

Ministry of Education

**Operational Review Report
Upper Canada District School Board**

September 2010

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Executive Summary

This report details the findings and recommendations of the Operational Review of Upper Canada District School Board (the school board or UCDSB) conducted by the Operational Review Team composed of external consultants from PricewaterhouseCoopers LLP and Ministry of Education staff. The Operational Review was conducted over three days beginning April 27, 2010.

Introduction

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

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

The school board's student achievement results at the secondary and elementary levels demonstrate improvement in some areas since 2002-03. From an operations perspective, the review team found that the school board has adopted a number of the leading practices. Noted strengths include an effective working relationship between the Board and school board administration, the strategic planning process, and a focus on timely maintenance of school board facilities.

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

Governance and School Board Administration

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

- Establishing a formal document that outlines the role and responsibilities of the trustee. This document includes a description of the objectives for a trustee and trustees' specific roles as policy makers.
- The strategic plan is a dynamic document and is reviewed and updated each year. It represents both the long-term strategic plan and the annual operating plan for the school board.
- The school board proactively engages system stakeholders using various mechanisms.

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

The Board has identified some policies that are required to be reviewed annually. These policies are tracked by the Management Council. The Board does not have a documented policy to guide the process, or a timeline for setting and reviewing policies. A full review of all policies was conducted four years ago.

The school board has a current organizational chart for the senior administration team. A directory of key senior staff is available on the school board's website. However, the organization chart is not posted on the website.

The school board takes a mentorship approach to talent development. The Director facilitates a culture of mentoring among school board staff, and encourages self-guided continuous improvement. Each superintendent is required to provide the Director with formal updates each year on staff within their departments who demonstrate potential for leadership positions at the school board.

The HR department has established formal succession programs for staff interested in advancement to principal positions. There is no formal succession and talent development plan for key management positions for other academic and nonacademic areas.

Recommendations:

- Management should post the school board's organizational chart on the website.
- The school board should establish a formal policy review schedule to ensure that all policies are reviewed periodically.
- The school board should continue to align its leadership development programs and activities with the Ministry leadership initiatives. It should develop a formal

succession and talent development plan for key management positions in all academic and non-academic areas.

Human Resources Management and School Staffing/Allocation

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

- Key strategic projects of the HR department are set out in the school board's Strategic Charter. In addition to the strategic projects of the HR department set out in the Strategic Charter, the department has developed a three-year (2007-2010) HR Success Plan, with overarching goals, specific objectives, strategies, tactics and measures of success.
- The HR department has implemented many centralized processes which enable HR staff to monitor compliance of existing policies and procedures.
- The school board has established a Strategic Recruitment Framework, which includes a review of recruitment needs, various recruitment strategies, policies, procedures and standard protocols for hiring.
- The school board's open communication with the unions is the result of both formal and informal practices. To address collective bargaining issues, the school board has established labour relations committees for all bargaining units.
- The school board uses specialized software to track absences. Absence data is monitored centrally by the HR department and at the department and school levels.
- Management maintains appropriate control mechanisms to ensure the segregation and integrity of personnel and payroll data.
- The HR department conducts voluntary exit interview surveys.
- Each year, the school board follows standard practices for staff planning and allocation. Management issues several memoranda to school principals, which highlight various aspects of the staff allocation process. The Planning and Research department has developed a standard schedule for the staff allocation process for all teachers, which is discussed with the senior staff involved in the staff allocation process each year. Management provides clear guidelines and timelines to school principals for the staffing allocation process for elementary and secondary teachers.

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

Management is continuously reviewing the organizational structure of the HR department to identify improvement opportunities in the efficiency and effectiveness of the department's operations. The HR department has a current organizational chart. There are formal job descriptions for all staff in the HR department, but the organizational chart of the department is not posted on the website.

The school board has established a policy and procedures on the Appointment of Administrative and Supervisory Personnel. The school board has not established similar policies and procedures for other staff groups. The HR department follows standard processes, and has developed checklists and standard templates to support the hiring process.

The school board has established a high-level policy statement on performance appraisal of employees. Management is currently working to establish processes and formal procedures for performance appraisal of all employee groups, along with an electronic system to support the performance appraisal process.

Management applies a progressive discipline model to address disciplinary issues among staff. However, there is no formal procedure or guidance on the disciplinary process. For unionized employees, management follows the provisions of collective agreements.

The school board has implemented several programs to support employees in returning to work, including the *Return to Work* and *Accommodated Work* plans. The school board's wellness program also aims to reduce absenteeism costs. The school board has started developing a formal attendance support program. It does not include specific thresholds for the initiation of formal attendance support, and each supervisor can decide when attendance support may be required. It is planned that the program will be initiated in September 2010.

The school board has recently hired an external benefit consultant to conduct compliance audits of the benefit plan. The audit has been completed for several staff groups, including the Ontario Secondary School Teachers' Federation (OSSTF), Professional Student Services Personnel (PSSP) and non-union positions, and is underway for other staff groups.

In the past, management has conducted surveys to obtain employees' feedback on various aspects of HR management. The school board worked with Carleton University to conduct a school board-wide wellness survey. However, the school board has not recently conducted a confidential staff satisfaction survey.

Recommendations:

- Management should post the departmental organization chart or a detailed organization chart for the school board administration on the school board's website.
- Management should establish hiring policies and procedures for all staff groups and communicate the procedures to managers throughout the school board.
- Management should continue establishing processes and formal procedures for performance appraisal of all employee groups.
- The school board should document and communicate formal disciplinary procedures for all staff.
- Management should continue establishing a comprehensive attendance support program.
- Management should develop a way to assess and report on the effectiveness of the attendance support process/programs to senior administration and the Board.
- Management should continue conducting periodic independent compliance audits of the school board's insurance carrier to ensure adherence to the benefit plan's terms and conditions.
- Management should continue updating 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 policy.

Financial Management

The Finance department has implemented many of the leading practices:

- The Finance department provides formal and informal training to staff on various finance-related procedures and processes. In addition, the Finance department maintains internal departmental procedures to document in detail many of the finance activities.
- The annual budget development process is transparent and clearly communicated, and incorporates input from all key stakeholders.

- Management has adopted an integrated (at school board and school level) approach to enrolment forecasting that drives the budget process.
- The school board has established a cash management policy that includes procedures for investing, financing, account payable disbursements and accounts receivable and collections.
- The Comptroller of Finance analyzes investment options monthly to determine opportunities that provide the best return from surplus funds.
- The school board has established policies and procedures for school fundraising and for school loans and school budget surplus/deficits. In addition, the Finance department has established a school-generated funds procedure that includes checklists and templates for principals.
- The school board participates in the St. Lawrence Seaway Purchasing Cooperative with other school boards and colleges in the region.
- The school board has a purchasing card procedure manual. The school board actively uses PCards throughout the system.

In addition, it is noteworthy to mention that the Payroll department has developed and tested a business continuity plan to ensure that employees continue to receive pay if the school board's operations are disrupted.

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

Key strategic projects of the Finance department are set out in the school board's *Strategic Charter* (CREW). Each project has an overall SMART objective, assigned project sponsors and team members, resources requirements, milestones, evidence of success and timelines. In addition, each staff member within the Finance department establishes several key individual objectives for the year. These objectives are formulated as SMART objectives and demonstrate alignment with the CREW plan.

The key annual priorities of the Finance department have not been summarized in a formal annual departmental operating plan with specific and measurable goals, timelines, responsibilities, and indicators of success.

The Finance department has a current organizational chart that outlines the lines of reporting and all key positions within the department. The school board's website provides contact information for the senior administration team including the Superintendent of Business, but does not include the organizational structure of the department.

The budget documentation identifies some specific pressures and actions proposed by management. During the budget presentation to trustees, management highlights pressures and discusses proposed actions incorporated in the budget. Management does not develop a formal budget risk management plan/report.

The Finance department prepares a monthly financial report for senior management and trustees. The report provides the actual expenditures relative to the budget or revised estimates. The report also includes the remaining budget as a percentage of the total budget. The Finance department analyzes monthly reports and investigates significant variances. As part of the monthly report, senior management provides updates on the status of repayment in accordance with deficit recovery plan. The Finance department has identified the need to review the financial forecasting and reporting process, to improve financial planning by senior management. The school board has engaged external consultants to conduct this review. As part of this assessment, the school board will consider the format of interim financial reporting recommended by the Interim Financial Report Committee (IFRC).

The school board developed the Internal Audit Charter in 2004. The school board has established the position of the Manager of School Support and Internal Audit within the Finance department. The Manager of School Support and Internal Audit reports organizationally to the Comptroller of Finance and for the internal audit role to the Director of Education. The school board has focused its internal audit efforts on school-based financial activities. Management noted that the school board awaits the implementation of the Ministry initiative on regional internal audit services to expand internal audits to other areas of school board operations.

The Board does not have a separate audit committee. The auditors present their audit plan, the Audit Findings report and Audited Financial Statements to the Board's Committee of the Whole.

The school board has established a procedure which identifies the signing authorities for different types of contracts. The levels of authority for purchasing are controlled through the financial system, but are not documented in the purchasing procedures.

The school board does not use the commitment accounting functionality in the financial system. Budget holders are responsible for monitoring their budgets and calculating the amount of remaining budget, based on the weekly financial reports which provide a list of open committed orders. Currently, the school board does not use the capacity of the financial system to identify and flag a purchase requisition that will go beyond the budgeted amount for a specific account.

Cheques for payments to vendors are generated by the Accounts Payable department using the integrated accounts payable module in the financial system. The school board

uses electronic funds transfer for paying transportation and photocopiers vendors, and for the transfer of funds between schools and the school board's central office.

Recommendations:

- The Finance department should establish an annual operating plan that would contain specific and measurable targets and indicators and assign responsibilities and timelines for key tasks. This would enable management to track and report on the progress of its defined priorities and goals throughout the year.
- Management should post the departmental organization chart or the detailed organization chart of the school board administration on the school board's website.
- Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and updated periodically, would give reviewers a better understanding of the school board's budget risks.
- Management should review the recommendations of the Interim Financial Reporting Committee (IFRC) and establish interim financial reporting that incorporates IFRC guidelines on frequency and format of reports. Management should also communicate the IFRC recommendations to the board of trustees and request trustees' feedback on the recommended format of interim financial reports.
- The school board should establish approval procedures for interim financial statements, and implement a formal sign-off process of these statements by senior management.
- Management should enhance the internal audit function based on the school board's Internal Audit Charter and giving due consideration to the new Ministry's direction on internal audit.
- Management should ensure the internal audit plans are clearly documented, and that recommendations provided in internal audit reports are acted upon by senior management.
- In accordance with the Ministry's internal audit and audit committee strategy, the Board should consider establishing an audit committee that includes external advisors.

- To ensure alignment with the Supply Chain Guideline, management should clearly indicate the purchasing levels of authority in the school board's purchasing policy and procedures. These levels of authority should be commensurate to job roles and responsibilities.
- Management should identify opportunities for implementation of the electronic supplier interface for ordering, processing, and payment.
- Management should implement commitment accounting and use the capacity of the financial management system to monitor budget utilization and prevent spending beyond budgeted/authorized levels.
- Management should continue to expand the use of electronic funds transfer (EFT) for vendor payments.

School Operations and Facilities Management

The Facilities department has implemented many leading practices:

- The Facilities department maintains a custodial manual that includes formal cleaning standards and procedures for routine cleaning activities. The managers of school facility operations conduct periodic site visits and prepare formal cleaning inspection reports.
- The current allocation model for custodial staff is based on a variety of factors.
- The Facilities department establishes an annual and multi-year maintenance plan using RECAPP database.
- The Facilities department has standardized cleaning chemicals that are used across all schools. All purchases are made centrally through the Purchasing department.
- The school board has an environmental policy which is currently being updated.
- The school board has an Occupational Health and Safety policy and a number of documented guidelines related to various health and safety issues, and Health and Safety is the responsibility of the Manager, Health, Safety and Risk.
- The Facilities department updates the school facilities information system (SFIS) annually and makes additional updates throughout the year when substantial changes are made.

- The school board is currently completing the construction of a new school designed to be used as a standard footprint to design future schools. The design was developed with consideration of design principles and cost savings that could be modified for future construction projects, depending on the number of pupil places and site restrictions.
- The school board incorporates energy efficient design features in new construction projects where feasible. The current school construction was designed to meet the standards for LEED certification.
- The school board has implemented a management process to monitor and control construction projects and their costs.

The review team has noted that the school board would benefit from expanding its activities in several areas.

The strategic plan of the school board, CREW, includes some specific projects for the Facilities department. The Facilities department does not establish an annual operating plan that is aligned with the school board's operating plan and contains specific and measurable goals, timelines, responsibilities and indicators of success.

Since the amalgamation in 1998, the Facilities department has implemented several organizational changes. The department has a current organizational chart and formal job descriptions for all staff. However, the organizational chart is not available publicly on the website.

Over the past several years, the department has focused on documenting processes and establishing internal guidelines, particularly for regulated activities, such as health and safety and water testing. One of the department's current priorities is to post all procedures, guidelines and documented processes on the website and provide training to all facilities staff.

Each school is responsible for tracking the custodial equipment used at the school. Similarly, maintenance staff are responsible for tracking their equipment. The Facilities department does not maintain a central inventory of major custodial and maintenance equipment.

The Facilities department currently uses a spreadsheet to manage work orders. Custodians and maintenance staff submit paper work orders to the project manager for maintenance. Management is currently working to develop specifications for a centralized electronic work order system.

The Facilities department has been working with the school board's custodial supplies vendor to introduce green products and equipment. Currently, approximately 95 per

cent of cleaning products used by custodians are green certified. The school board has not implemented a formal green clean program.

The school board has implemented a number of energy conservation initiatives. The school board has engaged external consultants to conduct energy reviews at some schools to identify areas of opportunity to increase energy conservation. However, the school board has not systematically defined an energy management strategy in a formal document with specific energy-saving goals. The school board receives separate bills for each facility from the utility providers.

The school board has an Occupational Health and Safety policy and a number of documented guidelines related to various occupational health and safety issues. There is a Joint Health and Safety Committee at the school board. In the development of various occupational health and safety procedures, management considers the health and safety of students. The school board has established three committees which provide guidance on student health and safety. There is no integrated health plan or strategy at the school board to reflect policies, procedures, and statutory requirements related to health of students and employees.

The school board maintains a list of capital, renewal and major maintenance projects currently in progress, and their source of funding. However, the school board has not established a multi-year capital plan. Management recognized that strategic multiyear planning for capital projects would be beneficial for the school board. The Facilities department tries to allocate renewal funding strategically to minimize projects in schools that may be closed in the future.

The trustees are engaged in planning and approval of large capital projects. The school board has a Steering Committee for capital projects that includes the trustees, superintendents, and facilities staff. This committee identifies the order of priority for capital projects and periodically reviews their status.

The Facilities department enters all completed events and projects into RECAPP. However, management noted that school facility information is not validated regularly in the database due to resource constraints.

