its

implementation and evaluation. Management intends to report annually on the conservation savings identified in the operational procedure. As the targets identified in the operational procedure are very recently published, there are as yet no documented reporting on actual savings as per the operational procedure.

The school board has implemented many programs and initiatives in the area of energy conservation. Since 1994, the school board has implemented several phases of an energy management program to introduce energy efficiency measures and improve indoor learning environments for students. These measures included installation of energy efficient lighting upgrades, building automation systems (BAS), HVAC retrofits and water projects. Management reported that since 2001 the school board has achieved reductions in electricity consumption of 18.5 per cent and natural gas by 8.3 per cent by retrofitting lighting systems, and installing building automation systems in buildings and portable classrooms. The school board is currently completing the sixth phase of the energy management program to implement energy efficient lighting and building automation/mechanical projects in the remaining 90 buildings of the school board.

Wherever practical, centralized technology is installed to automate energy regulation and conservation. Building automation systems implemented as part of the energy management program control heating, ventilation and air-conditioning systems. Lighting and power are controlled at school level. In the newer schools and in portable classrooms, lights are controlled by occupancy and/or daylight sensors. The school board has implemented a power management program to turn off desktop computers. The program is monitored by specialized software.

In 2002, seven school boards, York University, and the Toronto and Region Conservation Authority collaborated to adapt and expand on the work of the Toronto District School Board to develop EcoSchools, an environmental education program. EcoSchools has been adopted by more than 30 school boards in Ontario. In 2009, 55 per cent of schools in the school board have been certified as bronze, silver, gold or platinum EcoSchools. The school board directly engages with the community in the implementation of the EcoSchool program by establishing Ecoteams at each EcoSchool. The school board also engages with environmental organizations and fosters community partnerships.

The school board uses various communication channels to share successful environmental projects between the schools and with the broader community. These channels include networking events for schools, presentations by students to staff committees, publications by EcoSchool teams and recognition of custodial staff for contribution to environmental initiatives.

The school board has obtained LEED certification from the Canadian Green Building Council. The school board is also undertaking a number of energy renewal projects which involve the installation of geothermal systems and solar systems.

The school board includes energy efficiency requirements in its design standards for new construction. The examples of energy efficient technologies for new construction include: energy efficient lighting, building automation systems, and energy efficient boilers.

The school board's purchasing policy and administrative procedures support the use of products and services that support environmental sustainability. All criteria being equal, the Board gives consideration to products and services that meet the following standards:

- Durable, reusable and contain maximum recycled content;

- Competitively priced;

- Eliminate waste;

- Purchased from local sources;

- Independently recognized for meeting high environmental standards; and

- Purchased from manufacturers and suppliers that have a registered environmental management system.

Management has established a joint Purchasing/Facility Services Committee that works cooperatively to address purchasing issues and streamline processes. The Facility Services department has dedicated purchasing specialists who have in-depth knowledge of facilities operations. The school board has developed the *Buy Green Guide* for purchasing a number of energy efficient products such as compact fluorescent light bulbs computer monitors, refrigerators, dishwashers and clothes washers. The guide is posted on the school board's website.

Management is currently revising the Board's environmental policy to establish a focus on climate change actions and set targets for greenhouse emissions. As part of the climate change action plan, management intends to develop a strategic energy plan which would help achieve emission reductions of 20 per cent by 2020.

At present, the Manager of Design, Standards, Compliance and Environment is responsible for leading environmental sustainability activities on the operations side of the school board. There is also a coordinator for environmental projects and initiatives

on the program side. Senior administration has submitted a business case to the Board to establish a dedicated office of the environment at the school board.

Information on the various energy conservation initiatives implemented by the school board is posted on the Facilities Services intranet and the school board's public website. The school board's staff intranet and public website provide various supporting materials and data to EcoSchool teams. The Facility Services department participates in the Ontario Association of School Board Officials (OASBO) Operations, Maintenance and Construction Committee (OMC) and OMC Energy Conservation sub-committee which is chaired by the Provincial Energy Conservation Officer. The school board shares the information about successful energy conservation initiatives during regular committee meetings.

