Ministry of Education

Operational Review Report
Upper Grand District School Board

Table of Contents

Executive Summary

This report details the findings and recommendations of the Operational Review of the Upper Grand District School Board (the school board) conducted by the Operational Review Team composed of external consultants from PricewaterhouseCoopers LLP and Ministry of Education staff. The Operational Review was conducted over four days beginning January 11, 2010.

Introduction

The Ministry has been conducting Operational Reviews of the 72 district school boards across the province over the past three years. The initiative supports Ministry goals and will increase confidence in public education. The Ministry's goal is to enhance management capacity within school boards by encouraging good stewardship of public resources and by the leveraging and sharing of 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.

On the academic side, the school board's Grade 6 and Grade 9 student achievement results have improved steadily since 2002-03. From an operations perspective, the review demonstrates that the school board has adopted many of the leading practices. Noted strengths include progress in the implementation of the attendance support program, prudent financial management practices, and a focus on sufficient and timely maintenance of school board facilities.

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

Governance and School Board Administration

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

- The school board has established a code of ethics for trustees. The Board is planning to update the code using the provisions of Bill 177.

- The Board provides newly elected trustees with a formal orientation program. Each year, the trustees establish specific objectives and complete a selfevaluation survey. The results of self-evaluation surveys are summarized by the vice-chair and discussed by the Board to determine follow-up actions.

- The Board has established a standard process for conducting performance appraisal of the Director.

- The Director's annual objectives serve as the annual system plan for the school board. Each department of the school board develops a departmental operating plan aligned with the Director's annual objectives.

- Each superintendent and executive officer submits annual goals to the Director as part of the performance appraisal process. The Director reports to the Board on the annual achievements of the superintendents and executive officers.

- The school board proactively engages system stakeholders using various mechanisms. The Director and supervisory and executive officers actively participate in many regional and province-wide sector committees and associations, and in a number of Ministry workgroups.

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

There is understanding among trustees that the Board operates collectively and trustees are responsible for setting policies and ensuring that policies are being implemented. However, the Board has not adopted a specific governance model.

While the Board has established a policy on the duties and responsibilities of the Director of Education, the roles and responsibilities of trustees have not been clearly documented.

The school board has a number of annual planning activities and is in the process of developing a multi-year strategic plan to provide a framework for annual planning.

The Board has a policy management committee that meets a minimum of five times annually to facilitate the development, implementation and review of policies. The school board has established a formal policy and procedures on policy management. The Board aims to review existing policies on a three to five year cycle, but a number of policies have not been refreshed within this timeframe.

The school board has an up-to-date organization chart for senior administration. Management should consider publishing the chart on the school board's website and providing contact details for key staff.

The school board has established a succession strategy for principals and viceprincipals. This strategy has been adapted to meet the Ontario Leadership Strategy framework. The existing succession planning and leadership initiatives are mainly focused on academic leadership positions at the school board. The school board has not yet implemented similar initiatives for non-academic supervisory officers. The school board builds leadership capacity for non-academic roles by supporting staff in obtaining specific qualifications, and by ensuring cross-training opportunities.

Recommendations:

- The Board should document its governance model and clearly define the roles and responsibilities of trustees.

- The Board should finalize and communicate its multi-year strategic plan, which should serve as a framework for annual system-wide and departmental planning. The annual system-wide operating plan should be aligned with the strategic plan, incorporate both academic and non-academic departments and contain goals that are specific, measurable, achievable, relevant and timely. The Director's annual plan can be used as the basis for the development of a system-wide annual operating plan.

- The school board should establish a formal policy review schedule to ensure that all policies are reviewed within the established three to five year cycle.

- Management should post the organizational chart of the school board administration on the school board's website.

- The school board should continue developing its leadership development programs and activities. It should develop a formal succession and talent development plan in line with the Leadership Succession Planning and Talent Development Ministry Expectations and Implementation Continuum.

Human Resources Management and School Staffing/Allocation

The human resources (HR) department has implemented a number of the leading practices:

- The school board has a number of policies related to hiring, including policies on pre-employment screening, police record checks, and the selection and transfer of principals and vice-principals. The hiring process was recently revised to establish more consistent practices.

- The HR department has established good relationships with the three unions representing the school board's employee groups.

- The HR department actively supports the professional development of school board staff. The HR department has a dedicated staff development coordinator responsible for facilitating professional development (PD) programs for the school board.

- The school board has started implementing an attendance support program. The program commenced in 2009 as a pilot in four schools and is currently being rolled out across the school board.