Recommendations:

- The Facilities department should establish an annual operating plan that would contain specific and measurable targets and indicators and assign responsibilities and timelines for key tasks. This would enable management to track and report on the progress of its defined priorities and goals throughout the year.

- Management should finalize the reorganization of the Facilities department. Management should post the departmental organization chart or a detailed organization chart for the school board administration on the school board's website.
- The Facilities department should continue building staff capacity in understanding of school operations and facilities policies and administrative procedures by posting policies, procedures and guidelines on the website and providing regular training to staff.
- The school board should review the Ministry's Green Clean Program Resource Guide and use the guide to develop a formal green clean program as part of its overarching Education Environmental Policy.
- Management should establish and maintain a central inventory system to track and control major cleaning and maintenance equipment.
- Management should continue considering options for implementing a computerized work order system.
- The school board should establish a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. Energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities with milestones, roles, responsibilities and budgets with a process for ensuring community support.
- The school board should continue to enhance communication to stakeholders on successful energy conservation initiatives.
- Once the formal energy management plan is established, the school board should ensure that its procurement policies and practices support the objectives and targets of the plan. Management should also consider documenting the energy efficiency requirements in procurement policies and procedures and/or the environmental policy.
- Management should provide formal annual reporting on the conservation savings achieved against the plan.
- As part of the energy management planning, the school board should establish a comprehensive system to budget expenditures, track and regulate consumption, and identify opportunities for further savings.

- The school board should identify opportunities for consolidated billing from utilities.
- The school board should 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.
- Management should establish a multi-year capital plan based on the assessment of enrolment projections, utilization of facilities and accommodation needs. The plan should be communicated to the board of trustees and posted on the school board's website.
- Management should ensure that an accurate and current assessment of facility conditions is maintained, based on industry standards using RECAPP methodology.

1. Background and Overview

1.1 School Board Profile and Structure

The Upper Canada District School Board provides educational services to approximately 28,456 students in 76 elementary and 23 secondary schools.

The school board's enrolment has decreased (from 2002-03 to 2009-10 school year) by 6,269 students, or by about 18.1 per cent. This trend is expected to continue over the next several years.

The school board's Strategic Council is as follows:

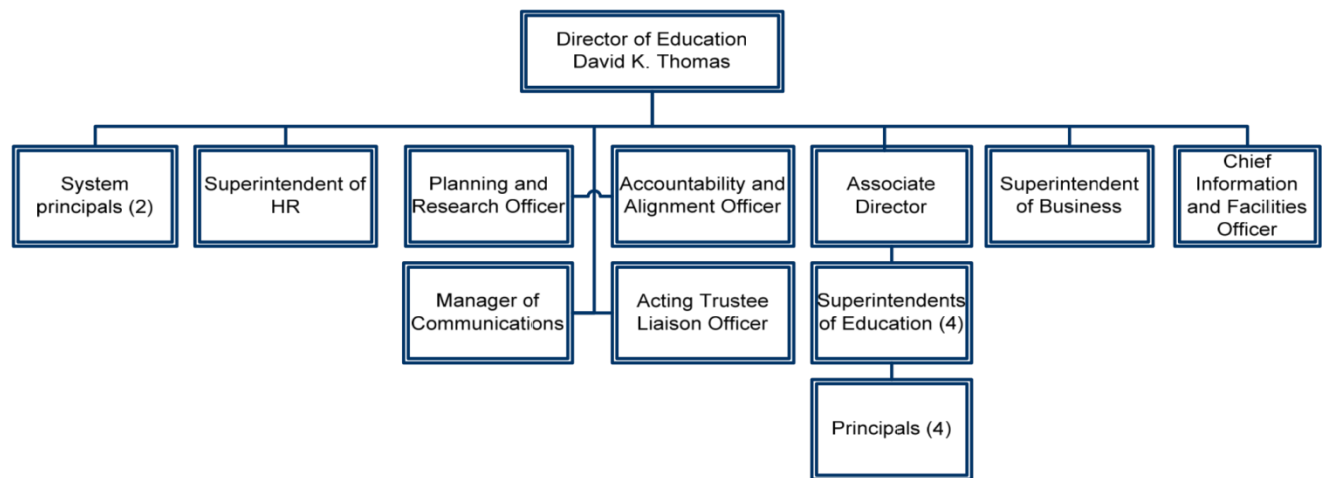


Figure 1: Upper Canada District School Board Strategic Council

1.2 Key Priorities of the School Board

The school board's mission statement is:

"We prepare all students for a successful life."

The school board's vision is:

"Creating futures, leading and learning for all."

The school board's values are:

"Caring, fairness, empathy, honesty, perseverance, resilience, responsibility, respect."

The school board has established a 15-year strategic plan that guides the Board to improve the education and well-being of students and staff by implementing projects in

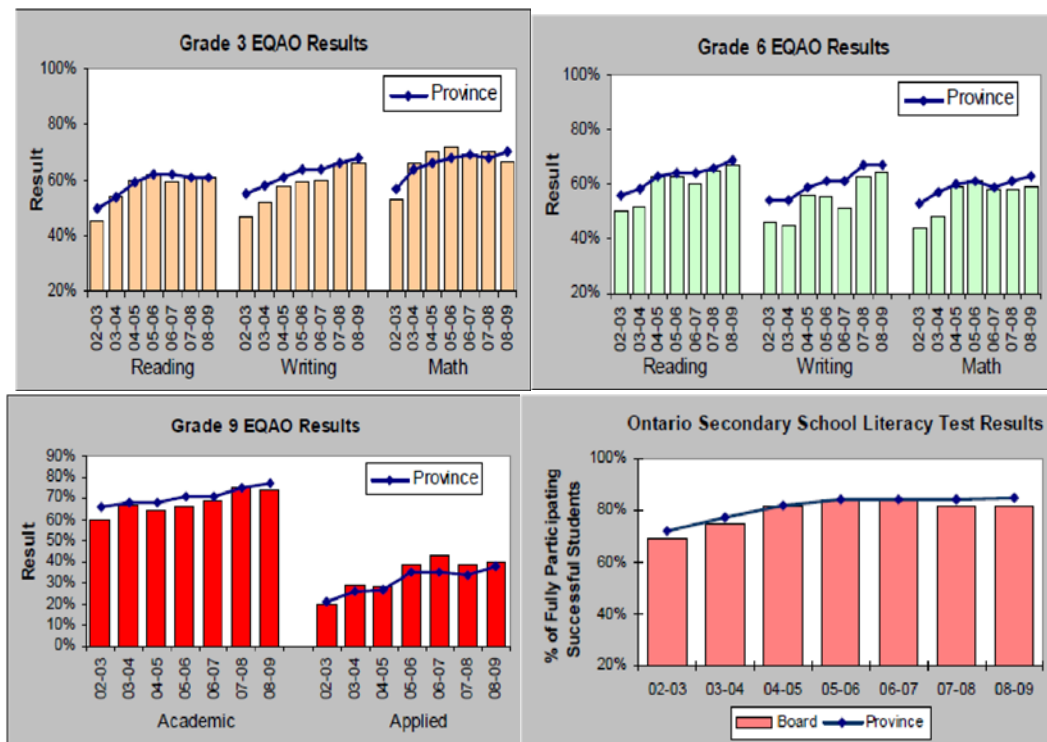
four strategic areas: communications, resources, educational programs, and wellness. The strategic plan of the school board is revised every three years.

1.3 Student Achievement

Since 2002-03, the school board has shown improvement in many areas assessed through the EQAO process. Grade 3 EQAO results in reading and writing have been steadily improving since 2006-07, and are at the provincial average. Grade 3 results in math decreased in 2008-09, and are below the provincial average. Grade 6 results in writing have improved significantly since 2006-07, but remain below the provincial average. Grade 6 results in math have not shown significant changes since 2006-07 and are below the provincial average. Grade 6 results in reading have increased since 2006-07 and are at the provincial average.

Grade 9 academic results have been steadily improving since 2004-05, and are close to the provincial average. Grade 9 applied results have not changed significantly since 2007-08 and remain at the provincial average.

The following charts demonstrate the school board's EQAO results over the last six years.



1.4 Fiscal Overview

Over the past several years the school board has been in a surplus financial position on an annual basis in order to pay off an accumulated deficit. The accumulated deficit will be paid off in 2010-11. The 2009-10 revised estimates indicate a balanced budget. The school board's reserve funds have increased in 2008-09 and are forecast to decrease in 2009-10.

Summary Financial Data (Revenues)

Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Legislative Grants	\$238,408,217	\$244,885,531	\$243,617,920
Local taxation	\$67,642,323	\$70,297,264	\$70,864,674
Board Revenues	\$10,190,221	\$11,164,187	\$5,271,742
Other Operating & capital Grants	\$4,539,402	\$4,136,883	\$8,026,208
Total Revenues (Schedule 9)	\$320,780,163	\$330,483,865	\$327,780,544

Summary Financial Data (Expenditure)

Expenditures	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Operating expenditures	\$299,225,091	\$307,269,878	\$311,825,857
Capital expenditures - Before transfers from reserves	\$19,962,606	\$18,392,796	\$17,614,477
Transfer to (from) Reserves	\$79,674	\$4,418,255	-\$1,659,787
Total Expenditures	\$319,267,371	\$330,080,929	\$327,780,547
In-year Surplus (Deficit)	\$1,512,792	\$402,936	\$0

School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Retirement Gratuities	\$983,747	\$1,165,069	\$1,165,069
Reserve for Working Funds	\$1,567,926	\$1,567,926	\$1,208,282
WSIB	\$1,580,924	\$1,634,235	\$1,634,235
Classroom Reserve/SEA Training Reserve	\$1,565,448	\$2,230,143	\$930,000

School Board Reserve and Deferred Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
GPL Reserve	\$103,763	\$2,206,166	\$106,166
Total Reserve Funds (Schedule 5)	\$5,801,808	\$8,803,539	\$5,043,752
Special Education Reserve	\$0	\$790,150	\$1,893,109
Proceeds of Dispositions Reserve- School Buildings	\$0	\$2,874	\$2,874
Energy Efficient School - Operating	\$0	\$465,256	\$0
Energy Efficient School - Capital	\$0	\$746,393	\$0
Total Deferred Revenues (Schedule 5.1)	\$0	\$2,004,673	\$1,895,983
Total Board Reserves and Deferred Revenues	\$5,801,808	\$10,808,212	\$6,939,735

1.5 Key Statistics: Upper Canada District School Board

The following table highlights key statistics for the school board.

Summary Board Statistics

Day School Enrolment	2002-03 Actual	2009-10 Revised Estimates
Elementary Day School ADE	21,694	16,735
Secondary Day School ADE	13,030	11,721
Total Day School Enrolment	34,724	28,456

Primary Class Size:

Primary Class Size	2003-04	2009-10
% of Classes Less Than 20	36%	90%
% of Classes Less Than 23	66%	100%
Average Class Size - Jr/Inter	25.64	25.14
% of 3/4 Classes 23 & Under	43%	100%
% of Combined Classes	42%	60%

Staffing

Staffing	2003-04	2009-10
School Based Teachers	1,952	1,790
Teacher Assistants	450	437
Other Student Support	141	234
School Administration	112	124
School Clerical	179	188
School Operations	312	285
Other Non-Classroom	95	86
Total Staffing	3,241	3,144
Teacher - Pupil Ratio	1:18	1:16
FTE Staff per 1,000 Pupils (ADE)¹	93.3	110.5
Total Salary & Benefits as % of Net Operating Expenditures	73.2%	79.5%

Special Education

Special Education	2003-04	2009-10
Special Education Incremental Expenditures	\$27,520,917	\$43,469,027
Special Education Allocation	\$33,922,460	\$45,362,136
Spending above Allocation (Reserve)	-\$6,401,543	-\$1,893,109

School Utilization:

School Utilization	2003-04	2009-10
Number of schools	114	99
Total Enrolment (ADE)	34,724	28,456
School Capacity (Spaces)	37,828	36,190
School Utilization	91.80%	78.60%
Board Area (Km²)	12112	12112
Number of Trustees	11	11

¹ Note: Impacted by Class Size and Special Education

2. Governance and School Board Administration – Findings and Recommendations

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

Governance and 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 fieldwork, which included interviews with the Chair, the Director and senior staff of the school board.

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

Establishment of an Effective Governance Model

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

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

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees, using a consultative process, develops and communicates a multi-year strategic plan that provides a framework for annual planning.	Yes
The director of education and senior administration develop an annual operating plan of their goals/priorities, incorporating both academic and non-academic departments. The plan is aligned with the Board's multi-year strategic plan and has goals that are specific, measurable, achievable, relevant and timely.	Yes
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.	Yes
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 <i>Ontario Leadership Strategy</i> , the director of education, with support from HR, has established a formal Succession and Talent Development Plan to build and sustain leadership capacity.	No

Stakeholder Engagement

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

Establishment of an Effective Governance Model

The school board has established a formal document that outlines the role and responsibility of the trustee. This document includes a description of the objectives for a trustee and trustees' specific roles as policy makers. These roles include:

- Developing and revising policies based on vision and provincial policy
- Appointing a Director of Education who shares the vision and has the skills to work with the Board to realize its vision
- Setting budgets and goals

- Monitoring student achievement
- Providing quality programs for all students throughout the Board
- Providing overall direction for the provision of instruction and facilities
- Acting as an advocate of public education.

The Board recognizes that the Director of Education is the only employee who reports to them. There is a mutual understanding that the role of the Director is to deliver on the strategy set by the Board, and that the trustees delegate operational management to the Director. There is an open and positive relationship between the Board and the senior administration.

The Chair of the Board and the Director maintain a collaborative and open relationship. The Director and the Chair communicate regularly and share information on any potential issues in a transparent manner.

The Board conducts a formal appraisal of the Director's performance approximately every two years. In the past, the Board used an external consultant to facilitate the Director's performance appraisal process. Now that the Board is more familiar with conducting performance appraisals for the Director, the Chair leads the process. Currently, the Chair is working to establish a balanced scorecard of performance indicators for the Director, with the view to aligning the performance appraisal to the strategic objectives of the school board.

The Board of Trustees is composed of 10 elected trustees. There is also one appointed First Nations trustee, and one student trustee. The elected trustees have four or more years of experience on the Board, and three have been trustees since the school board's amalgamation in 1998.

The Board revised its governance model four years ago by removing all committee structures so that all matters are discussed by the Committee of the Whole. There are two statutory committees: the Special Education Advisory Committee (SEAC) and the Student Discipline Committee. The Board meets twice monthly, once for a Committee of the Whole meeting and once for a regular Board meeting. SEAC is composed of trustees, administration and representatives from the community. The Student Discipline Committee is composed of three trustees, and meets twice monthly.

Each year, the Board holds one or two planning retreats. These sessions typically are held over one and a half days, and are used to discuss long-term strategy and issues, and review specific aspects of the school board.