Tracking and Reporting Energy Conservation

The Facility Services department includes the Utilities Administration Group which is responsible for the following key activities:

- Forecasting and monitoring utility budgets;

- Analyzing utility rate structures, adjusting and reconciling utility bills and performing load balancing analyses;

- Procuring energy, monitoring and administering utilities contracts; and

- Preparing and analyzing energy consumption and cost.

The Utilities Administration Group has also developed an Energy Consumption Database (Web Ed). The energy consumption database is used to track consumption, set consumption targets, and monitor deviations. The energy consumption database is accessible to stakeholders and allows them to review energy consumption. The database provides users with monthly historical and current consumption data for water, gas and electricity, and benchmarks for the current year adjusted for weather and variance. Energy conservation targets are established and posted on Web Ed annually for each site to support the efforts of EcoSchool teams to eliminate energy waste.

The school board has also established the Energy Management System that currently covers 31 sites and is being expanded to 650 sites. Using the system, the Utilities Administration Group receives near real-time data from meters at schools. This system produces duplicate billings to allow utilities administration staff to compare readings with billed consumption and identify discrepancies for discussion with utility providers.

The school board receives consolidated billing from all utilities. Currently, the utilities administration and accounting groups are negotiating with local distribution companies to implement billing by electronic file transfer.

The school board published an Environment Report in 2005 and an Energy Conservation Report in 2006. It intends to include annual reporting on conservation savings as one of the priorities in the new strategic plan.

Recommendation:

- Management should proceed with its intention to report annually on the conservation savings achieved against the targets and goals identified in the school board's *Go Green: Climate Change Action Plan.*

5.4 Health, Safety and Security

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

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

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

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

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

Health, Safety and Security Management

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

Leading Practices – Health, Safety and Security	Evidence of Adoption?
Develop, implement and monitor a health strategy/plan that reflects the board's health policies and procedures and ensures the board is in compliance with statutory health requirements.	No

Health, Safety and Security Management

The Employee Services department's Health and Safety unit is responsible for the school board's occupational health and safety policies and procedures. The Employee Services department is working closely with other departments to ensure compliance with health and safety policies and procedures. In particular, there is a strong link between the Health and Safety unit and the Facility Services department.

The Board has established a Health and Safety policy that outlines its commitment to provide direction and support to ensure compliance with legislative requirements. The policy outlines the roles and responsibilities of each stakeholder to ensure a safe workplace and forms the basis for all Health and Safety related activities. The policy is reviewed annually to ensure that it is up-to-date and consistent with changes in legislation.

The school board has established one central and four regional and Health and Safety Committee. There are terms of reference for the health and safety committees. The Employee Services department has developed a manual that outlines procedures for occupational health and safety committees, inspection forms/reports, and incident report forms. The department provides training for principals on health and safety procedures and reporting of incidents. In 2006, management conducted a workplace health, safety and wellness survey to identify health needs and risks among employees. The Employee Service department works with the unions and other relevant stakeholders in the development of occupational health and safety policies.

Management receives summary information from WSIB on incident trends and has recently provided a report to the Board with historical analysis of incidents and injuries and recommendations on actions to address issues.

Student behaviour management has been increasingly important in the area of occupational health and safety, in particular, in relation to the special education staff of the school board. The health and safety department has a dedicated behaviour management trainer who provides training to relevant staff.

The Board has recently established a health committee to address issues related to student health and safety, including healthy nutrition, anaphylaxis, pandemic planning and other issues that may be raised by the public.

The Health and Safety unit is responsible for the emergency evacuation plan. The school board has established a board-wide emergency evacuation plan and each school has an evacuation plan. The Manager of the Health and Safety unit takes part in the City of Toronto Emergency Committee. The response to emergency situations is coordinated between health and safety and facility services.

The Board has established a System Response Team responsible for review and response to events that affect the entire school board. The team has representatives from all functional areas within the school board, including School Services, Business Services, Employee Services, Facility Services, Communications and the Director's office. This composition allows the team to quickly respond to emerging issues and initiate appropriate responses. The mandate of the committee includes proactive crisis planning, response to emerging issues, coordination with outside agencies such as public health and emergency services and communication to internal and external stakeholders.

The Facility Services department has established an Emergency Call Centre as a first point of contact in emergency situations. The call centre is comprised of 24 staff and provides 24/7 service to school board staff, students and parents. Senior management of the school board receive updates throughout the day on any crisis or emergency issues across all sites.