- The school board engages an external benefits consultant to conduct annual compliance audits of the insurance carriers.

- The HR department has established central controls in the hiring process, to ensure that the staff allocation process is being followed.

The review team notes that the school board would benefit from expanding its activities in several areas of human resources management, summarized here.

The human resources department establishes a three-year plan, which is presented to the Board each fall. These goals are aligned with the Director's annual plan for the school board. The HR department plan contains high-level priorities for each year of the plan. In addition, the Executive Officer of HR uses the three-year departmental plan to establish an annual performance plan, which is monitored and assessed by the Director each year.

Management could enhance the annual departmental planning by establishing an annual departmental operating plan that includes specific activities with measurable targets, timelines, and identified responsibilities. The Executive's Officers plan could be used as the basis for its development.

The school board implemented an attendance management program last year as a pilot in four schools. The program is currently being rolled out across the school board. The HR department tracks employee absences using the attendance management system and identifies trends in attendance. However, the HR department has not yet provided reports on the effectiveness of the attendance support process/programs to senior management and the Board.

The school board has updated pay equity plans for all staff categories, except educational assistants and professional student services personnel. HR is currently negotiating with these two union groups to establish pay equity plans.

The school board conducted targeted staff surveys in the past, but has not established a systematic, periodic employee survey process. Similarly, exit interviews have been conducted with some staff, but are not currently conducted consistently.

The staff allocation process monitors adherence to key Ministry and Board policy parameters, such as: class size, prep time, collective agreement requirements and other school board directions. However, the school board does not have formal policies for staff planning and allocation, except for special education staffing.

Throughout the year, HR works closely with finance to monitor and verify that the elementary teachers' payroll data matches the approved budget. Management intends to implement the same process for other employee groups and include as part of interim financial reports presented to the Board.

Recommendations:

- Management should develop a mechanism to assess and report on the effectiveness of the attendance support program to senior administration and the Board.

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

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

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

- Management should document staff planning and allocation processes in formal policies and procedures.

- Management should continue establishing a process to monitor and compare actual staff complement and salaries against the approved budget for all staff groups, and provide regular reports to the senior administration and the Board.

Financial Management

The finance department has implemented many of the leading practices:

- The finance department builds staff understanding of finance policies and administrative procedures, with formal and informal training.

- The annual budget development process is transparent and clearly communicated, and incorporates input from all key stakeholders.

- 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 finance department has established formal cash management processes and templates for annual operating and capital cash flow reporting.

- The school board's cash management activities are consolidated with one financial institution.

- The finance department has established efficient cash management processes. Finance periodically compares short-term investment yield rates to the current operating account interest rate, to ensure that the school board continues to maximize interest income from idle cash. Cash flow forecasting is assessed twice annually.

- The school board has a policy and a procedures manual for school-generated funds. The school board uses a software program to manage all school accounts and transaction activities.

- The finance department analyzes information on various sources of non-grant revenue as part of the budget development process. Budget holders responsible for non-grant revenue streams are required to prepare forecasts of annual revenues and expenditures as part of the budget process, and to provide updates for the revised estimates.

- The school board has established a purchasing policy and procedures manual that provides principles, criteria, ethics, conflict of interest and dispute resolution procedures. Currently, the finance department is revising the policies and procedures manual and the purchasing handbook, to align to the mandatory requirements in the Supply Chain Guideline.

- The purchasing department develops strategies to increase purchasing power and minimize the costs of goods and services. The purchasing manager periodically conducts spend analyses to identify strategic sourcing options for large spend categories.

- The school board has a corporate card (PCard) policy and procedures manual containing the general provisions regarding the use of corporate cards. The finance department provides a handbook on the policy and provides guidance to staff on corporate card use.

- The finance department aims to maximize the use of electronic funds transfer (EFT) for vendor payments. Currently, 80 per cent of vendors are paid through

EFT, and other vendors are paid with electronic cheques. The finance department is working with the vendors to further increase the use of EFTs.

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

The finance department began developing a formal three-year rolling departmental operating plan in 2008-09. The plan includes high-level descriptions of goals and objectives for each area of the department, and is aligned with the Director's annual objectives.

Management should consider enhancing the annual departmental planning by establishing an annual departmental operating plan that includes specific activities with measurable targets, timelines and identified responsibilities. The professional growth plans of the managers within the department could be used as a basis for developing a more detailed annual departmental plan.