The Board has not had any new trustees join the Board recently. However, in the past, the Chair developed training plans with the support of the Director for new trustees with consideration of new trustees' background. These plans included mentoring by other trustees and senior management, and specific reading assignments. The Board does not provide a significant amount of professional development for trustees as a group, due to the dispersed geography of the school board. However, any professional development that is offered to senior management is also open to trustees. The Board periodically brings in external resources to provide informal presentations to trustees on particular issues of interest. In addition, the Chair encourages all trustees to self-direct their learning needs. Trustees are encouraged to use the professional development opportunities through the Ontario Public School Boards' Association (OPSBA) and Canadian School Board Association (CSBA).

The Board does not conduct a formal self-evaluation, but the trustees try to informally identify and proactively address performance issues. The Board has not established a code of conduct specifically for trustees. The school board has developed a character development program that has been approved by the Board and applies to all students, staff, and trustees. The Board should consider establishing a code of conduct policy for trustees and a formal process to monitor and evaluate its own performance.

The Board is aware of the new *Student Achievement and School Board Governance Act* (Bill 177) and provided a presentation to the governance review committee in response to the Ministry's April 2009 Report.

Development of the Board's Strategic Directions/Plan

When the Director joined the school board in 2004, his first 100 days were spent meeting stakeholders and community leaders across the school board. At that time, the school board reported that there was a lack of cohesion resulting from the effects of amalgamating four school boards. The school board also did not have a formal strategic plan at the time.

The school board hired an external consultant to assist in the development of a strategic direction. The school board determined that the timeline for the strategic plan, should be 15 years, based on the length of time it takes a student to complete their education with the school board. Three years after the strategic plan was put in place, the school board gathered feedback from various stakeholders and revised it accordingly. The school board plans to continue to conduct similar revisions of the strategic plan every three years.

The overall long-term strategic goal of the school board is to have 90 per cent of students graduate from high school. In line with this goal, the strategic plan establishes specific initiatives aligned to four key objectives:

- *Communication* – to improve communication with students, parents and staff
- *Resources* – to ensure that schools have equal access to resources
- *Educational Programs* – to enhance world-class educational programs
- *Wellness* – to ensure the health and wellness of students, staff and community.

The four key strategic objectives form the acronym *CREW*. The *CREW* plan includes a range of projects in both the academic and administrative functions of the school board. For each project, the plan identifies the specific goals, timelines, owners, and attached funding. The timeframe for project completion may be within the current year or over multiple years.

Management noted that the strategic plan is a dynamic document and is reviewed and updated each year. New projects are continually added and existing projects are regularly reviewed and prioritized. The senior administration team reviews the status of all projects three times a year, to monitor progress, and objectives, identify duplication or potential synergies and assess how the project supports the school board's overall goal of a 90 per cent graduation rate. The plan is posted on the school board's website. The Director provides the Board with an annual update on the status of each project.

The strategic plan represents both the long-term strategic plan and the annual operating plan of the school board. The plan also provides the framework for departmental or school annual plans. Management noted that planning in the academic areas of the school board has been closely aligned to the strategic plan. Senior administration is now working to establish performance measures related to the service delivery by the administrative functions, and improve alignment of annual operating plans with the strategic plan.

There is a designated Strategy Room at the school board's central administration office, where various data related to the school board's strategic objectives is displayed. This data includes, for example, EQAO results and graduation rates for each school. A white board outside of the Director's Office displays current status of each *CREW* project.

In addition to the strategic plan, the school board also develops a Board Improvement Plan that adheres to the Ministry's school effectiveness framework. The Director issues a Director's Annual Report each year, which focuses on reporting against the goals in the Board Improvement Plan.

Decision-Making Process

The Board has procedural by-laws that outline the governance model of the Board including committees and special committees, procedures for meetings, order of business and agenda setting.

The by-laws outline the mandate and membership of the Management Council, which consists of the Chair, vice-chairs, Director, Trustee Liaison Officer, Director of Communications and Accountability and Alignment Officer. The Management Council is responsible for facilitating relations between the Board and the senior administration. The Management Council is also responsible for setting the agendas for Board meetings. Management Council aims to set and communicate agendas in advance of meetings, minimize last minute additions, and establish a balanced schedule for the year. The Council uses the Ontario Public School Board's Association (OPSBA) calendar to plan the timing of discussions on items related to provincial issues. The Council maintains a list of requested or potential agenda items to establish meeting agendas. The Management Council may address critical issues that require a timely response.

The Board has identified some policies to be reviewed on an annual basis. These policies are tracked by the Management Council. The Board does not have a documented policy to guide the process or timeline for setting and reviewing policies. A full review of all policies was conducted four years ago.

The school board's administration is responsible for drafting changes in existing policies and developing new policies. A draft is then provided to the Management Council to be added to the Board agenda. The Board reviews and approves new policies. In the development of new policies, management gathers information from other school boards, collects input from advisory committees, and seeks input from the community through the website, where appropriate.

Organizational Structure and Accountability

The school board administration conducted a reorganization a year and a half ago. As a result of the restructuring, each principal reports functionally to the Director of Education and operationally to the respective Superintendent of School Effectiveness. Two superintendents of education are responsible for school effectiveness, while two other superintendents are responsible for student engagement and school operations respectively. Management noted that this structure increases the accountability of each principal, and eliminates an additional level of reporting between the Director and school principals.

The Superintendent of HR, the Superintendent of Business, the Chief Information and Facilities Officer, and the Associate Director report to the Director of Education. The four

Superintendents of Education report to the Associate Director. The Director also has a number of additional officers and system principals reporting to him.

The Strategic Council is the decision-making body for any procedural or operational strategic matters. The Strategic Council meets twice each month and is composed of the senior administration team, principals, President of the Ontario Principals' Council (OPC) local, Manager of Communications, Planning and Research Officer, and Accountability/Alignment Officer. The Strategic Council identifies any items that require Board involvement and presents them to the Management Council.

In addition, the school board has the Upper Canada Council, which includes the senior administration team and representatives from each labour union. The Upper Canada Council meets monthly to gather input on various issues or new policies or programs. The school board has set up a number of Advisory Cabinets to discuss issues and guide the strategic plan. Some Advisory Cabinets are standing committees, such as the Advisory Cabinets for Teaching for Learning, HR and Business, while others are established on an *ad hoc* basis to review a specific issue that has significant implications for the school board.

The school board has a current organizational chart for the senior administration team. A directory of key senior staff is available on the school board's website. However, the organization chart is not posted on the website.

Succession and Talent Development

The school board has implemented a number of initiatives to support succession and talent development. The school board takes a mentorship approach to talent development. The Director facilitates the culture of mentoring among school board staff and encourages self-guided continuous improvement.

The Director requires that all members of the senior administration team and all principals complete a four-course program. The program includes courses on the following topics:

- Problem solving
- Conducting crucial conversations
- Creating and sustaining high performance
- A continuation of the crucial conversations course - Hope, Happiness and Opportunity (H₂O).

Each superintendent is required to provide the Director with formal updates each year on staff within their departments who demonstrate the potential for leadership positions. As part of succession planning, superintendents identify mentoring and formal development opportunities for these staff.

The HR department has established formal succession programs for staff who are interested in advancement to principal positions. Teachers who have interest in principal or vice-principal position have many informal leadership opportunities within their schools or families of schools. There are also some key roles at the school and system level (e.g. Learning Resource Coach; system support roles such as Learning Strategies Consultant – Program Resource Teacher) which allow individuals to gain experience and be guided / coached by principals and superintendents. Lead teachers and potential administrators are included in some of the professional learning such as *High Performing Teams (Tag the Top)* and *Hope, Happiness, and Opportunity*. Vice-principals have opportunities to demonstrate their leadership qualities and skills in the work of the Family of Schools as well as through collaborative inquiry and professional learning.

The school board maintains a pool of candidates for principal positions. The selection process is led by the Associate Director and superintendents and current principals actively participate in various components of the selection process. The HR department staff manage the technical aspects of the process and tracks potential and successful candidates. The selection process is framed around the Ontario Leadership Framework. A clear description of the requirements and guidelines are communicated to internal and external potential candidates. The process includes several components such as a written response to a leadership question, lesson observation, case study and interview. At the completion of all components, the results are collated anonymously and reviewed by the Associate Director and superintendents. Candidates meet with superintendents for a debrief to establish a growth plan based on the Ontario Leadership Framework. The plan outlines a continuous process of supported growth which may include a specific leadership project or a term position in an acting role. Management noted that potential candidates or those early in their growth may be offered a term temporary/interim vice-principal position or a short-term acting principal role.

Stakeholder Engagement

The school board has a variety of formal mechanisms for communicating and engaging stakeholders. The school board is also setting up a district-wide council with representation from all school councils. The central administration will use webcasts to communicate with this council. The school board engages stakeholders as part of the strategic plan review process which takes place every three years.

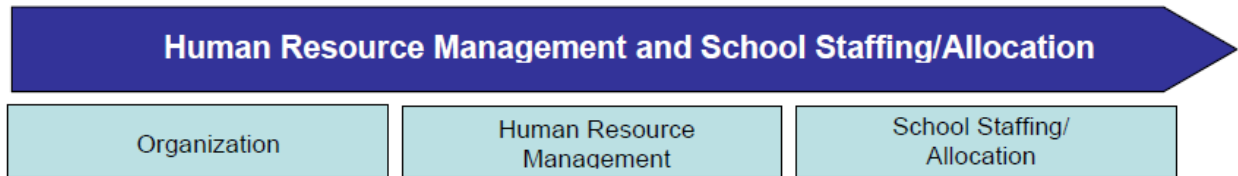
The school board's Advisory Cabinets, which were set up to discuss issues and guide the strategic plan, include representatives from the school board's employee groups.

The Director and the senior administration team take part in a number of regional and provincial committees. The Director serves on a number of professional committees, such as the Council of Ontario Directors of Education (CODE). Members of the senior administration team serve on the Ontario Public Supervisory Officials' Association (OPSOA), Council of Senior Business Officials (COSBO), Ontario Association of School Business Officials (OASBO), School Board Cooperative's Board of Directors and the Adult and Continuing Education Business Model Advisory Group. In addition, the Director encourages the management team to be active in the local community as board members of local organizations.

Recommendations:

- Management should post the school board's organizational chart on the website.
- The school board should establish a formal policy review schedule to ensure that all policies are reviewed periodically.
- The school board should continue to align its leadership development programs and activities with the Ministry leadership initiatives. It should develop a formal succession and talent development plan for key management positions in all academic and non-academic areas.

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



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

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

3.1 Human Resource Organization

The review of the organization of the HR department assesses:

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

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Human Resource Organization	Evidence of Adoption?
The HR department's goals and priorities are documented in an annual 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 responsibilities.	Yes

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.	No
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 HR department's key strategic projects are set out in the school board's *Strategic Charter* (CREW). Each project has an overall SMART objective, assigned project sponsors and team members, resources requirements, milestones, evidence of success and timelines. The strategic projects led by the HR department are:

- Leader SHIFT – to design and deliver a comprehensive and integrated framework for leadership development and training in UCDSB
- Streamline Technology Supports and Services – to streamline human resources processes and reduce/remove non-value-added work
- Wellness and Work Life Balance Initiative

- Working and Learning with Character – to lead the integration of a number of integrated charters to ensure that outcomes are understood and demonstrated by staff and students throughout the UCDSB.

The department has also established mission and vision statement. The HR department's planning activities over the past several years have been informed by the entry plan of the Superintendent of HR, and two reviews of the department conducted by external consultants. In addition to the strategic projects of the HR department set out in the Strategic Charter, the department has developed a three-year (2007-2010) HR Success Plan, which contains overarching goals, SMART objectives, strategies, tactics and measures of success. The plan is reviewed each year, and is an annual operating plan for the department. Some objectives included in the plan have timelines for completion and assigned HR staff responsible for implementation. The goals of the HR Success Plan 2007-2010 are:

- To ensure that the UCDSB attains a 90% graduation rate by 2020
- Implement HR supports and services that improve employee satisfaction
- Develop an exemplary department organization and culture
- Build positive union relationships with union partners
- Lead the development of UCDSB best practices that support student success.

The Superintendent of HR provides quarterly updates on strategic projects to the senior administration team. The department conducts internal meetings monthly to discuss progress in implementing the strategic projects, priorities of the annual operating plan, and any emerging issues.

The department gathers informal feedback from school board employees. The department also provides optional exit interviews in survey form. Among over 10 Advisory Cabinets established by the school board, there is an HR Advisory Cabinet, which includes union representatives and meets four times a year.

The department is developing internal standards for customer service. The HR department has facilitated the establishment of a web-based internal portal (dashboard analysis system) that contains statistical data on many aspects of school board operations, including student achievement, employee attendance, and other indicators. The database is being gradually introduced across the school board. It is envisaged that the database will support evidence-based decision making at school and school board level.

Organizational Structure and Accountability

The HR department includes three functions: operations, organization development, and strategy. Each function is led by a manager who reports directly to the Superintendent of HR. The operations function is responsible for all matters related to labour management, recruitment and staffing. The operations function is composed of the Manager and six officers who are responsible for three key labour unions: Canadian Union of Public Employees (CUPE), Ontario Secondary School Teachers' Federation (OSSTF) and Elementary Teachers' Federation of Ontario (EFTO). The function is supported by four administrators; one for each union and one for non-union staff.

The organization development function is composed of the Organizational Development Lead, who is responsible for performance appraisal, including teacher performance appraisal and the New Teachers' Induction Program (NTIP), principal and vice-principal selection process and leadership development initiatives.

The strategic function, which is overseen by the Manager Strategic Human Resources, includes the following positions: Cultural Development Project Manager, Business Analyst and two Disability Management Coordinators. This function is responsible for the HR department's strategic initiatives in streamlining technology which supports HR-related processes, the school board's wellness program, and related aspects of disability and benefits management. The function is also responsible for identifying and facilitating new strategic initiatives of the HR department.

A recent internal review of the HR department highlighted a number of challenges related to the organizational structure of the department. Management is continuously reviewing the organizational structure to identify improvement opportunities in the efficiency and effectiveness of the department's operations. The HR department has a current organizational chart. There are formal job descriptions for all staff of the HR department. However, the organization chart is not publicly available.

HR staff members are qualified as per job specifications, based on their experience and qualifications. Some positions require a Certificate in Human Resources Professional (CHRP) certification. Currently two members of the operations function hold a CHRP designation and one member of HR staff is working towards this designation.

Monitoring and Communication of Policies

The HR department is responsible for implementing Board policies pertaining to hiring, performance appraisal, employee wellness and workplace accommodation. The policies are posted on the school board's website.

Each year, the HR department issues memos to school principals identifying the policies and procedures to be reviewed with staff. The school board does not conduct

regular principals' meetings. The HR department uses various informal mechanisms to communicate policies, procedures, and related issues to school principals. The policies, procedures and protocols are available through the internal shared site. The HR department is currently working to implement a portal which is expected to facilitate communication within the school board. The portal provides access to policies, procedures, protocols, guides, manuals and toolkits for managers/supervisors and employees.