The school board has developed *Principal 911,* a quick reference document for school administrators, outlining the procedures which should be followed in the first hour of an emergency. This reference document is updated annually and is used in training for new administrators.

Recommendation:

- The school board should consider establishing an integrated health plan/strategy that would reflect the existing policies and procedures regarding health and safety of school board employees and students. Management should also consider establishing a central coordinating role for the development, implementation and monitoring of the plan.

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 multiyear capital programs;

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

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

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

Development of Annual and Multi-Year Capital Plans

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

Over the past several years, the school board has undertaken a number of capital planning activities to address issues of declining enrolment, capacity and ageing

infrastructure. However, the school board has not submitted a multi-year capital plan to the Ministry, due to a number of challenges it has had in the area of capital planning.

In 2006-2007 based on the Ministry's request for a multi-year capital plan, the school board contracted external consultants to develop a multi-year plan. This plan included potential closures of schools and was not approved by the Board. Management then conducted a detailed analysis of enrolment and school capacity. The findings were presented to the Board to enhance understanding of the capital planning issues and facilitate the development of a multi-year capital plan for the school board.

In 2007, the General Asset Program Planning (GAPP) trustees working group was established. GAPP developed a report that identified policy directions to guide both the development of a board-wide capital plan and the Board's decisions on how to best invest in the right mix of programs, services and schools to meet the needs of students and communities. Subsequent to the GAPP process, the Board has approved 10 accommodation reviews and outlined the proposed secondary program delivery model. The draft *Better Schools, Brighter Future* secondary program plan that was developed as result of the GAPP process sets the direction for capital planning at the secondary level.

To assist the school board with the disposition of surplus property as part of support to the capital planning process, the school board has established a subsidiary corporation, Toronto Lands Corporation (TLC). The mandate of the corporation includes supporting the development and implementation of the annual and multiyear capital plan, providing real estate expertise to the school board, and acting as a delivery agent for all real estate transactions.

When the Ministry issued the requirements for the capital liquidity template in 2008, the school board suspended the development of a multi-year capital plan due to the need to eliminate the school board's significant capital deficit. Management has established a plan for elimination of the deficit, which includes disposition of surplus property, and has demonstrated progress in implementing the plan. The accommodation reviews, which are expected to result in the identification and approval of properties for disposition, are to be finalized in June 2010. The school board's accommodation review policy was recently updated to ensure consistency with the Ministry guidelines.

Several departments of the school board administration are responsible for the development of the capital plan including planning, finance and facilities. The school board administration is also working closely with the TLC in the development of the capital plan. The school board has completed a capital liquidity template.

The school board considers a range of factors as part of capital planning including enrolment forecasts provided by the planning department, the accommodation review

process, and the estimated costs of capitalization of surplus property. Management also uses facility data in the ReCAPP database.

Management tracks expenditures in each source of capital funding throughout the year and projections are adjusted on a quarterly basis through the Capital Cash Flow Projection Report. The report highlights the progress towards completing the goals of each funding source and thus identifies any delays in implementing the program. At the end of the fiscal year, this report is updated to capture all expenditures. Following year end review, future projections are adjusted accordingly. The status of all the funding sources is submitted to the Board. Each year enrolment projections are updated and a new annual capital plan is developed. This annual capital plan is submitted for Board approval.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

The Planning Department is responsible for regular updates of School Facilities Information System (SFIS). Each year, school principals complete a room use survey that is collected and compiled centrally. The Planning Department staff input this information into the school board's facility services information system. Structural changes such as demolitions and renovations are entered into the SFIS. The operational review team noted that SFIS data is not consistently accurate and up-to-date.

Using the SFIS data, Planning Department staff generates annual facility capacities report and record it in the planning information system. The planning information system also stores enrolment data from the Trillium student information system. Capacity and enrolment data from the planning information system is used to generate utilization rates.

The school board has current data in ReCAPP as result of the comprehensive review of all facilities which was conducted in 2006-2009 by external consultants. Management used data in the ReCAPP database to identify projects for funding from the Good Places to Learn grant.