Throughout the budget development process, specific budget pressures are identified by management and incorporated into the budget. Known increases in expenditures, as well as potential expenditures not already identified explicitly in the budget, are communicated to the budget liaison committee, as part of the budget development and approval process. Throughout the year, management identifies material budget variances as well as un-budgeted expenditures through the quarterly interim financial reports. However, the discussions of all budget risks during the budget development process and throughout the year are not documented in a report. This report would summarize the nature of the risks, probability of occurrence, their potential impact, and proposed mitigation strategies for them.

The Superintendent of Finance is accountable for the interim reports, but there is no formal sign-off of reports. The school board does not have an independent internal audit function.

The budget committee of the Board acts as the audit committee with the responsibility for external audits. This committee consists of four Board members. The Board plans to advertise for external positions in the audit committee after the next round of elections.

For the past three years, the Board has received an unqualified opinion from the external auditors, and has not requested management letters. Management should consider requesting a formal management letter from its external auditors, consistent with leading practices in auditing.

The school board does not have any investments or an investment policy. The Director, as the Treasurer to the Board, provides oral reports to the Board on interest income relative to what was budgeted.

The existing purchasing procedures do not specify authorization levels for large dollar value purchases.

The finance department does not currently have the capability to perform three-way matching of the purchase order (PO), receipt of goods, and the invoice, before an invoice is paid.

Finance has established an electronic supplier interface for ordering office supplies. The orders are downloaded centrally by finance staff into the school board's financial system, and paid centrally.

Recommendations:

- Management should consider enhancing the process of reporting on the school board's budget risks using the suggested steps outlined in section 4.2 of this report. The development of a single risk plan/report would identify and document all significant risks on a periodic basis and include strategies to mitigate the risks of spending beyond authorized and budgeted levels.

- Management should continue to finalize and implement the revised interim financial reporting process that is consistent with recommendations provided by the Interim Financial Reporting Committee (IFRC).[1]

- The school board should establish approval procedures for interim financial reports, and implement formal sign-off of these reports by senior management.

- Management should establish an internal audit function giving due consideration to the new Ministry's direction on internal audit.

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

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

- Management should establish an investment policy and provide periodic reports to the Board on the school board's investment activity, in accordance with the investment policy.

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[1] Ministry of Education Memorandum SB38, September 16, 2009

- Management should establish purchasing authorization levels for large dollar value purchases. This could be done as part of the ongoing update of the school board's purchasing policy to align to the Supply Chain Guideline.

- The school board should implement three-way matching (purchase order, receipts/invoice and inspection) to ensure accuracy before invoices are paid.

- Management should consider expanding the use of electronic supplier interfaces, where possible.

School Operations and Facilities Management

The plant operations department has implemented many of the leading practices:

- The plant operations department has developed and documented standards for cleanliness and cleaning procedures.

- The school board has established an environmental policy and procedures which address issues of environmental management, from both the academic and operational perspective.

- The approach to custodial staff allocation recognizes many factors such as the number of portables and stairwells. Management is currently revising the allocation of custodial staff to include workload as a key factor.

- The school board develops a multi-year renewal plan using information from the RECAPP database, with input from maintenance and school staff.

- The plant operations department establishes an annual training and development plan for custodial and maintenance staff.

- The plant operations department purchases, allocates, and tracks equipment and custodial supplies.

- The school board has standardized cleaning supplies, and uses one supplier.

- The school board uses a software application for its work order system.

- The school board is tracking energy consumption at each facility.

- The board has an occupational health and safety policy, and has established a joint health and safety committee, as well as health and safety training requirements.

- The school board has a number of policies related to student safety and security including emergency procedures, violence-free schools, bullying prevention and intervention, anti-harassment, physical intervention, and student discipline.

- The planning departments within the finance department and the capital/renewal department in plant operations jointly develop a three-year accommodation plan for the school board.

- Capital forecasts are reviewed and updated at least annually, to ensure they meet current needs and reflect the school board's current financial position.

- The school board has established several joint-use arrangements for school facilities to be shared with the municipality. The school board actively encourages the community to make use of its school facilities.

- The construction management department provides standard design schematics to ensure that designs efficiently use space and meet a target ratio of square footage per pupil.

- The finance department provides a summary report of capital items to the operations committee of the Board each month. This report includes project updates and actual costs incurred to date, and identifies any issue or potential budget overruns.

- The construction management department maintains a pool of pre-approved architects for capital projects. The school board hires general contractors through an open tender process.

The review team notes that the school board would benefit from expanding its activities in several areas of school operations and facilities management, summarized here.