The HR department issues a monthly *HR Matters* newsletter to the system. The newsletters provide information on various processes, procedures and requirements related to HR management.

The HR department has implemented many centralized processes, which enable HR staff to monitor compliance with the existing policies and procedures.

Recommendation:

- Management should post the departmental organization chart or a detailed organization chart for the school board administration on the school board's website.

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
The hiring policies and procedures for the respective staff groups are harmonized and shared with managers throughout the school board.	No

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.	No
The HR department actively supports the professional development activities of the school board.	Yes

Attendance Management Processes/Programs

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

Management of HR and Payroll Data

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

Staff Recruitment/Hiring

The school board has established a Strategic Recruitment Framework, which includes a review of recruitment needs, various recruitment strategies, policies, procedures, and standard protocols for hiring.

Each year, management reviews the school board's workforce to determine areas of skills shortages or potential challenges in recruiting French-language teachers, teachers with technical specializations, and special education teachers. Due to declining

enrolment, the recruitment activities of the school board have been limited over the past several years, and focus primarily on filling the specific teaching positions noted above. For specific recruitment needs, the school board attends university recruitment fairs. The school board is also an authorized provider of the French as a Second Language (FSL) Qualification course, which assists it in providing current teachers with an opportunity to upgrade their skills. Management has recently started working to establish a pool of FSL teachers.

The school board has established a policy and procedures on Appointment of Administrative and Supervisory Personnel. It is stated in the policy that Board Committees are established for the purpose of being part of the process of selecting senior staff. Trustees participate in the committee for the recruitment of senior staff.

The school board has not established similar policies and procedures for other staff groups. However, the HR department follows standard processes, and has developed checklists and standard templates to support the hiring process.

The school board uses the Apply to Education for hiring of all employee groups. School principals may post a vacancy directly on Apply to Education. The posting is subject to HR verification and approval. The interview teams are composed of at least three members, and are led by the supervisor/principal who is hiring for the position. Although HR staff are not directly involved in the hiring process, they do help supervisors and principals develop interview questions, and provide general advice and support during the hiring process.

The HR department has established a number of standard tools, such as interview rating forms, performance-based reference forms and the Recommendation for Appointment form to assist in the hiring process. The principal/supervisor is responsible for carrying out reference checks. Once the selection decision is made, the principal or supervisor sends the Recommendation to Hire form to the HR department. The HR department checks all documentation related to the application and selection process, and approves hiring. The offer of employment is made by the hiring principal/supervisor.

In hiring of occasional teachers, the school board ensures compliance with applicable provisions of collective agreements (capped lists). The occasional teachers' lists are renewed annually. Management noted that during the renewal process, specific qualifications may be targeted. The HR department posts the notice on the Apply to Education, and screens all submitted applications for specific qualifications. In the past, the school board has used a panel of retired school principals to conduct the screening. The process for adding the pre-screened candidates to the occasional teachers' list is similar to hiring for permanent positions. However, interviews are not required for teachers who have retired from the school board within five preceding years.

The HR department provides many supports to principals and supervisors in the hiring process. The HR portal, which is gradually rolled out across the school board, provides the Managers' Toolkit, which, among other procedures, contains guidance on hiring. The HR department also provides training to new principals, which includes a section on the Strategic Recruitment Framework.

Labour Relations

In general, the school board has open communication with the unions, as a result of both formal and informal practices. The school board has established many ways for engaging and communicating with various union groups, such as the HR Advisory Cabinet, which is composed of senior management, principals, and union representatives, the Upper Canada Council, the Benefits Committee and the Wellness Committee.

The school board has also established labour relations committees for all bargaining units: elementary, elementary occasional, secondary, secondary occasional, Professional Student Services Personnel (PSSP) and CUPE labour management. The committees address matters of mutual concern, share information, promote positive union/management relations, and attempt to resolve matters in dispute before they become grievances.

The school board also maintains a timely and effective approach in response to labour issues. When grievances are submitted to the HR department, they are reviewed and discussed by the grievance committee, which meets monthly. The committee includes relevant superintendents and the employee's supervisor in cases of individual grievances. Management strives to address most potential grievances informally.

During labour negotiations, senior HR staff, other relevant senior managers, and trustee representatives take part in the process. The Director is well informed about the negotiations process, and provides regular updates to the Board.

HR staff provide advice and support to school principals, administrators, and senior management in addressing labour management issues. The HR department issues a bi-monthly newsletter, *Labour News*, which provides news and updates related to various unions, current grievance statistics, and interpretation of collective agreements.

Employee Performance Evaluation Processes

The school board has established a high-level policy statement on performance appraisal of employees. Management is currently working to establish processes and formal procedures for performance appraisal of all employee groups, along with an electronic system to support the performance appraisal process.

In line with the Ministry's Supporting Teaching Excellence document, the school board evaluates its experienced teachers on a five-year cycle. New teachers are reviewed during the first and second year, as part of the New Teacher Induction Program (NTIP). Superintendents of Schools are responsible for ensuring that appraisals are completed on time. Principals are required to notify the HR department on completed performance appraisals. Currently, the HR department is tracking this information manually using a spreadsheet.

The Organizational Development Lead is responsible for providing timely notations on new teachers who have completed the NTIP program to the OCT. As part of the NTIP implementation, the school board has established an electronic system for tracking performance appraisals. This system is being enhanced to include performance appraisal of all staff groups, and to facilitate integration with the HR information management system.

The school board is finalizing a performance appraisal process for occasional teachers, based on appropriate competencies from the Teacher Performance Appraisal process. The HR department has established formal procedures, and plans to implement the process by end of the current year.

The appraisal process for CUPE staff includes performance appraisal during the probationary period, with appraisals conducted every three years subsequently. The HR department has established tools and procedures for the development of an improvement plan. Management is currently working with CUPE to establish formal performance appraisal procedures for CUPE staff.

The performance appraisal processes for non-union groups is being reviewed and updated to reflect the strategic direction of the school board and include tools for professional growth plans, improvement plans, and career development. Management has developed standard templates for performance appraisal of non-union staff.

The school board is piloting a performance appraisal process for principals and viceprincipals. The Director of Education has established a performance appraisal process for senior administration staff, which is based on collated feedback from various staff.

Management applies a progressive discipline model. However, there is no formal procedure or guidance on the disciplinary process. For unionized employees, management follows the provisions of collective agreements. The HR department has provided formal training to school principals on disciplinary issues.

The HR department supports the professional development of HR staff and other staff groups, when appropriate. The HR department promotes the job-embedded approach to professional development. The HR department is working with the unions to identify

professional development priorities for union staff. For example, it has worked CUPE through the Joint Professional Development committee, and periodically implements a needs assessment survey to inform professional development training. The department also coordinates various professional development initiatives and facilitates partnerships with training providers. The HR department tracks mandatory training completed by employees, and liaises with the Health and Safety department to obtain up-to-date information on completion of mandatory health and safety training. This information, along with information on employee qualifications and professional certifications, is available for review by school principals/supervisors, through the dashboard analysis system.

Attendance Management Processes/Programs

An effective attendance management system combines policies, procedures and information systems to record and analyze trends in absenteeism, and dedicates 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 uses specialized software for the tracking of absences. Employees are required to notify their immediate supervisor about their absences. Absences are entered in the system at the employee's location. The dashboard analysis system allows users to conduct trend analysis of various absence reasons using historical data and various parameters such as school, facility of schools, type of absence, employee group and age group. The system is currently being introduced to school principals, who have access to data for their schools and the aggregate data for the school board.

Absence data is monitored centrally by the HR department, and at the department and school level. The HR department provides periodic reports on absence trends to the Strategic Council and the Upper Canada Council. School principals, superintendents and department heads have access to absence data directly in the HR information management system. The HR department conducts periodic audits of absence codes to ensure appropriate use of codes.

The school board is developing a formal attendance support program. Management reviewed attendance support programs established by other school boards to develop the program. The program is based on a staged approach to addressing attendance issues. It does not include specific thresholds for initiation of a formal attendance support program, and each supervisor can decide when attendance support may be required. The HR department has prepared draft procedures, the *Supervisor's Toolkit*, for the program and intends to present it to the Strategic Council and discuss it with unions. It is planned that the program will be initiated in September 2010.

The school board has implemented several programs to support employees in returning to work, including the *Return to Work* and *Accommodated Work* plans. The school board's wellness program also aims to reduce absenteeism costs. Management has established formal guidelines and procedures for the programs. The school board has engaged external consultants to provide assistance in tracking and analysis of WSIB, LTD costs, and paid sick leave usage.

Management of HR and Payroll Data

The payroll function is part of the Finance department. The Finance department works closely with the HR department in managing HR and payroll data. Management maintains appropriate control mechanisms to ensure the segregation and integrity of personnel and payroll data. The HR department has manual processes in place to make changes in personal information in the HR information management system. When changes are made to personnel files, the HR department sends a paper notification to the Finance department. The HR department and the payroll function of the Finance department have established a collaboration team which examines, among other projects, implementation of an automatic query system to provide electronic notifications.

The HR staff conduct monthly downloads of the Ontario College of Teachers (OCT) data in the school board's HR management system. The OCT data is checked for each new hire. Teachers are required to obtain and submit Qualifications Evaluation Council of Ontario (QECO) information and the HR department notifies teachers about the time it will take for the submitted changes to take effect.

Management indicated that CUPE has had a posted pay equity plan for a long time. The plan is currently being reviewed and updated. There is also a job evaluation system for CUPE staff. For PSSP employees, there is no posted plan in place, and the school board is working to establish a pay equity tool. The current job evaluation system for non-union employee groups is under review.

Management of the School Board's Benefit Plans

The school board has recently engaged its external benefit consultant to conduct compliance audits of the benefit plan. The audit has been completed for several staff groups, including OSSTF, non-union, and PSSP. The audit is ongoing for other staff groups.

Several years ago, the school board conducted internal audits to ensure that employees' information was entered correctly. As result of the audit management, administrative errors in the enrolment in the benefits plan were identified. Management intends to implement an online portal system for staff to have direct access to the benefits information and changes they have made.

The school board's benefit consultant provides management with regular reports on utilization of benefits and trend analysis. The consultant also provides comparative data, and conducts market analysis to assist the school board during negotiations with the benefit plans provider.

Management has implemented several cost control measures in the benefit plans, such as capping of the amount paid per prescription.

The school board has established a general benefits committee and another with OSSTF. Management obtains employee feedback regarding benefit plans through these committees and other mechanisms, including formal exit interviews.

The Finance department synchronizes data between the school board and external carriers such as the Ontario Teachers' Pension Plan (OTPP) and the Ontario Municipal Employees Retirement System (OMERS) electronically. The Ontario Teachers' Pension Plan (OTPP) information is submitted via the Teacher Information Management system (TIM) on a bi-weekly basis. Data transfer with OMERS is automated and synchronized using "e-access".

Monitoring Staff Satisfaction

In the past, management has conducted surveys to obtain employee feedback on various aspects of HR management. The school board has worked with the Carleton University to conduct a board-wide wellness survey. The school board has designed and conducted a number of surveys which focused on specific issues and projects. However, the school board has not recently conducted a confidential staff satisfaction survey.

The HR department has conducted exit interview surveys since 2005. The survey is provided to all staff for voluntary completion. Management has conducted analysis of the exit interview survey to help inform new programs and initiatives.

Recommendations:

- Management should establish hiring policies and procedures for all staff groups and communicate the procedures to managers throughout the school board.
- Management should continue establishing processes and formal procedures for performance appraisal of all employee groups.
- The school board should document and communicate formal disciplinary procedures for all staff.

- Management should continue establishing a comprehensive attendance support program.
- Management should develop a way to assess and report on the effectiveness of the attendance support process/programs to senior administration and the Board.
- Management should continue conducting periodic independent compliance audits of the school board's insurance carrier to ensure adherence to the benefit plan's terms and conditions.
- Management should continue updating 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 policy.

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

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
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

Each year, the school board follows standard practices for staff planning and allocation. The Planning and Research department leads the annual staffing allocation process, and works closely with other departments involved in various aspects of the process. The Finance department is responsible for integrating staff planning in the budget development process, and the HR department is responsible for staffing. The Facilities department is responsible for allocation of custodial staff. The Superintendent of Education – School Operations oversees the teacher allocation process.

The Planning Manager works closely with the Finance department in preparing enrolment projections. Overall, the enrolment projections have been accurate, with a margin of error within one per cent. The Planning and Research department uses specialized software to prepare short- and long-term enrolment projections. The Planning and Research department uses the school-by-school projections prepared by school principals.

Management issues several memoranda to school principals which highlight various aspects of the staff allocation process. The Planning and Research department has developed a standard schedule for the staff allocation process for all teachers, which is discussed with the senior staff involved in the process each year. Management provides clear guidelines and timelines to school principals for the staffing allocation process for elementary and secondary teachers.

The allocation model for elementary teachers is based on the following information: provisions of collective bargaining agreements, primary class size requirements, preparation time requirements and enrolment projections. In April, the Planning and Research department provides allocation of elementary teachers to each school. A copy of the allocation model is also provided to the union president. The HR department prepares organization charts for each school and submits them to principals. In mid-April, principals submit the completed elementary school organization charts. The Planning and Research department also prepares allocations of secondary teachers and sends allocation models to principals. In May, school principals submit secondary staff assignment sheets to the HR department.

Educational assistant allocations are based on needs identified by the Student Support Services department. Management noted that the Board has made a decision not to overspend the special education funding allocation. There is a process chart and timetable established for the allocation of education assistants. Management also provides explanatory notes and guiding principles for the allocation of educational assistants.

Monitoring and Reporting on Staff Allocation

As part of the staff allocation process, management ensures compliance with key Ministry and school board policy directives, such as class size, prep time, collective agreement requirements, and other board parameters. The board of trustees is not directly involved in the development or monitoring of staff allocations. However, the trustees do approve the budget that is developed based on the allocation model.

By the end of the first week in September, the HR department prepares reports, which identify where adjustments are required in staffing. The Planning and Research department identifies adjustments in staffing and notifies the Superintendent of Education – School Operations.

Management aims to minimize staffing adjustments at the elementary level in September due to provisions contained in the collective agreements. Secondary staffing allocations are reviewed in mid-September, and again near the end of Semester 1, to verify and adjust staffing levels for Semester 2 if necessary, based on actual enrolment. In addition, management has three opportunities throughout the year to relocate EA staff.

The Planning and Research department prepares a high-level summary of historical and targeted elementary and secondary staffing allocations. Management periodically reports to the Board on staffing levels. Reports comparing actual staff allocation to the budgeted staff complement are provided in September for all staff, and are revised only for secondary teachers at the beginning of Semester 2. The Superintendent of Operations or the Superintendent of Student Engagement, Superintendent of Business

and the Director of Education approve any additional staff during the year. Monthly budget reports provided to the trustees indicate staff changes from a budgetary perspective.