Recommendations:

- Management should continue to implement its plan to eliminate the capital deficit, including accommodation reviews and disposition of surplus property. The school board should establish a multi-year capital plan which would incorporate all aspects of the existing school board's strategic accommodation planning including Better Schools, Brighter Futures and the Built Environment Strategy.

- Management should review processes for maintaining SFIS and identify areas for improvement to ensure that the data is accurate and up to date.

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

Cost Effective Practices in the Design and Construction of Facilities

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

Monitoring and Reporting on Progress of Construction Projects

Leading Practices – 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

The school board proactively engages with the community and encourages the use of school facilities. The school board's permits department is responsible for all aspects of community use. The school board has a pools agreement with the City of Toronto for 33 pools. There are 36 community centres in the school board's facilities under lease agreements with the city. The school board has an umbrella agreement with the City of Toronto for child care centres, which currently operate in school board's facilities. There are nine private child cares with direct lease agreements with the school board and five Best Start child care programs. As part of the Director's preliminary strategic direction, Vision of Hope, management has established an action plan for the delivery of full-service schools which would provide a coordinated delivery of health, education, prevention and social services to improve the quality of life for students, families and communities. The school board has implemented numerous full-service schools programs and partnerships which will become the foundation for further development of the model.

The Design and Construction unit which is part of the Facility Services department is responsible for design and construction activities of the school board. The school board builds schools in existing urban areas on sites that vary widely in size and configuration. As a result, the school board does not design new and replacement schools using standard footprints. Footprints are developed with consideration of issues that are specific to each site including the safety of students and community members, vehicular and service access routes and design features to optimize energy performance.

The preliminary schematic design of a project is established through community consultation. A Local School Community Design Team established for each construction project includes a local trustee, superintendent of the family of schools, principal and other administrators, teaching staff, community representatives, parents and other interested parties. Management ensures that community consultation is focused on aspects of design that can be customized. There are several meetings of the local school community design team to approve a sketch plan for the project. The Board approves the sketch plan and a project budget that is prepared using cost estimates provided by quantity surveyors. The Board selects architects in accordance with Board policy.

Staff responsible for the development of design consider a range of factors during the design process, to ensure that new designs are cost effective, and long-term maintenance costs are minimized. This includes giving consideration to materials to maintain low maintenance costs, high efficiency equipment and controls, and value engineering principles.

School board staff work closely with design consultants to ensure consistency with the Ministry of the Education space standards and economical and maintainable equipment standards. Management regularly and thoroughly reviews consultant documents throughout the design process.

The review team noted that the school board does not use the Ministry of Education cost standards. Funding for capital projects provided by the Ministry of Education is based on these benchmarks, and the school board is required to obtain approval for each capital project. Therefore, in planning capital projects, management should consider cost standards established by the Ministry, and identify additional sources of funding if estimated project costs exceed Ministry benchmarks.

Management ensures that energy efficiency standards are included in design specifications. In the development of designs, management gives consideration to energy-efficient technologies such as lighting, heating and building automation systems. In constructing school facilities, the school board is guided by the principles outlined in the *Ontario Green Energy Act, 2009*. The Facilities Services department designs new schools and major retrofits to target the Gold Level of the Leadership in Energy and Environmental Design (LEED) Green Building Rating System. Since 2005, TDSB has achieved LEED certifications for two new schools, and has targeted certification for one school which is under construction.

As part of school board's construction practices, management has established a process to engage specialized contractors for construction projects. Management uses an approved list of contractors who specialize in various disciplines for the tendering process. Management obtains prices directly from contractors who propose to perform the work. This allows the school board to eliminate the subcontracting arrangements. The school board also assigns its maintenance staff to construction and major renovation projects. Maintenance staff receive training on specific types on construction operations such as equipment installation, window replacement and washroom upgrades. The school board's maintenance staff are assigned to projects based on a number of criteria such as size of the project and emergency and urgent repairs.

The school board establishes and maintains benchmarks for specific types of work such as mechanical, electrical and civil. These benchmarks allow the school board to budget the cost of future work, evaluate the effectiveness of contracting versus using the school board's maintenance staff and evaluate different methodologies to complete work.