As a result of changes in the plant operations department staffing, the department operates under the direction of the Manager of Capital and Renewal Projects. The Manager of Capital/Renewal was assigned the task of reviewing and improving the department's organizational structure and processes. The organizational structure of the plant operation department is being finalized.

The plant operations department has developed an energy management strategy. However, the strategy and progress reports have not been presented to the Board. The strategy document describes the school board's overall energy management strategy, objectives and responsibilities. The plant operations department has recently received approval to hire an additional resource for implementing the energy management strategy, and a second resource for capturing and monitoring consumption data. The school board does not receive consolidated utility bills from its utility vendors.

The school board has a health and safety officer who is responsible for policies and procedures related to occupational health and safety. However, the school board does not have an integrated health and safety plan/strategy that to reflect the existing policies and procedures regarding the health and safety of school board employees and students.

Recommendations:

- Management should finalize the organizational structure of the plant operation department, and document the structure in an organization chart. Management should also consider posting the organizational chart or providing contact information for key department staff on the school board's website.

- The school board should continue piloting its green clean products and move towards implementing a formal green clean program as part of its overarching Education Environmental Policy.

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

- The school board should continue identifying opportunities for consolidated billing by utilities.

- The school board should consider establishing an integrated health plan/strategy that would reflect the existing policies and procedures regarding the 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.

1. Background and Overview

1.1 School Board Profile and Structure

The Upper Grand District School Board provides educational services to approximately 31,889 students, in 60 elementary schools and 11 secondary schools.

The school board's enrolment decreased by about 861 students from 2002-03 to the 2009-10 fiscal year, or about 2.6% per cent overall. This trend of declining enrolment, which is occurring across the province, is expected to have a direct impact on the school board in the upcoming years.

The school board's senior administration is as follows:
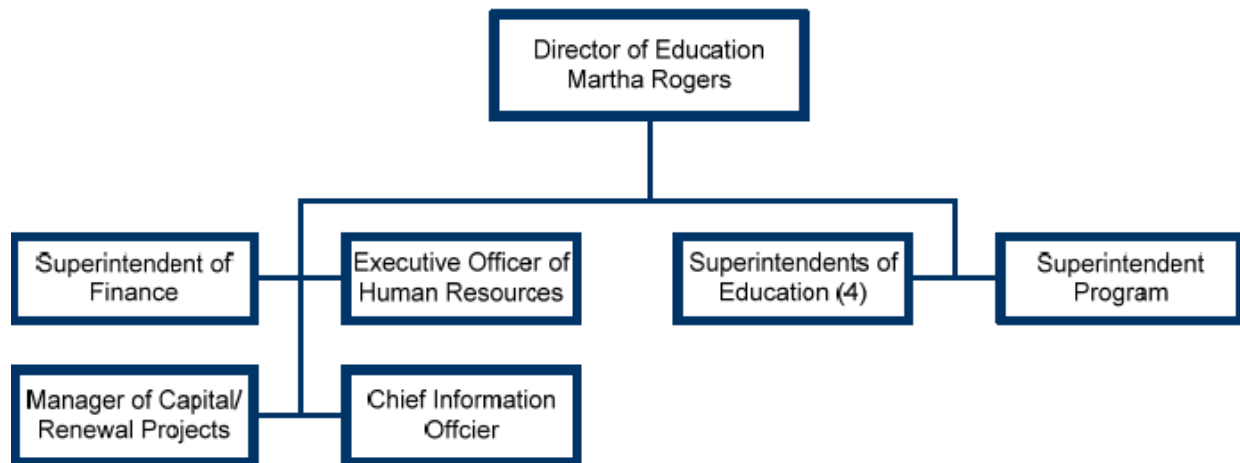
Figure 1

1.2 Key Priorities of the School Board

The 2009-2010 Director's objectives are:

- High levels of student achievement

- Reduced gaps in student achievement

- Ministry of Education requirements – to ensure that mandated plans and compliance requirements are developed and implemented in accordance with established requirements and timelines

- Provide leadership in a number of Human Resources/operations initiatives

- Ensure that senior administration develops and implements a number of financial operations initiatives.

The Director's objectives also include leadership/management priorities:

- To continue to be a positive, energetic and optimistic and role model for the school system, to encourage all levels of the school system to be the best they can be

- To share system priorities with schools, departments and trustees

- To maintain a highly visible presence in the Upper Grand District School Board

- To provide leadership as Chair of several committees

- To provide leadership in the development of a new strategic plan for the Board

- To supervise the review, development and implementation of new policies or policy revisions mandated by the Ministry of Education

- To monitor and supervise the work of senior administration and the Director's department staff members.