Management could consider using the using the format of interim financial reporting recommended by the Interim Financial Report Committee (IFRC) to report to the Board on the actual allocation of staff, compared to the original approved allocation plan and budget.

4. Financial Management – Findings and Recommendations



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

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

4.1 Finance Organization

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

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

Organization Structure and Accountability

Leading Practices – Finance Organization	Evidence of Adoption?
The finance department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available to the public.	No
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

Key strategic projects of the Finance department are set out in the school board’s *Strategic Charter* (CREW). Each project has an overall SMART objective, assigned project sponsors and team members, resource requirements, milestones, evidence of success and timelines. Some examples of the CREW projects that are specifically the responsibility of the Finance department include:

- Implementation of PSAB capital assets

- Reorganization of management information systems – identify and understand the financial reporting needs and requirements of all relevant stakeholders
- Risk Management - “Student First Safety”.

The Strategic Council reviews the progress of all CREW projects quarterly during the school year.

Each staff member within the Finance department establishes several key individual objectives for the year, in addition to their usual responsibilities. The objectives are formulated as SMART objectives and demonstrate alignment with the CREW plan. The objectives focus on operational excellence or specific CREW projects within the strategic plan. The broader operational excellence priorities include critical or required items, such as planning for the upcoming implementation of the Harmonized Sales Tax (HST). Where there is additional capacity, staff identify other important initiatives, such as improving processes, documenting financial processes and providing cross-training within the department. Individual staff review these plans quarterly with their managers to report progress, readjust timelines if needed, and identify whether additional support is required. The individual plans and progress reports are shared with the Superintendent of Business. There are also opportunities at staff meetings to share information on progress and request feedback from other team members.

The key annual priorities of the Finance department have not been summarized in a formal annual departmental operating plan that is aligned with the school board’s annual operating plan and contains specific and measurable goals, timelines, responsibilities and indicators of success.

The Finance department reports through the Strategic Council to the Committee of the Whole on matters pertaining to the financial management of the school board. The department also meets three times a year with the Finance Advisory Cabinet, which is composed of representatives from all employee groups and unions. These meetings are used to discuss the significant activities and projects of the Finance department, such as the budget and revised estimates process, and financial statements.

Organizational Structure and Accountability

The Finance department is responsible for budgeting and forecasting, accounting services, payroll services, and school support and internal audit. These functions are managed by four managers who report to the Comptroller of Finance. The Manager of School Support and Internal Audit reports to the Director of Education for the internal audit aspect of the role. The Business department is also responsible for the purchasing function, which is overseen by the Manager of Purchasing. The Comptroller of Finance and the Manager of Purchasing both report directly to the Superintendent of Business. In addition, there are two financial coordinators who report functionally to the

Comptroller of Finance, but provide direct support and report organizationally to other departments. One financial coordinator supports facilities and IT departments, and the other supports transportation and program departments.

The Finance department has a current organizational chart that outlines the lines of reporting and all key positions within the department. The school board's website provides contact information for the senior administration team, including the Superintendent of Business. The Finance department has a section on the school board's internal website where contact information of finance staff, reference documents and communications are posted. However, the organization chart of the Finance department is not available to the public.

There are job descriptions for all staff in the Finance department. Many of the finance staff have appropriate payroll or accounting professional designations.

Monitoring and Communication of Policies

The Business department is responsible for implementing policies related to financial management, including cash management, purchasing, signing authorities, school loans and school budget surplus/deficits and travel, hospitality and expense reimbursement. The policies and associated procedures are all available on the school board's website. In addition, the department maintains internal departmental procedures that outline the specific steps required to complete finance activities. The internal departmental procedures follow a standard template, and are available internally to the department staff for new employee training, cross-training, and replacement of absent staff. Management noted that the Purchasing department reviews purchasing procedures annually. The Finance department review and update procedures when there are required changes.

The finance staff have central controls in place to ensure that staff adhere to finance policies and procedures. For instance, accounts payable staff check that travel and hospitality claims and PCard expenses comply with relevant policies and procedures, are reconciled and approved by the appropriate supervisor.

The Finance department posts guidelines, tutorials and forms on the intranet, which provides information and instructions on financial activities for school board staff.

Any changes to financial policies, procedures and practices are communicated to the system through e-mail and are posted on the departmental website. The Finance department also provides in-person training when there are substantial changes in policies and procedures. The Finance department conducts semi-annual workshops for school office staff and has begun conducting workshops with principals and viceprincipals to provide basic knowledge of school finance and updates on financial processes. One workshop has been conducted in 2009-2010. The department plans to

hold similar workshops semi-annually. The school support function has provided “webinar” training to schools to cover the large geographical area of the school board. The school support function also distributes a quarterly newsletter for schools throughout the year with information and updates on changes in financial processes and activities.

Finance staff provide one-on-one training and on-site assistance to school support staff and principals. In addition, the school support function monitors individual schools’ compliance with policies and procedures, and follows-up on any issues or identified non-compliance.

Recommendations:

- The Finance department should establish an annual operating plan that would contain specific and measurable targets and indicators and assign responsibilities and timelines for key tasks. This would enable management to track and report on the progress of its defined priorities and goals throughout the year.
- Management should post the departmental organization chart or the detailed organization chart of the school board administration on the school board’s website.

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.	No
The annual budget presented for approval demonstrates that it is linked to the board-approved goals and priorities including student achievement targets. It provides useful and understandable information for all stakeholders.	Yes

Annual Budget Development Process

Management noted that the key aspect of the budget development process is the alignment of the budget with the initiatives identified in the school board's strategic plan. Overall, the budget is established to fund the school board's strategic plan.

Each year, the Finance department establishes the budget development timeline to internally track the budget development process. This timeline outlines the key responsibilities for major milestones in the budget process.

In November, the Planning department develops preliminary enrolment projections. The Planning Manager begins the process by identifying overall system projections based on external factors, participation rates, immigration, and outward migration trends. In January, planning staff develop school-by-school projections, which are compared to the total system projections and revised accordingly. The Superintendent of School Operations requests input on enrolment projections from each principal. The Planning department staff indicated that the enrolment projections are generally within one per cent margin of error. The Planning department prepares enrolment projections using demographic modeling software to statistically forecast enrolment projections and

allocate students into classes following the required class size criteria. This software is also used to establish five and 10-year enrolment forecasts.

According to the established timelines for the 2010-2011 budget, the budget development process begins in February, with the Finance department calculating the number of teachers that can be funded and the number of teachers that are required, based on the preliminary enrolment projects prepared by the Planning department. The number of required teachers is estimated based on class size requirements, collective agreement requirements, and input from school principals. Management does not conduct any staffing costs or allocation comparisons with other school boards.

In addition to the costs related to teacher salaries and benefits, the school board identifies other required costs, such as central administration, and operating transfers to fund the capital deficit recovery plan. The deficit recovery plan was established to repay the capital deficit accumulated as a result of cost overruns on a past capital construction project.

Each superintendent and budget owner completes a budget development form outlining their requested funding for the year. These costs include funds for the key initiatives that support the strategic plan. The costs are reviewed with the Finance department and included in the budget. In the past, the school board has conducted in-depth reviews of all central administration expenditures to identify potential savings. As part of the budget development process, the Finance department also required each department to cut a specified percentage from their requested budget. The finance staff ensure transparency between budget holders by allowing schools to access the budget information for all other schools, and sharing the high-level budget information with all budget holders. The budget documentation clearly identifies funding for strategic projects. The school board retains a contingency of approximately 0.5 per cent of the total budget amount.

The Board receives periodic updates throughout the budget development process. These presentations include an initial presentation on the expected budget pressures following the announcement of the GSN, and updates on competing priorities that need to be prioritized to balance the budget. Finance prepares a complete draft budget by the end of April. In June, the budget is presented to the Committee of the Whole for review, and then to the Board for approval.

Risk Mitigation and Board Approval

The budget documentation identifies some specific pressures and actions proposed by management. Such pressures include, for example, accuracy of expected enrolment in early learning and ready-to-learn programs, and elementary supervision. During the budget presentation to trustees, management highlights pressures and discusses proposed actions which were incorporated in the budget.

Overall, management prepares conservative budget estimates to account for potential budget pressures identified during budget development. In addition, the school board maintains an unallocated teacher reserve and a contingency in the budget, to fund any pressures or unplanned expenditures throughout the year. The finance staff do not document other potential risks, such as unfunded liabilities, that could impact the budget for tracking purposes, or as part of the budget presentation for trustees.

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

At the beginning of the budget cycle:

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

Throughout the budget cycle:

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

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

Recommendation:

- Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A

formal risk management plan/report, which is reviewed and updated periodically, would give reviewers a better understanding of the school board's budget risks.

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

Audit

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

Integrated System for Variance Analysis and Financial Reporting

The school board has an integrated financial system that provides adequate, timely, and accurate information to management, school staff, and the board of trustees. The financial system includes the following modules: financial reporting, general ledger, accounts payable, accounts receivable, purchasing, payroll, and human resources.

All budget holders have access to weekly reports for their cost centres. For the establishment of a new GL code, written requests are submitted via e-mail to the Manager of Accounting Services who reviews and approves the request and established the code in the system.

Interim and Annual Financial Reporting

The Finance department reviews the weekly reports throughout the year and follows up with budget holders if there are significant variances. The Financial Coordinators review the weekly reports for the departments that they support. School budgets are monitored closely by finance staff. If schools are projected to be over budget, additional support is provided to school administration to ensure that the budget allocation is met.

Superintendents are also provided with summary reports of all school budgets and an update of costs associated with occasional teachers to provide additional monitoring and support to schools.

The Finance department prepares a monthly financial report for senior management and trustees. The report provides the actual expenditures relative to the budget or revised estimates. The report also includes the remaining budget as a percentage. The Finance department analyzes the monthly report and investigates significant variances. As part of the monthly report, senior management provides updates on the status of repayment of the deficit recovery plan. The monthly financial reports to the Board are formally included in the agendas for the meetings of the Committee of the Whole. Senior management provides updates to the Board of Trustees on the status of

repayment of the deficit recovery plan as part of reporting on estimates, revised estimates, financial statements and at other times as needed.

The Finance department prepares updated forecasts for senior management three times a year. These reports are usually informally shared with the trustees.

The Finance department has identified the need to review the financial forecasting and reporting process to improve financial planning by senior management. The school board has engaged external consultants to conduct this review. As part of this assessment, the school board will consider the format of interim financial reporting recommended by the Interim Financial Report Committee (IFRC).

There are a number of aspects within the guidelines provided in the IFRC report which could support stronger interim financial reporting to trustees. In particular, management should consider the following:

- Establish a reporting cycle at the beginning of the year with trustees
- Provide only three in-year reports, with consistency in format and indicators in each report
- Include non-financial indicators (enrollment and staffing – FTE)
- Identify and explain material variances
- Provide conclusions and recommendations.

The Finance department has established a detailed project plan for the school board's year end process including school and departmental closing tasks, working paper preparation and reconciliations, closing the financial accounts at year end, meeting the Ministry reporting requirements, and the preparation of the audited financial statements. The Finance department has established an internal document that identifies key milestones for closing the financial accounts at year-end and for meeting the Ministry reporting requirements. The school board is compliant with established timelines for submitting its budget, revised estimates, and financial statements to the Ministry. Management noted that the school board had one delay in submitting the 2009-2010 estimates.

Audit

The school board developed the Internal Audit Charter in 2004. The school board has established the position of the Manager of School Support and Internal Audit within the Finance department. There is a formal job description for this position. The Manager of School Support and Internal Audit reports organizationally to the Comptroller of

Finance. For the internal audit role the Manager reports to the Director of Education. The Manager of School Support and Internal Audit provides formal audit reports to the Management Council, which is composed of the Director of Education, the Associate Director, and the Chair and Vice-Chairs of the Board. It is stated in the Charter that the Management Council performs the role of an Audit Committee.

The school board has focused its internal audit efforts on school-based financial activities. The school support and internal audit function is responsible for conducting audits of school-generated funds, school enrolment, financial controls, banking arrangements, and compliance to financial policies and procedures by schools. During and following the audits, the Manager provides support and training to school administrative staff on financial processes. Principals are required to formally sign the audit report, and provide a response on the planned actions to be taken to address any identified deficiencies. The Manager has prepared an audit plan to track and schedule audits at schools.

Management noted that the school board awaits the implementation of the Ministry initiative on regional internal audit services to expand internal audits to other areas of school board operations.

The Board does not currently have a separate audit committee. The auditors present their audit plan, the Audit Findings report and Audited Financial Statements to the Committee of the Whole. The auditors also have an opportunity to meet *in camera* with the Board to discuss issues that were identified. The auditors provide a management letter to senior management of the Finance department. Management establishes an action plan to address the auditors' recommendations. The school board has recently conducted a tender process for external audit services to review their selection of external auditors.

In December 2009, the Ontario legislature passed the *Student Achievement and School Board Governance Act*. These amendments to the *Education Act* clarify what is expected from school boards, trustees, board chairs, and directors of education to support improved student achievement. The amendments also promote good governance practices and sound financial management, by establishing audit committees. Now that the legislation has passed, the ministry intends to bring forward a regulation on audit committees specifying the composition and requirements of these committees.

Recommendations:

- Management should review the recommendations of the Interim Financial Reporting Committee (IFRC) and establish interim financial reporting that incorporates IFRC guidelines on frequency and format of reports. Management

should also communicate the IFRC recommendations to the board of trustees and request trustees' feedback on the recommended format of interim financial reports.

- The school board should establish approval procedures for interim financial statements, and implement a formal sign-off process of these statements by senior management.
- Management should enhance the internal audit function based on the school board's Internal Audit Charter and giving due consideration to the new Ministry's direction on internal audit.
- Management should ensure the internal audit plans are clearly documented, and that recommendations provided in internal audit reports are acted upon by management.
- In accordance with the Ministry's internal audit and audit committee strategy, the Board should consider establishing an audit committee that includes external advisors.

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 <i>Education Act</i> .	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 established the cash management policy that outlines procedures for investing, financing, account payable disbursements, and accounts receivable and collections. The policy indicates that any surplus funds identified through cash flow estimates should be invested, if a short-term investment opportunity that provides a higher rate of return than the school board's main bank account is available. The Finance department prepares weekly cash flow projections to determine surplus funds or short-term borrowing needs. The Comptroller of Finance analyzes investment options monthly to determine opportunities that provide the best return on surplus funds. The school board has borrowed internally to provide short-term funding for capital projects, but the Finance department is now in the process of establishing a short-term borrowing option with the bank for a large construction project. Interest resulting from investment activities is reported to the trustees in the year-end financial statements.