Management noted that benchmarking of the school board's construction costs with other Ontario school boards does not provide a useful comparison, due to several factors such as collective agreements, urban geography of the school board, and the age of existing buildings. However, management prepares capital project cost comparisons with other Ontario school boards for the Board. Management is currently planning to conduct a survey to collect cost data from other school boards and has established a draft survey template.

Monitoring and Reporting of Progress on Construction Projects

Management has established a project management methodology which allows the school board to monitor and control construction projects and their costs. The Design and Construction unit has developed a project management methodology manual. This contains the description of processes forms and templates for various aspects of construction and major renovation projects including project cost control, scheduling and change order processes.

Once the decision is made to proceed with a project, the school board's project supervisor conducts a pre-construction meeting with all stakeholders. This meeting provides an opportunity for all stakeholders to confirm the scope of the work, confirm the scheduling of the work and review the working conditions and constraints at a particular site.

During the project, management uses the school board's enterprise management system to generate monitoring reports for construction projects. Management receives and reviews a weekly report which provides a status update of all construction projects. The weekly reports are used for review and discussion with project supervisors.

A project consultant conducts periodic reviews of the site and prepares a consultant site review report which comments on compliance with contract drawings and specifications. Following the completion of a project, a meeting is conducted with the stakeholders to turn over the project to the school and the school board's operations staff. As part of the process, all stakeholders review the site. School and school board maintenance staff receive manuals and appropriate training.

Each year, management conducts a communication audit with the purpose of evaluating the effectiveness of communication between construction supervisors and project stakeholders. Management also conducts periodic internal process audits to determine compliance with construction processes outlined in the school board's project management methodology.

Maintaining Current Approved Professional Service Providers

The school board has established a formal operational procedure for the selection of architects and engineering consultants. The procedure outlines the process for the appointment of architects for major and minor construction projects. For major projects (over $1 million) the school board issues a project-specific call for expression of interest. For minor projects, management issues a call for expression of interest at a maximum every two years in order to develop and maintain a sufficient list of qualified consultants.

For large capital projects, the pre-qualification process involves the project consultant who works with the construction unit and the purchasing and distribution services of the school board to advertise, review and identify pre-qualified contractors.

Appendices

Appendix A: Overview of the Operational Review

Operational Review Objectives

In order to perform an effective and consistent operational review the Ministry has worked with independent consultants to develop a Sector Guide that defines consistent standards and leading practices against which the operational reviews and analysis will be based.
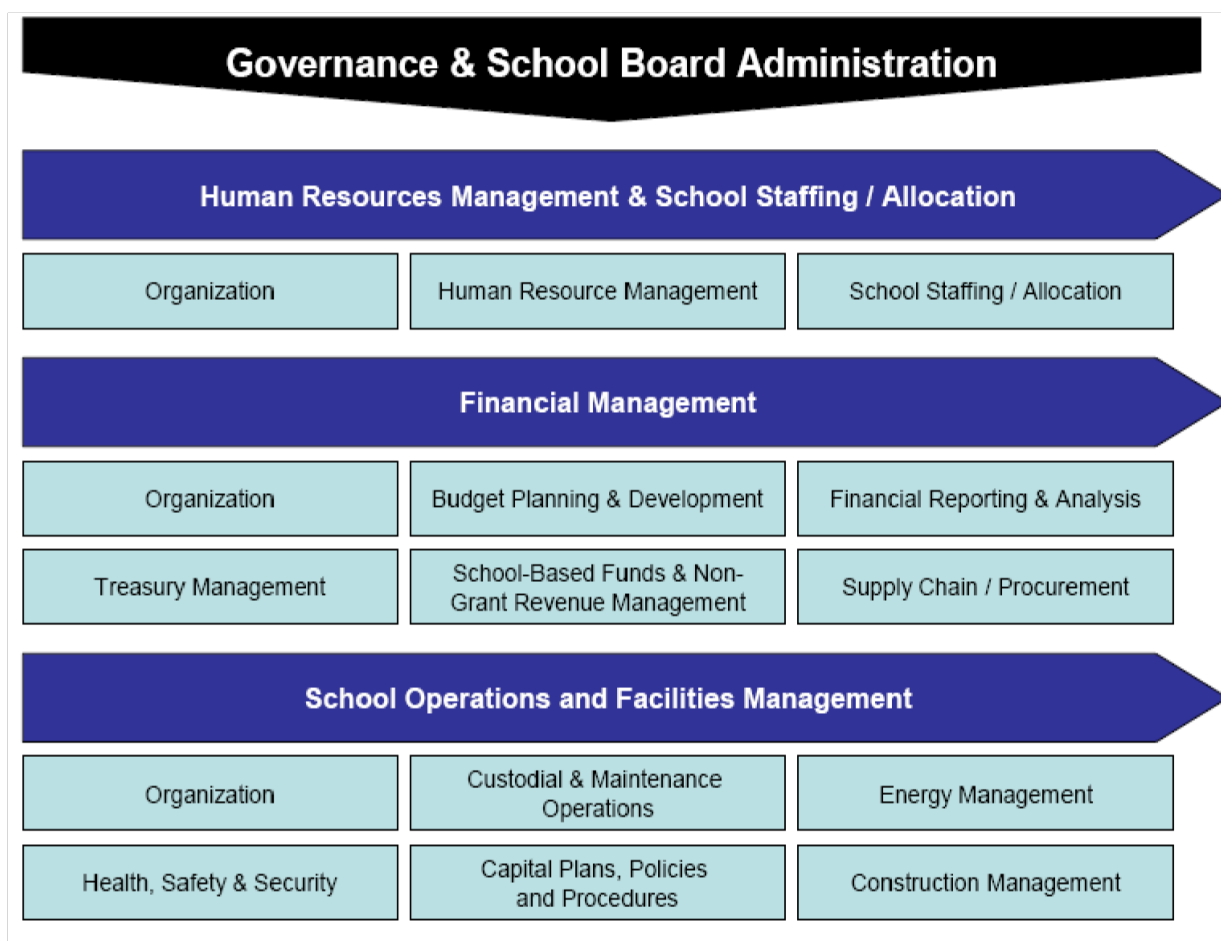
Recognizing the unique characteristics of each DSB, the specific purpose of the Operational Reviews is to:

- Strengthen management capacity in boards, with recommendations that support improvement in non-academic operations;

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

- Leverage "best practices" across the education sector;

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

- Provide the Ministry with important input on board capacity and capabilities for the ongoing development of policy and funding mechanisms.

Operational Review Summary Scope

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

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

Governance & School Board Administration

Human Resources Management & School Staffing / Allocation

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

Financial Management

| Organization | Budget Planning & Development | Financial Reporting & Analysis |
| Treasury Management | School-Based Funds & Non-Grant Revenue Management | Supply Chain / Procurement |

School Operations and Facilities Management

| Organization | Custodial & Maintenance Operations | Energy Management |
| Health, Safety & Security | Capital Plans, Policies and Procedures | Construction Management |

Operational Review Summary Approach

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

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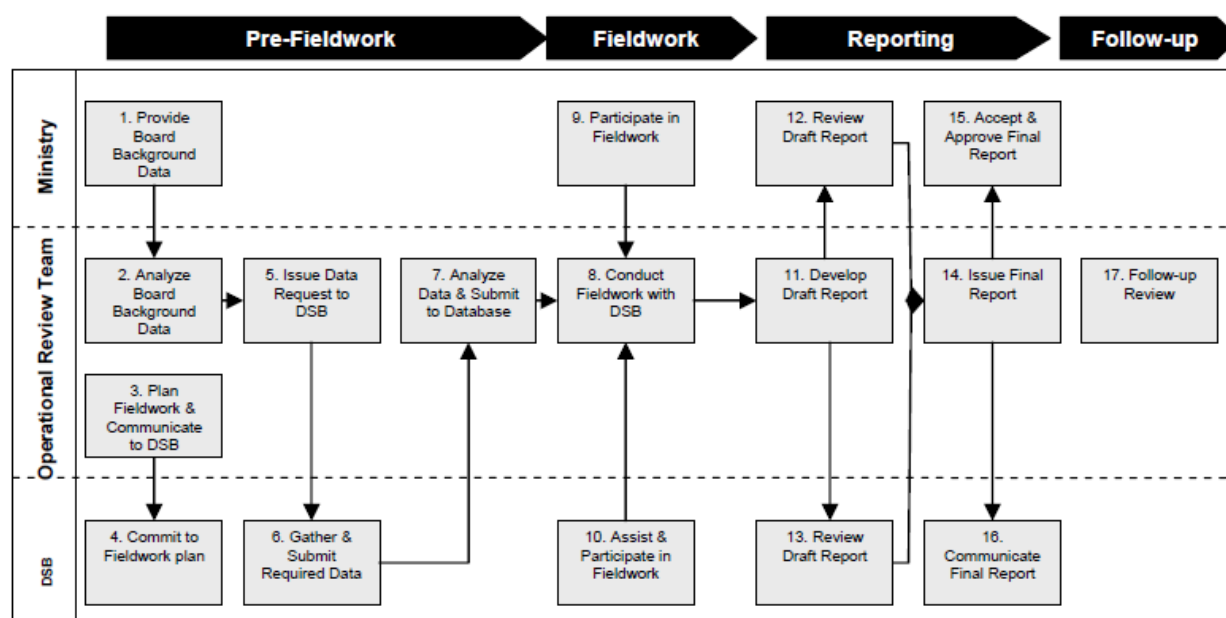
The Table below defines the key phases and activities which comprise the Operational review Methodology.