1.3   Student Achievement

The Grade 3 results in writing improved in 2008-09, and meet the provincial average. Grade 3 results in reading have declined since 2006-07, but continue to meet the provincial average. Grade 3 results in math have declined since 2006-07, and are below the provincial average in 2008-09.

Grade 6 EQAO results in reading and math improved in 2008-09, and meet the provincial average. The results in writing remain at the provincial average.

Grade 9 academic results improved in 2008-09 and meet the provincial average scores. Grade 9 applied results improved in 2008-09 and significantly exceed the provincial average.

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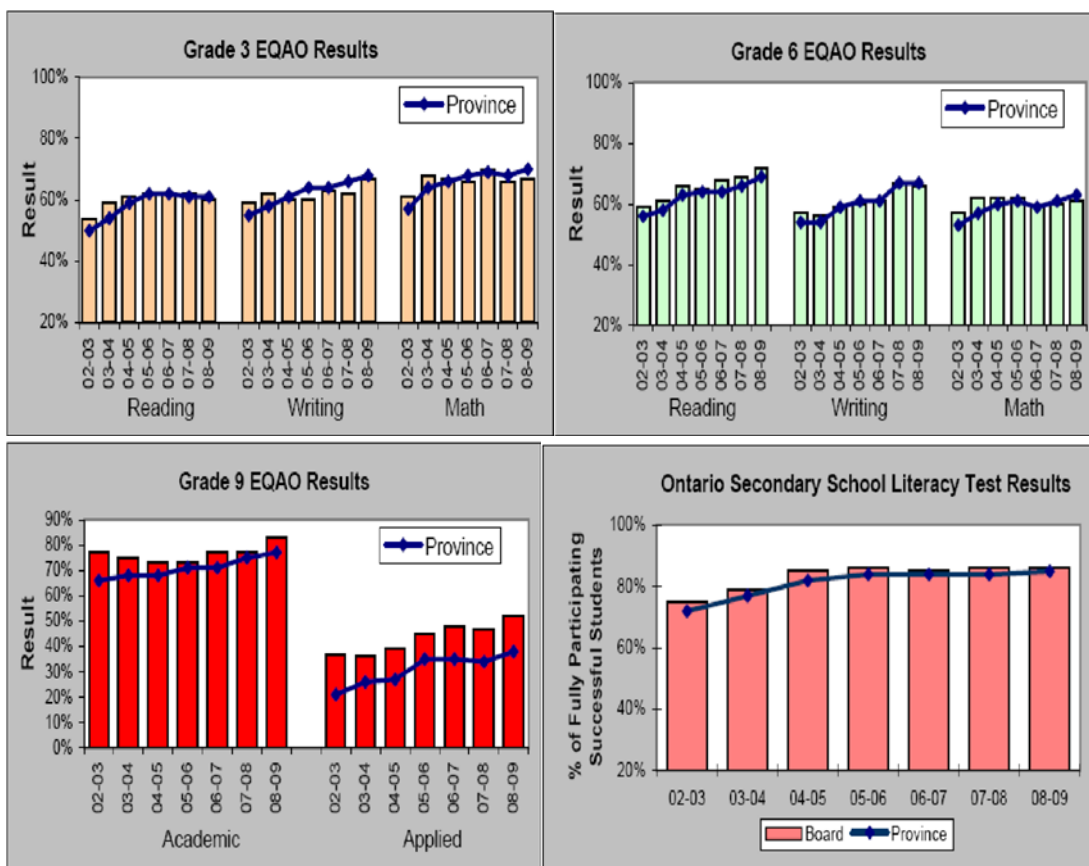
1.4 Fiscal Overview

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

Summary Financial Data (Revenues)

Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Legislative Grants	$201,127,370	$210,296,378	$217,673,519
Local taxation	$88,264,351	$90,390,296	$90,770,522
Board Revenues	$4,168,298	$5,393,599	$2,703,064
Other Operating & capital Grants	$4,739,144	$5,429,663	$7,248,706
Total Revenues (Schedule 9)	**$298,299,163**	**$311,509,936**	**$318,395,811**

Summary Financial Data (Expenditure)

Expenditures	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Operating expenditures	$274,720,754	$287,090,628	$295,903,249
Capital expenditures - Before transfers from reserves	$10,599,780	$15,935,613	$18,352,654
Transfer to (from) Reserves	$12,978,629	$8,483,695	$3,313,882
Total Expenditures	**$298,299,163**	**$311,509,936**	**$317,569,785**
In-year Surplus (Deficit)	**$0**	**$0**	**$826,026**