The Accounting Coordinator prepares monthly bank reconciliations online. Both the Manager of Accounting and the Comptroller of Finance are required to review and approve the bank reconciliation. Each week, the Coordinator reconciles cashed cheques and deposits. The Coordinator also reviews the weekly errors and exceptions report generated by the online banking system, and addresses any identified items. The Manager of Accounting and the Comptroller of Finance also manually reviews all journal entries to check for any errors and exceptions. Cash receipts are managed by another member of staff within the Finance department. The school board uses manual cheques for some low dollar value payments to vendors and in some schools. These cheques are tracked using a software application and are reconciled to the bank statement each month. All balance sheet accounts are reconciled periodically and are submitted to the Comptroller for review and sign-off.

The school board maintains one main bank account, deferred leave accounts, and school board foundations accounts with the one financial institution. Each school is encouraged to use the same bank where it is available. The school board also maintains trust funds to cover WSIB claims and scholarship funds, which are set up with a different financial institution.

The school board maintains positive relationship with the current banking institution and receives competitive preferential rates. The school board has been using the same financial institution since the amalgamation in 1998. Finance management compares the school board's banking terms with other school boards on an *ad hoc* basis. For example, in 2008 one of the neighbouring school boards conducted a survey of banking terms and conditions for Eastern Ontario school boards. The Finance department also conducts informal comparisons with other school boards. Management indicated that the current banking terms and conditions are competitive.

The school board has a sinking fund that will mature in 2013. The Finance department regularly analyzes this fund relative to expected rates of return, and funds are put aside to ensure that it will be sufficient to retire the related debt at maturity. The school board also maintains a capital deficit recovery plan, as a result of the school board using renewal funding to finance a capital construction project several years ago.

The school board receives school taxes from 37 municipalities. To ensure that all allocated taxes are received, the Finance department tracks the receipt of municipal payments. Finance staff provide reminders to municipalities in advance of quarterly payment due dates and charge interest on late payments.

The school board monitors and mitigates the financial risk related to cash and investment management in several ways. The school board has stop-loss insurance for large WSIB claims. The investment firm holding the WSIB and scholarship funds has staggered the maturity dates of investments throughout the year to minimize significant swings in the cash flow. The school board also maintains a small amount of working fund reserves to cover unforeseen issues. These are in addition to reserves that are ear-marked for specific purposes, such as carry-forwards of school surpluses. Changes to reserves or use of reserve funds are approved by the trustees as part of year-end financial statements.

To mitigate the risks associated with cash management, the Finance department has implemented procedures to track and control cheques. The Finance department also invited the Bank Manager to provide a presentation to the finance staff on controlling potential fraud.

The Finance department uses wire transfers to make the school board's debenture payments. To ensure that unauthorized wire transfers are not made, wire transfers are

made online by the Accounting Coordinator, and require approval by the Accounting Manager before they can be released by the bank.

The school board has a safe in the central office to safeguard funds and keep sensitive documents. Each school has been also provided with a safe. The school board has instituted a standard records management procedure. Documents and back-ups of electronic data are stored in an offsite location. The Payroll department has developed and tested a business continuity plan to ensure that employees continue to receive pay if the school board's operations are disrupted.

4.5 School-Based Funds and Non-Grant Revenue Management

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

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

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

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

Management of School-Based Funds

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

Management of Non-Grant Revenue

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

Management of School-Based Funds

The school board has established policies and procedures for school fundraising and for school loans and school budget surplus/deficits. In addition, the Finance department has established a school-generated funds procedure that includes checklists and templates for principals and office administrators. Schools are required to provide monthly reports to school councils on fundraising activities and funds.

The school support function in the Finance department provides support, information and training to school-based staff. The Manager of School Support and Internal Audit monitors compliance with policies and procedures through school audits. The school support staff have been working closely with schools to reduce the number of separate bank accounts held by each school to a single account. Each school has software for managing school accounts that allows better tracking and reporting on school-based funds. Two years ago, the school board implemented a web-based version of the software which allows the School Support department to monitor the data centrally. The Finance department has set up school accounts using a standard set of account codes to create consistency across the system.

The school support staff encourages segregation of duties for managing cash in schools where there are several secretaries. The Finance department has provided schools with a standard cash collection template, and schools are encouraged to use class lists or pre-numbered tickets to track receipts. When cash is transferred from teachers to the school secretary, it is first counted and signed-off by the teacher and then by the office administrator. Funds are kept in the school safe and must be deposited at least weekly. Schools are encouraged to deposit cash more frequently if it exceeds \$1,000.

Management of Non-Grant Revenue

The main sources of non-grant revenue for the school board are tuition fees, interest income, rental revenue from daycares, continuing education, and Upper Canada Learning Centre fees, community use of schools, and grants for specific skills programs.

The Executive Assistant in the Teaching and Learning department is responsible for identifying and tracking any new EPO grants that are announced by the Ministry. The grants are tracked in a spreadsheet, including the reporting requirements. EPO grants are assigned to the appropriate staff by the Executive Assistant in consultation with the superintendents of education. The Financial Coordinator assigned to the Teaching and Learning department uses the spreadsheet to monitor that the spending and reporting deadlines are met.

The Accounting Coordinator in the Finance department also tracks the grant amount in the revenue tracking tool. This enables the school board to track when funding is received, whether it can be deferred, what financial reporting is required, and who is responsible for spending the grant allocation. The Finance department sets up a separate project account code is established for each EPO grant. This allows costs associated with the grant such as occasional teachers to be tracked under a specific project account code.

4.6 Supply Chain/Procurement

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

- Whether supply chain/procurement policies and practices are in place to ensure that the school board acquires goods and services through an open, fair and transparent process;
- Whether appropriate internal controls support the procurement and related payment process;
- Whether school board processes ensure value for money from all acquired goods and services;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Policies and Procedures

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
Approved supply chain/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.	No

Policies and Procedures for PCard/Corporate Card Use

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

Accounting for Completeness of Purchase/Payment Cycle

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
The school board's finance department performs three-way matching (purchase order, receipts/invoice and inspection) before invoices are paid.	Yes
Commitment accounting is in place to monitor budget utilization.	No
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.	No

Policies and Procedures

The school board has a purchasing policy and procedure. The school board has a separate policy and procedure for travel expenditures and hospitality reimbursement. The purchasing procedure was updated in January 2010, to be compliant with the requirements of the Supply Chain Guideline issued by the Ontario Government in 2009. The procedure indicates that the document should be reviewed and updated every two years. The Purchasing Manager communicates the purchasing procedures to the system through e-mails or, for more significant updates, through information sessions with departments that are large users, such as IT, facilities, and central administration staff.

The school board has adopted the Purchasing Management Association of Canada (PMAC) code of ethics. The purchasing procedure includes standard terms and conditions, thresholds for procurement methods, bid evaluation processes, and the conditions for non-competitive procurement.

For competitive procurements, the school board includes the evaluation criteria and weighting factors in the tendering documents. The evaluation criteria are dependent on the type of commodity purchased, but include price and additional criteria, such as experience and service, for more complex procurements. The procedures include a clause to bypass the competitive procurement process where it is deemed necessary. Formal documentation and a superintendent's approval is required to support single source purchases.

The Purchasing department maintains a contract database of approximately 500-600 goods available from specific vendors in the financial information system. Available products can be viewed by customers in the purchasing portal of the financial system.

Participation in Group Purchasing Initiatives

The school board participates in the St. Lawrence Seaway Purchasing Cooperative with other school boards and colleges in the region. The cooperative jointly purchases a number of categories of items including school supplies, paper products, toner cartridges and audio visual equipments.

The school board also participates in group purchasing for utilities, including natural gas, through the Ottawa Carleton Energy Purchasing group, electricity through the Catholic School Board Services Association, and furnace oil through the Fuel Oil Consortium of Rural Eastern Ontario.

The school board is aware of the Ontario Education Collaborative Marketplace (OECM) and is planning to participate in upcoming tenders.

Purchasing Levels of Authority

The school board has established the procedure on signing authority, which identifies the signing authorities for different types of contracts. The levels of authority for authorizing purchasing are controlled through the financial system but are not documented in the purchasing procedures. The financial system ensures segregation of duties between the requisition, purchase order and payment. The procedure on signing authority requires that budget administrators complete a Purchase Approval Form which is included in the procedure. Budget administrators ensure that purchases are authorized within the established budget.

For travel and expense reimbursements, the accounts payable department requires that the reimbursements are approved by the immediate supervisor before payment.

Policies and Procedures for PCard/Corporate Card Use

The school board has a purchasing card procedure manual. The school board has issued PCards for school-based staff as well as the Facilities Manager and IT supervisor. PCards are provided to office administrators and principals. The total monthly limit for PCards within a school is \$4,000 for elementary schools and \$8,000 for secondary schools. Each card has a transaction limit of \$1,000, and a single item limit of \$500. PCards have restrictions on the type of items that can be purchased. Alcohol, cash advances are restricted and capital purchases are not allowed. PCards are to be reconciled online by cardholders and approved expenditures are downloaded directly into the financial system. The Manager of Accounting follows up with PCard holders

who have not reconciled their statements. Expenses must be approved by the cardholder's supervisor.

Accounting for Completeness of Purchase/Payment Cycle

Requisitions are entered by school administrators into the financial system. The purchasing staff review the requisitions and approve them in the system. The system automatically converts requisitions into purchase orders overnight which are automatically placed on hold until reviewed, modified and dispatched by the Purchasing Department. Goods are delivered directly to the school or department. Schools are responsible for confirming the receipt of goods directly in the financial system. Invoices are received by the accounts payable department and entered into the financial system. The system automatically conducts a three-way match between the purchase order, the acknowledgement of receipt, and the invoice.

The school board does not use the commitment accounting functionality in the financial system. Budget holders are responsible for monitoring their budgets and calculating the amount of remaining budget based on the weekly financial reports which provide a list of open committed orders. Currently, the school board does not use the capacity of the financial system to identify and flag a purchase requisition that will go beyond the budgeted amount for a specific account.

The school board uses an online vendor site for ordering office supplies. The online site does not interface with the school board's financial system, so purchases are generally paid for using PCards. The Accounts Payable department also receives and uploads invoices from several vendors electronically in the financial system.

Use of Electronic Funds Transfer for Greater Efficiency

Cheques for payments to vendors are generated by the Accounts Payable department using the integrated accounts payable module in the financial system. The school board has started to use electronic funds transfer for paying transportation and photocopier vendors and for transfer of funds between the school board's central office and schools.

Recommendations:

- To ensure alignment with the Supply Chain Guideline, management should clearly indicate the purchasing levels of authority in the school board's purchasing policy and procedures. These levels of authority should be commensurate to job roles and responsibilities.
- Management should identify opportunities for implementation of the electronic supplier interface for ordering, processing, and payment.

- Management should implement commitment accounting and use the capacity of the financial management system to monitor budget utilization and prevent spending beyond budgeted/authorized levels.
- Management should continue to expand the use of electronic funds transfer (EFT) for vendor payments.

5. School Operations and Facilities Management – Findings and Recommendations



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

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

5.1 Operations and Facilities Organization

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

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

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
The School Operations and Facilities Management department’s goals and priorities are documented in an annual 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.	No
Processes exist to monitor new legislation and regulations and implement necessary changes.	Yes

Development and Reporting of Annual Goals and Priorities

The Chief Information and Facilities Officer (CIFO) of the school board started overseeing the Facilities department two years ago. In the past, the school board had one information officer and one facilities superintendent as part of the senior management team. The CIFO has been focused on implementing a rigorous project

management approach across the facilities department, and documenting and standardizing processes. This area of focus has been determined based on identified challenges in past capital projects undertaken by the school board.

The strategic plan of the school board (CREW) includes some specific projects for the Facilities department. The strategic plan identifies the specific measurable goals, associated timelines and designated owners for these initiatives. The key CREW projects that are the responsibility of the Facilities department include:

- Better information management, including HR management to track absences and fill replacements, and a work-order management system;
- A focus on operational excellence in Facilities processes including standardizing and documenting key operational and business processes within the department;
- Redesign the organizational structure of the Facilities department;
- Total life cycle management plan for capital facility components.

The CIFO is responsible for providing quarterly status reports on CREW projects to the Strategic Council. In addition, the departmental project management methodology stipulates that for key capital projects, steering committees are formed which receive written monthly status reports.

The Facilities department does not establish an annual operating plan aligned with the school board's annual operating plan and contains specific and measurable goals, timelines, responsibilities and indicators of success. The capital activities of the department are guided by the comprehensive capital projects list, which documents the planned and completed projects for a given fiscal year.

Organizational Structure and Accountability

The Facilities department consists of two main divisions – design and construction department and custodial and maintenance department. The design and construction department is responsible for identifying and prioritizing projects, managing largescale projects, energy management, water testing, updating RECAPP database and managing security systems. The Manager of Design and Construction reports to the CIFO and supervises a number of project managers and maintenance staff.

The Facilities department also shares a planning and research officer with the Planning department, and has one dedicated planner within the department.

The schools are grouped into four families of schools, with a manager of school facilities operations responsible for the custodial and building system staff at each family of schools.

Since the amalgamation in 1998, the Facilities department has implemented several organizational changes. The department has a current organizational chart and formal job descriptions for all staff. However, the organizational chart is not available publicly on the website. The contact information for the CIFO is posted on the website. The school board's strategic plan includes an initiative to reorganize the current structure and supervision within the Facilities department to deliver services more effectively, review the staffing allocation model and establish training programs and a performance evaluation process.

Job descriptions for Facilities staff identify that professional designations are preferred but not required due to local labour market conditions. Management reported that in the past the school board has had difficulty finding qualified candidates for various positions within the Facilities department. The Facilities department has focused on finding staff with management capabilities and engaged external consultants when specific technical skills are required.

Monitoring and Communication of Policies

The Facilities department is responsible for policies and procedures related to health and safety, security, and community of use of schools and facilities. Management recognizes that many processes related to the Facility department operations need to be documented and reflected in policies and procedures. Over the past several years, the department has focused on documenting processes and establishing internal guidelines, particularly for regulated activities, such as health and safety and water testing.

The CIFO noted that one of the department's priorities is to post all procedures, guidelines, and documented processes on the website and provide training to all facilities staff. Currently, any changes in existing policies and procedures are communicated to staff via e-mail. Supervisors visit sites regularly and ensure that changes to policies and procedures have been applied correctly.

The Associate Director receives any notices on regulatory changes from the Ministry. Any notices that impact the Facilities department are provided to the CIFO for information and further action.

Recommendations:

- The Facilities department should establish an annual operating plan that would contain specific and measurable targets and indicators and assign

responsibilities and timelines for key tasks. This would enable management to track and report on the progress of its defined priorities and goals throughout the year.

- Management should finalize the reorganization of the Facilities department. Management should post the departmental organization chart or a detailed organization chart for the school board administration on the school board's website.
- The Facilities department should continue building staff capacity in understanding of school operations and facilities policies and administrative procedures by posting policies, procedures and guidelines on the website and providing regular training to staff.