Phase: Pre-Fieldwork

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

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

Phase: Fieldwork

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

Phase: Reporting

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

Phase: Follow-Up

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

The Operational Review Team

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

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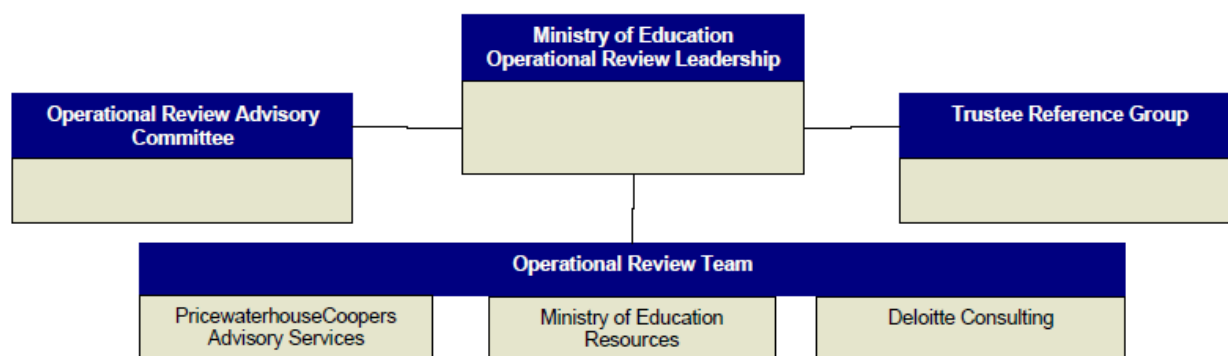
Limitations of this Review

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

Appendix B: Summary of Recommendations

Governance and School Board Administration

No.	Recommendation
1.	The Board, supported by school board administration, should review the Board's governance principles to establish a formal, documented governance model that clearly delineates the roles and responsibilities among the Board, the Director and senior administration. In line with provisions of Bill 177 which was passed in December 2009, Board members should carry out their responsibilities in a manner that assists the school board in fulfilling its duties under the Act and entrust the implementation of Board policy and the day-to- day management of the school board to the Director of Education.
2.	Following the upcoming municipal election in 2010 and in line with provisions of Bill 177, the Board should finalize the establishment of a multi-year strategic plan. In the development of the multi-year strategic plan the Board should build on the preliminary strategic direction, *Vision of Hope*, set by the Director of Education in 2009.
3.	Once the Board establishes a multi-year strategic plan, the Director of Education and senior administration should develop an annual operating plan of their goals/priorities, incorporating both academic and non-academic departments. The plan should be aligned with the Board's multi-year strategic plan and have goals that are specific, measurable, achievable, and relevant. The departments of the school board should develop annual operating plans aligned with the overall annual operating plan of the school board.
4.	The provisions of Bill 177 require that every board should develop and maintain policies and organizational structures that promote student achievement and well-being and ensure effective stewardship of the board's resources. The school board should finalize the reorganization process and establish an organization structure that would support the strategic direction of the Board .The organization structure should be documented in the organization chart and published on the school board's website.
5.	As part of the reorganization process, the school board should review the reporting relationship between the Director and the Executive Officer of Business Services and consider establishing a more direct line of reporting between these two roles.
6.	The school board should clearly delineate a single role to be responsible for the capital plan, including both capital needs assessment and financing aspects. This role should be responsible for coordinating and finalizing the school board's capital plan, which is currently suspended in development. Considering the school board's significant capital financing needs, the Board should consider identifying the Executive Officer of Business Services to have primary responsibility for the finalization of the capital plan.
7.	The school board should continue to expand its formal Succession and Talent Development Plan to cover all staff groups including executive-level management positions.