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.	No
Management's custodial/maintenance allocation model optimizes the use of staff and considers various factors (e.g., square footage, portables, gyms, etc).	Yes

Development of Annual/Multi-Year Maintenance Plan

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

Training to Support Skills Development and Safety

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

Standardization of Cleaning and Maintenance Supplies

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

Project Management, Monitoring and Support Systems

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
An automated (computerized) work-order system and process records, monitors and evaluates projects ensuring the effective use of resources.	No
Senior administration regularly evaluates the overall effectiveness and efficiency of its maintenance and custodial service delivery model.	Yes

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

The Facilities department maintains a custodial manual that includes formal cleaning standards and procedures for routine cleaning activities. The Manager of School Facility Operations conducts periodic site visits, which are not formally scheduled but occur approximately every three to four weeks. When issues are identified as a result of these site visits, the manager prepares a formal cleaning inspection report. Management noted that the Facilities department plans to establish a self-managed approach, where staff would report on both the positive and negative aspects of performance. Management should also consider establishing formal procedures for inspections including frequency of site visits.

The current allocation model is based on several factors, including square footage, whether the school is elementary or secondary panel, student population, number of portables, number of levels in the building, mechanical complexity, and extent of community use and daycare centres.

The Facilities department is updating the environmental policy, which will include a statement about adopting green clean products for custodial use. The Facilities department has been working with the school board's custodial supplies vendor to introduce green products and equipment. Currently, approximately 95 per cent of cleaning products used by custodians are green-certified. The Facilities department has also implemented automatic dispensers for cleaning products.

Development of Annual and Multi-Year Maintenance Plan

The school board maintains a prioritized list of capital and maintenance projects. The prioritization is conducted using the information from RECAPP.

Facilities management reviews the list of projects relative to the funding that is available over the two to three years to develop the current year priority maintenance plans and the multi-year plan. Principals of schools that have planned projects are informed by either the respective Operations Manager or the Capital Project Manager during the planning stages.

Management identifies and groups similar types of projects or multiple projects at one facility within the same year to better utilize resources. The school board's identified renewal needs greatly exceed available funding. The school board is also focused on repaying the capital deficit. As a result, the plan identifies only the significant priority projects that need to be addressed. While the need for some projects may be identified by operations managers, custodians or school staff, the Facilities department does not solicit input from school principals for specific requests. Management reports to the trustees on the comprehensive capital deficit repayment plan. The trustees are not involved in prioritizing or approving the content of the maintenance plan. However, they receive periodic reports on completed projects.

Training to Support Skills Development and Safety

The Facilities department does not formally document the departmental training plan. The department provides orientation training for new custodians, and provides formal mentoring to custodial staff. There are also various ongoing regulatory and skills training courses for facilities staff. The school board provides training on regulatory procedures such as water testing, asbestos management, and WHMIS to all facilities staff. The Facilities department also provides other skills training for facilities staff, such as fall arrest, building environmental systems, and safety procedures. Facilities management tracks the completion of required training to ensure all custodians receive training. The Facilities department also accommodates and supports staff in completing a 2.5-year advanced building environmental system program offered by the local community college. In addition, the school board's vendors provide training on new equipment.

Standardization of Cleaning and Maintenance Supplies

The Facilities department maintains a small fleet of vehicles for specialized trades within the maintenance department. Management maintains a log to track all vehicles at the school board and monitor inspections. Each school is responsible for tracking the custodial equipment used at the school. Similarly, maintenance staff are responsible for tracking their equipment. There is no central database for tracking major custodial or maintenance equipment.

The Facilities department has standardized cleaning chemicals that are used across all schools. All purchases are made centrally through the Purchasing department. Head custodians for families of schools are responsible for ordering supplies as needed using system contacts.

The Purchasing Manager chairs the Environmental Committee, and works with the Facilities department to encourage purchasing of green products where feasible.

Project Management, Monitoring and Supporting Systems

The Facilities department currently uses a spreadsheet to manage work orders. Custodians and maintenance staff submit paper work orders to the project manager for maintenance. Paper work orders can be initiated by principals and provided to custodians. The Project Manager enters work orders in the spreadsheet, and allocates and monitors the completion of jobs by maintenance staff. Management is currently working to develop specifications for a centralized electronic work order system.

The Facilities department outsources some maintenance services but provides all custodial services internally. Each family of schools has building specialists assigned to the schools. Internal maintenance staff are able to address many of the work orders and some renewal projects. However, external service providers are used for projects that require professional trades certification such as for electrical systems, plumbing, HVAC, security systems, and boilers.

Recommendations:

- The school board should review the Ministry's Green Clean Program Resource Guide and use the guide to develop a formal green clean program as part of its overarching Education Environmental Policy.
- Management should establish and maintain a central inventory system to track and control major cleaning and maintenance equipment.
- Management should continue considering options for implementing a computerized work order system.

5.3 Energy Management

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

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

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

Energy Management Plan

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

Tracking and Reporting Energy Conservation

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

Energy Management Plan

The school board has implemented a number of energy conservation initiatives. However, the school board has not systematically defined an energy management strategy in a formal document with specific energy-saving goals. The Facilities department has introduced building environmental systems in most schools, installed occupancy sensors based on carbon dioxide levels in several schools, and changed to more efficient light bulbs across all sites. The Facilities department incorporates energy conservation upgrades as part of major renewal and retrofit projects. The school board has hired external consultants to conduct energy reviews at some schools to identify areas of opportunity to increase energy conservation. The school board has also worked with Canada Green Building Council to examine energy footprint of several schools and use the data for the development of an energy plan.

The school board has received funding for a number of new energy initiatives, and has appointed one of the project managers in the design and construction department to oversee the energy conservation initiatives. The school board has received funding for

three projects as part of the green schools pilot, which includes projects to implement a biomass boiler, solar energy, and wind energy.

The Facilities department encourages purchasing of energy efficient equipment. However, the school board has not incorporated specific requirements to purchase energy efficient equipment in the purchasing policies and procedures. The school board participates in a few different energy purchasing consortia for purchasing of electricity, natural gas and fuel oil.

The school board would like to enhance communication to stakeholders on energy conservation initiatives. Currently, the Facilities department has included information about energy conservation initiatives in newsletters to parents. In addition, the department coordinates with the EcoSchools programs to integrate with school curriculum information.

Tracking and Reporting Energy Conservation

The school board has started providing information for the Utilities Consumption Database initiative supported by the Ministry. The school board participated in Canada Green Energy Council pilot project, which included benchmarking across a number of public and private organizations to assess energy and water use, estimation of conservation potential, and engineering assessments of the most efficient buildings.

The school board tracks energy costs of each facility, and has conducted some cost comparisons in the past across facilities to identify the high energy users based on square footage. The school board receives separate bills for each facility from the utility providers. The Facilities department is able to regulate energy consumption remotely through a web-based application that centralizes control of the building environmental systems.

The school board has an environmental policy which has not been updated in a number of years. Management is currently working to review and update the policy.

Recommendations:

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

- The school board should continue to enhance communication to stakeholders on successful energy conservation initiatives.
- Once the formal energy management plan is established, the school board should ensure that its procurement policies and practices support the objectives and targets of the plan. Management should also consider documenting the energy efficiency requirements in procurement policies and procedures and/or the environmental policy.
- Management should provide formal annual reporting on the conservation savings achieved against the plan.
- As part of the energy management planning, the school board should establish a comprehensive system to budget expenditures, track and regulate consumption, and identify opportunities for further savings.
- The school board should identify opportunities for consolidated billing from utilities.

5.4 Health, Safety and Security

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

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

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

Health, Safety and Security Management

Leading Practices – Health, Safety and Security	Evidence of Adoption?
Develop, implement and monitor of an occupational health and safety strategy/plan that reflects the board's occupational health and safety policies and administrative procedures and ensures that the school board is in compliance with associated occupational health and safety statutory requirements.	Yes
Develop, implement and monitor of a security strategy/plan that reflects the board's security and student safety policies and administrative procedures and ensures the board is in compliance with statutory/policy security requirements.	Yes
Develop, implement and monitor of 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 school board has an Occupational Health and Safety policy and a number of documented guidelines related to various health and safety issues such as student aggression, site inspections, indoor air quality, anaphylaxis, and trips and fall prevention. Health and Safety is the responsibility of the Manager, Health, Safety and Risk who reports to the Superintendent of Business.

The school board has a formal Joint Health and Safety committee that includes representatives from union and non-union employee groups. The committee meets every other month as a formal committee. Its mandate is to review accident reports and site inspections, and examine emerging trends to guide support programs and training. A site representative from each school reports to this committee. The site representatives and the principals at each school are provided with training on how to conduct health and safety inspections and other training on relevant topics. There are documented site inspection guidelines and templates to support each site in conducting inspections. Annual training is provided to facilities staff on fall arrest, asbestos, machinery safety procedures, and WHMIS. The school board has a protocol for reporting accidents and conducting accident investigations. Any concerns raised by parents or the community are reported to the principal who forwards the concern to the Manager of Health, Safety and Risk Management to address.

The Manager of Health, Safety and Risk Management provides periodic reports to the Board on the health and safety program, the associated costs to the school board, and comparative costs in other school boards.

The school board has a pandemic plan, and business continuity plans for critical areas. For example, the Finance department has a business continuity plan that outlines the

procedures for continuing to provide critical payroll services under different emergency scenarios.

The school board has established a critical response team, and developed an emergency response plan in each school. Central administration has provided schools with a standard template for emergency response plans. The template outlined the system of alert codes and each school was responsible for customizing the plan to meet the specific characteristics of the school. The school board works closely with the local police who attend emergency response drills. Schools are responsible for conducting and tracking three drills each year. The Manager of Health, Safety and Risk Management conducts periodic audits to ensure that drills are completed and school emergency plans are kept up-to-date. The school board has established a single contact number and notification protocols to follow in the event of an emergency occurring in the school board.

The school board has a procedure for video security surveillance, and is in the process of upgrading its security systems.

The school board has established three committees, Student Health, Student Environment, and Student Activities and Excursions, which provide guidance on student health and safety.

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.	Yes
An accurate and current assessment of facility conditions is maintained, based on industry standards (using RECAPP methodology).	No
Capital forecasts and related funding plans are assessed annually and adjusted to meet current needs and changes to original assumptions such as enrolment projections and capital grants.	Yes

Development of Annual and Multi-Year Capital Plans

The school board maintains a list of capital, renewal and major maintenance that are in progress, and the source of funding for each project. The school board has not established a multi-year capital plan. Management recognized that strategic multiyear planning for capital projects would be beneficial for the school board. The Facilities department tries to allocate renewal funding strategically to minimize projects in schools that may be closed in the future.

The trustees are engaged in planning and approval of large capital projects. The school board has a Steering Committee for capital projects that includes the trustees, superintendents, and facilities staff. This committee is responsible for identifying the order of priority for capital projects, and periodically reviewing the status of these projects.

The school board is in a position of declining enrolment, and has had to close a number of schools over the past few years. The planning department tracks enrolment across all schools, and tries to make use of existing space by leasing school space to other groups such as daycares. The school board has a policy for school closures that adheres to the expectations identified in the Ministry's Revised Pupil Accommodation Review Guidelines. Where accommodation reviews are required, the Director of Education is responsible for leading the review process.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

The Facilities department updates the school facilities information system (SFIS) annually, and makes additional updates throughout the year when substantial changes are made.

The Facilities department enters all completed events and projects into RECAPP. However, management noted that school facility information is not validated regularly in the database due to resource constraints. The Facilities department has had building condition assessments completed by external consultants to review the condition of facilities components. The results of these assessments are also uploaded into the RECAPP database.

The school board reassesses the Facility Condition Index (FCI) where school consolidations have occurred or significant capital upgrades have been completed. Currently, facilities staff is also completing new comprehensive facilities condition assessments for schools that may require significant capital investment in the short to medium term. Facilities staff is updating FCI accordingly. The school board identifies schools that may qualify as prohibitive to repair by engaging external consultants to conduct large-scale feasibility and condition assessment.

The school board has completed and submitted the Ministry's Capital Liquidity Template. The school board has a capital deficit recovery plan that is planned to be paid by next year. This plan establishes how the school board is paying off the capital deficit incurred in 2005-06 as a result of overruns on a capital construction project.

Recommendations:

- Management should establish a multi-year capital plan based on the assessment of enrolment projections, utilization of facilities and accommodation needs. The

plan should be communicated to the board of trustees and posted on the school board's website.

- Management should ensure that an accurate and current assessment of facility conditions is maintained, based on industry standards using RECAPP methodology.

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 <i>Ontario Green Energy Act, 2009</i> .	Yes
Senior administration maintains standard policy and/or procedures to rationalize construction projects, including benchmarking against other school board construction costs and design standards (including coterminous boards).	Yes

Monitoring and Reporting on Progress of Construction Projects

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

Maintaining Current Approved Professional Service Providers

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

Cost-Effective Practices in the Design and Construction of Facilities

The Facilities department monitors the school board's capacity on an ongoing basis. As part of the budget development cycle, the Facilities department reviews the forecasted utilization, and identifies where portables may be needed based on enrolment projections provided by the Planning department. The school board promotes the use of under-utilized facilities in the local community.

The school board is currently completing the construction of a new school that was designed to be used as a standard footprint to design future schools. The design was developed with consideration of design principles and cost savings that could be modified for future construction projects, depending on the number of pupil places and site restrictions. New schools are designed based on the forecasted 10-15 year enrolment projections. Management noted that the school board has improved the cost effectiveness of its last three construction projects.

Once a construction project has been identified, the Facilities department begins the design process by developing a project initiation report. The Facilities department identifies the Steering Committee for the project, and assigns a project manager and project team. The Steering Committee is composed of representatives from superintendents and trustees. The principal also acts as an advisor to the Steering Committee. The project team guided by the Steering Committee develops the project initiation report that includes a baseline project plan and a working budget. This report is presented to the Board for approval before engaging an architect for the detailed design phase. The Facilities department maintains specifications for material standards that must be used in the design and construction.

The school board tries to incorporate energy efficient design features in new construction projects where feasible. The current school construction was designed to

meet the standards for LEED certification. As part of the design process, different options are considered and costed. The project Steering Committee and the Board guide the choice of energy efficient features that are included in the design.

The school board is completing a new school to open in September 2010. The school board has already received approval to design one other school and has identified several other possible construction projects.

The Facilities department uses the Ministry benchmarks to define the square footage for the design. For the current construction project, the school board has engaged a third party estimator to determine if the estimated costs in the project plan were appropriate. Since the Facilities department plans to use the current school construction project as a template for future designs, the cost consultant and the architect have conducted additional benchmarking and cost comparisons, to identify opportunities to improve the design for future projects.

The Facilities department has developed a standard cost model to establish the baseline target budget. The distribution across the different construction stages has also been benchmarked against other school boards. Once the detailed schematic design is completed, the project management team determines a formal cost estimate and the estimated cost per square footage. The principal approves the detailed schematic design of each room to ensure that there is a formal review and approval of the final design.

The school board engages the local community in gathering input on the design of a new school through a community committee co-chaired by the principal and a member of the community. This committee is also responsible for managing all aspects of retiring the school (or schools) that the new school is replacing.

Monitoring and Reporting of Progress on Construction Projects

The Project Manager creates and tracks the project plan and budget using project management and database software. The school board identifies contingencies for design and construction in the project budget. General contractors provide a cash flow statement, and update payment schedules.

The Project Manager uses a formal change control process for any changes to design and construction. The Project Manager is responsible for approving nondiscretionary change orders and for bringing all other change orders to the Steering Committee for approval. Any changes that impact the budget by more than five per cent require Board approval.

Throughout design and construction, the Board receives monthly status reports on the progress of the project. These reports include an update on the schedule, the budget,

the changes that have been approved and any potential risks. The Board is directly involved in the design and construction process at all stages requiring formal approval.

The school board has had some issues in the past constructing facilities on budget. However, the Facilities department has established a more rigorous project management process to improve controls in construction projects.

Maintaining Current Approved Professional Service Providers

The school board has a pool of pre-approved architects, which are used for smaller construction projects. The school board has publicly tendered each new major construction project.

The school board's architects pre-qualify general contractors and trades who can bid on the project. A formal evaluation committee selects a general contractor for a specific project. The school board also maintains a pre-qualified list of specific trades such as roofing and glazing, which are also used for smaller projects. The school board updates the lists of pre-qualified contractors every five years.

Appendices

Appendix A: Overview of the Operational Review

Operational Review Objectives

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

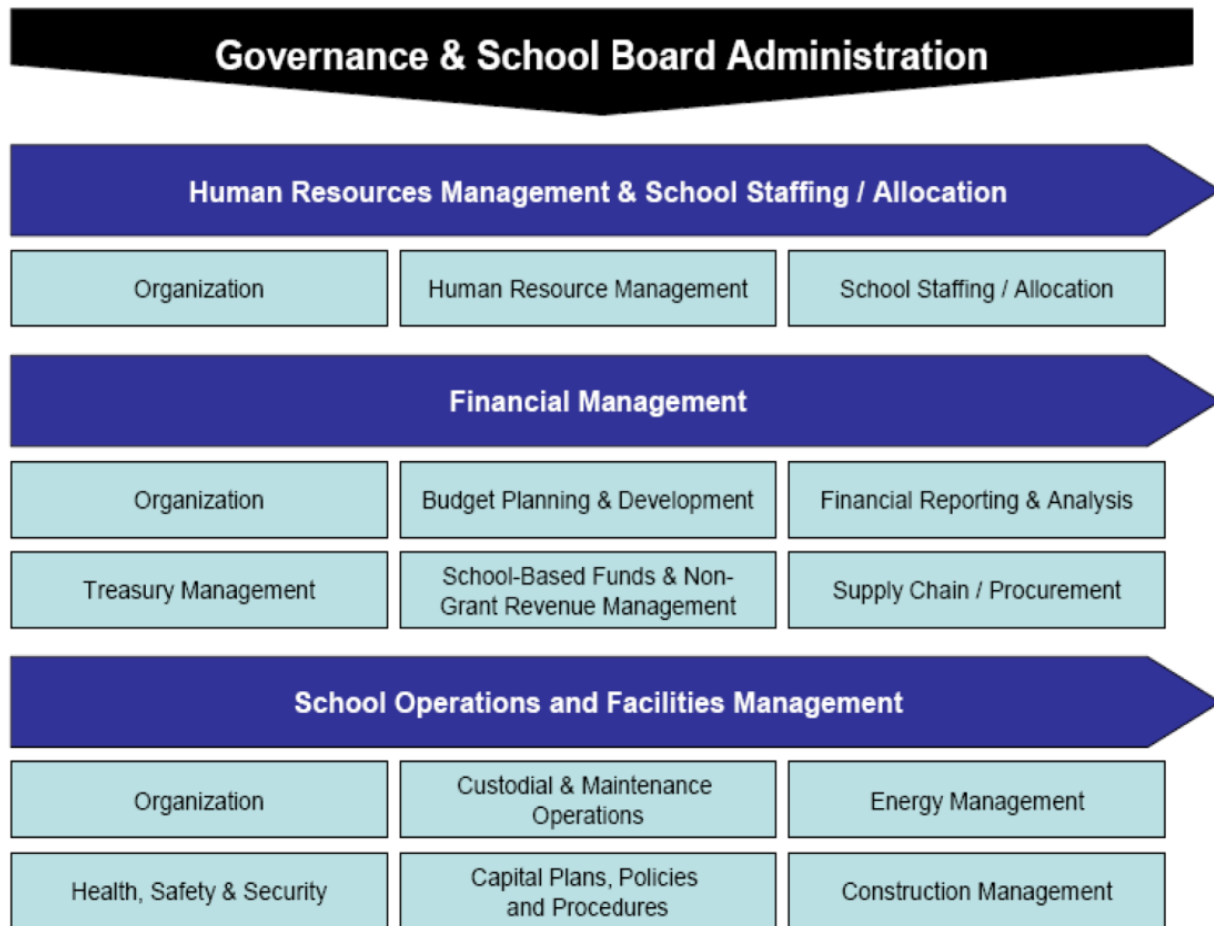
Recognizing the unique characteristics of each DSB, the specific purpose of the Operational Reviews is to:

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

Operational Review Summary Scope

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

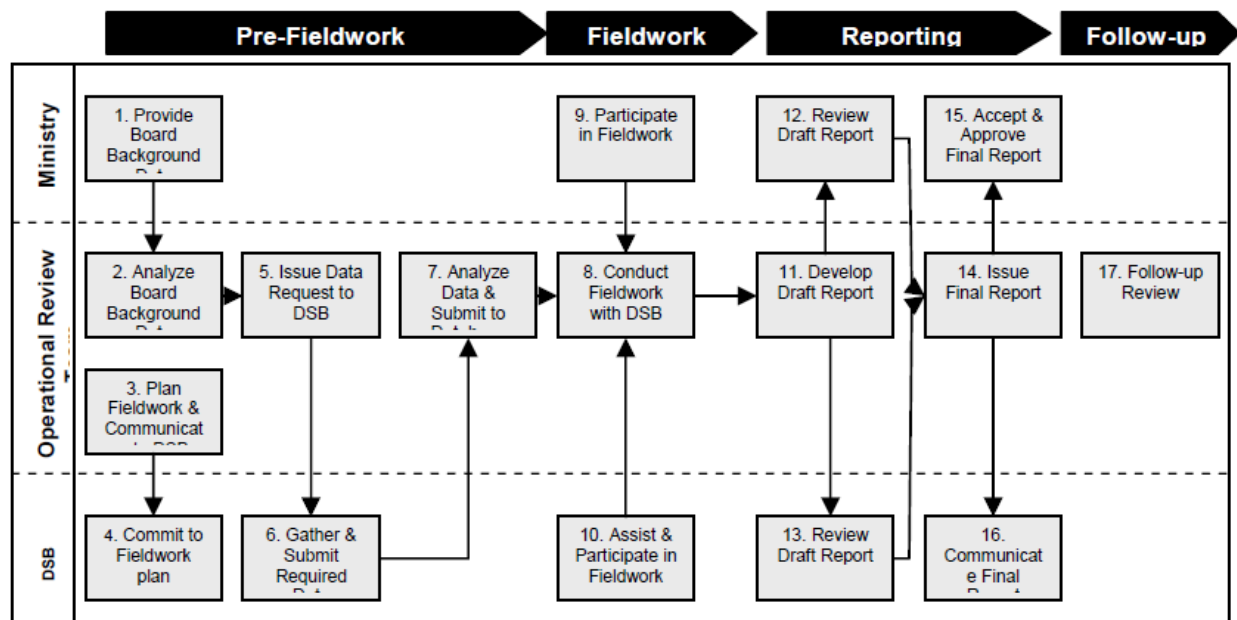
Each of the processes was examined based on its activities and its adoption of sector agreed leading practices, including alignment and support of student achievement strategies.



Operational Review Summary Approach

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

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



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

Phase: Pre-Fieldwork

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

Phase: Fieldwork

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

Phase: Reporting

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

Phase: Follow-up

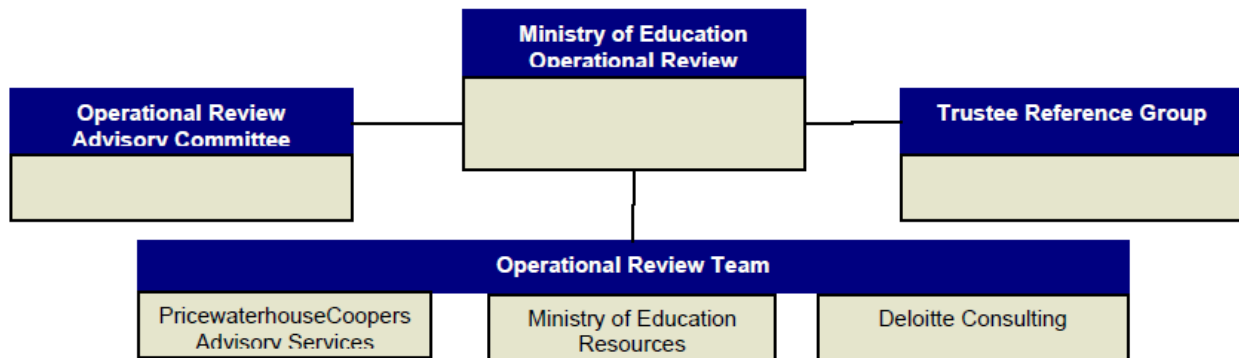
Key Activity	Description
Follow-up Review	Eight to 12 months after the release of the final report, the review team conducts a follow-up review to determine the extent the board's adoption and implementation of the recommendations.

The Operational Review Team

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

Management consultants from PricewaterhouseCoopers and Deloitte were hired to complete the Operational Reviews. The Ministry assigned an internal consultant with

school board experience to provide the Review Team with valuable insight into school board operations in Ontario. The team has also received guidance and feedback from an Advisory Committee and a Trustee Reference Group convened by the Ministry of Education.



Limitations of this Review

The purpose of this report is to document the results of the Operational Review of the Upper Canada 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.	Management should post the school board's organizational chart on the website.
2.	The school board should establish a formal policy review schedule to ensure that all policies are reviewed periodically.
3.	The school board should continue to align its leadership development programs and activities with the Ministry leadership initiatives. It should develop a formal succession and talent development plan for key management positions in all academic and non-academic areas.

Human Resources Management and School Staffing/Allocation

No.	Recommendation
4.	Management should post the departmental organization chart or a detailed organization chart for the school board administration on the school board's website.
5.	Management should establish hiring policies and procedures for all staff groups and communicate the procedures to managers throughout the school board.
6.	Management should continue establishing processes and formal procedures for performance appraisal of all employee groups.
7.	The school board should document and communicate formal disciplinary procedures for all staff.
8.	Management should continue establishing a comprehensive attendance support program.
9.	Management should develop a way to assess and report on the effectiveness of the attendance support process/programs to senior administration and the Board.
10.	Management should continue conducting periodic independent compliance audits of the school board's insurance carrier to ensure adherence to the benefit plan's terms and conditions.
11.	Management should continue updating the pay equity plans for all employee groups of the school board.
12.	Management should continue conducting periodic and confidential staff surveys, to improve communication with staff and provide input for professional development plans and HR policy.

Financial Management

No.	Recommendation
13.	The Finance department should establish an annual operating plan that would contain specific and measurable targets and indicators and assign responsibilities and timelines for key tasks. This would enable management to track and report on the progress of its defined priorities and goals throughout the year.
14.	Management should post the departmental organization chart or the detailed organization chart of the school board administration on the school board's website.

No.	Recommendation
15.	Management should consider enhancing the process of reporting on the school board's budget risks using the format suggested in section 4.2 of this report. A formal risk management plan/report, which is reviewed and updated periodically, would give reviewers a better understanding of the school board's budget risks.
16.	Management should review the recommendations of the Interim Financial Reporting Committee (IFRC) and establish interim financial reporting that incorporates IFRC guidelines on frequency and format of reports. Management should also communicate the IFRC recommendations to the board of trustees and request trustees' feedback on the recommended format of interim financial reports.
17.	The school board should establish approval procedures for interim financial statements, and implement a formal sign-off process of these statements by senior management.
18.	Management should enhance the internal audit function based on the school board's Internal Audit Charter and giving due consideration to the new Ministry's direction on internal audit.
19.	Management should ensure the internal audit plans are clearly documented, and that recommendations provided in internal audit reports are acted upon by management.
20.	In accordance with the Ministry's internal audit and audit committee strategy, the Board should consider establishing an audit committee that includes external advisors.
21.	To ensure alignment with the Supply Chain Guideline, management should clearly indicate the purchasing levels of authority in the school board's purchasing policy and procedures. These levels of authority should be commensurate to job roles and responsibilities.
22.	Management should identify opportunities for implementation of the electronic supplier interface for ordering, processing, and payment.
23.	Management should implement commitment accounting and use the capacity of the financial management system to monitor budget utilization and prevent spending beyond budgeted/authorized levels.
24.	Management should continue to expand the use of electronic funds transfer (EFT) for vendor payments.

School Operations and Facilities Management

No.	Recommendation
25.	The Facilities department should establish an annual operating plan that would contain specific and measurable targets and indicators and assign responsibilities and timelines for key tasks. This would enable management to track and report on the progress of its defined priorities and goals throughout the year.
26.	Management should finalize the reorganization of the Facilities department. Management should post the departmental organization chart or a detailed organization chart for the school board administration on the school board's website.
27.	The Facilities department should continue building staff capacity in understanding of school operations and facilities policies and administrative procedures by posting policies, procedures and guidelines on the website and providing regular training to staff.
28.	The school board should review the Ministry's Green Clean Program Resource Guide and use the guide to develop a formal green clean program as part of its overarching Education Environmental Policy.

No.	Recommendation
29.	Management should establish and maintain a central inventory system to track and control major cleaning and maintenance equipment.
30.	Management should continue considering options for implementing a computerized work order system.
31.	The school board should establish a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan. Energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The plan should include short-term and long-term opportunities with milestones, roles, responsibilities and budgets with a process for ensuring community support.
32.	The school board should continue to enhance communication to stakeholders on successful energy conservation initiatives.
33.	Once the formal energy management plan is established, the school board should ensure that its procurement policies and practices support the objectives and targets of the plan. Management should also consider documenting the energy efficiency requirements in procurement policies and procedures and/or the environmental policy.
34.	Management should provide formal annual reporting on the conservation savings achieved against the plan.
35.	As part of the energy management planning, the school board should establish a comprehensive system to budget expenditures, track and regulate consumption, and identify opportunities for further savings.
36.	The school board should identify opportunities for consolidated billing from utilities.
37.	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.
38.	Management should establish a multi-year capital plan based on the assessment of enrolment projections, utilization of facilities and accommodation needs. The plan should be communicated to the board of trustees and posted on the school board's website.
39.	Management should ensure that an accurate and current assessment of facility conditions is maintained, based on industry standards using RECAPP methodology.