Human Resources Management and School Staffing/Allocation

No.	Recommendation
8.	Once the Board's multi-year strategic plan is finalized and management develops a board-wide annual operating plan, the Employee Services department should expand its goal-setting process by establishing measurable targets, specific timelines, and responsibilities to create a

No.	Recommendation
	department operating plan. This plan should be aligned with the school board's annual operating plan.
9.	The school board should finalize the establishment of a formal performance review process for all staff groups. Management should continue to track performance appraisals and ensure that performance appraisals are conducted within the established review cycles.
10.	Management should establish a formal attendance management program.
11.	Management should develop a mechanism to assess and report on the effectiveness of the attendance management process/programs to senior administration and the Board.
12.	Management should conduct independent compliance audits of its benefits carrier to ensure adherence to the plans' terms and conditions.
13.	Management should finalize the pay equity plans for all employee groups of the school board.
14.	Management should continue conducting periodic and confidential staff surveys, to improve communication with staff and provide input for professional development plans and HR policies.
15.	Management should also consider conducting exit interviews with all staff groups to obtain feedback on HR policies, as well as process and program improvements.

Financial Management

No.	Recommendation
16.	After the Board's multi-year strategic plan is finalized and executive management establishes an approved board-wide annual operating plan, the Business Services departmental operating plan should be aligned with the school board's annual operating plan.
17.	Management should review the recommendations of the Interim Financial Reporting Committee (IFRC) and consider enhancing the school board's current interim financial reporting format to more consistently match the IFRC guidelines. Management should also communicate the IFRC recommendations to the board of trustees and request trustees' feedback on the recommended format of interim financial reports.
18.	Management should proceed with its intention to establish an internal audit function giving due consideration to the new Ministry direction on internal audit.
19.	Management should ensure the internal and external audit plans are clearly documented and acted upon by senior management.
20.	Management and the board of trustees should consider including external advisors on the Board's audit committee in accordance with the Ministry's emerging direction on internal audit.
21.	The school board should continue identifying opportunities for implementation of electronic supplier interface for ordering, purchasing and payment.

School Operations and Facilities Management

No.	Recommendation
22.	Management should enhance the annual key commitments process, by establishing an annual operating plan with measurable departmental goals, specific timelines, and responsibilities. Once the Board multi-year strategic plan is finalized and management develops a board-wide annual operating plan, the Facilities Services department operating plan should be aligned with the school board's annual operating plan.
23.	The school board should finalize the reorganization of the Facility Services department. Once the new organization structure is approved by the Board, the roles and responsibilities should be documented in formal job descriptions.
24.	Using a consultative process, senior administration should develop a multi-year plan for major maintenance and renewal projects. The plan should address the board's preventative and deferred maintenance priorities and optimize the use of available funding (Annual Renewal Grant and Good Places to Learn funding). The plan should be approved by the Board.
25.	Management should proceed with its intention to report annually on the conservation savings achieved against the targets and goals identified in the school board's Go Green: Climate Change Action Plan.
26.	The school board should consider establishing an integrated health plan or strategy that would reflect the existing policies and procedures regarding health and safety of school board employees and students. Management should also consider establishing a central coordinating role for the development, implementation and monitoring of the plan.
27.	Management should continue to implement its plan to eliminate the capital deficit, including accommodation reviews and disposition of surplus property. The school board should establish a multi-year capital plan which would incorporate all aspects of the existing school board's strategic accommodation planning including *Better Schools, Brighter Futures* and *the Built Environment Strategy.*
28.	Management should review processes for maintaining SFIS and identify areas for improvement to ensure that the data is accurate and up to date.