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	$3,404,290	$3,404,290	$3,404,290
Reserve for Working Funds	$5,550,383	$8,484,103	$8,595,894
Insurance	$149,587	$149,587	$149,587
Non-Capital	$516,554	$516,554	$516,554
Restructuring	$1,390,381	$1,221,314	$1,221,314
Pupil Accomodation Debt Reserve	$6,496,254	$10,083,726	$10,285,817
Other Capital	$1,873,039	$2,131,573	$2,131,573
Total Reserve Funds (Schedule 5)	**$19,380,488**	**$25,991,147**	**$26,305,029**
Proceeds of Dispositions Reserve- School Buildings	$5,205,253	$5,194,467	$5,194,467
Proceeds of Dispositions Reserve- Other	$2,235,084	$2,031,269	$2,031,269
Education Development Charge Reserve	$1,817,799	$56,863	$56,863
Other Capital Deferred Revenues	$2,131,573	$0	$0
Energy Efficient School - Operating	$0	$246,807	$0
Energry Efficient School - Capital	$0	$113,710	$0
Total Deferred Revenues (Schedule5.1)	**$11,389,709**	**$7,643,116**	**$7,282,599**
Total Board Reserves and Deferred Revenues	**$30,770,197**	**$33,634,263**	**$33,587,628**

1.5 Key Statistics: Upper Grand District School Board

The following table highlights key statistics for the school board.

Day School Enrolment

Day School Enrolment	2002-03 Actual	2009-10 Revised Est.
Elementary Day School ADE	20,836	19,888
Secondary Day School ADE	11,914	11,847
Total Day School Enrolment	**32,750**	**31,735**

Primary Class Size

Primary Class Size	2003-04	2009-10
% of Classes Less Than 20	39%	89.50%
% of Classes Less Than 23	69%	100%
Average Class Size - Jr/Inter	26.14	25.54
% of 3/4 Classes 23 & Under	24%	100%
% of Combined Classes	23%	49%

Staffing

Staffing	2003-04	2009-10
School Based Teachers	1,823	1,956
Teacher Assistants	219	322
Other Student Support	132	150
School Administration	92	102
School Clerical	144	151
School Operations	248	228
Other Non-Classroom	93	77
Total Staffing	**2,752**	**2,987**
Teacher - Pupil Ratio	**1:18**	**1:16**
FTE Staff per 1,000 Pupils (ADE)[2]	**84.0**	**93.8**
Total Salary & Benefits as % of Net Operating Expenditures	**84.7%**	**86.3%**

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

Special Education

Special Education	2003-04	2009-10
Special Education Incremental Expenditures	$23,295,445	$39,866,883
Special Education Allocation	$22,172,189	$34,949,371
Spending above Allocation (Reserve)	**$1,123,256**	**$4,917,512**

School Utilization

School Utilization	2003-04	2009-10
Number of schools	75	74
Total Enrolment (ADE)	32,750	31,735
School Capacity (Spaces)	31,664	32,637
School Utilization	**103.4%**	**97.2%**
Board Area (Km^2)	**4,178**	**4,178**
Number of Trustees	**10**	**10**

2. Governance and School Board Administration – Findings and Recommendations

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

Governance and school board administration processes are reviewed to:

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

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

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

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

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

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

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

Establishment of an Effective Governance Model

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

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

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

Stakeholder Engagement

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

Establishment of an Effective Governance Model

The Board comprises 10 trustees. The time of trustees' service on the Board varies from three to 18 years.

The Board has not adopted a specific governance model. There is understanding among trustees that the Board operates collectively, and trustees are responsible for setting policies and ensuring that they are implemented. The senior administration is responsible for ongoing school board operations. The Board adheres to the role of trustees as identified in the joint OPSBA /Ministry of Education Guide *Educating Together*.

The Board has established a policy on the duties and responsibilities of the Director of Education. The roles and responsibilities of trustees have not been clearly documented.

The Board reviewed the April 2009 report of the Governance Review Committee and provided a formal response. The Board is also aware of the new *Student Achievement and School Board Governance Act.*

The Board provides newly elected trustees with a formal orientation program that includes training on how to work with senior administration. The program runs three times a month for six months. The program is focused on the role and responsibilities of the trustees, and provides senior administration with an opportunity to present key academic and administrative aspects of school board operations. This approach helps trustees understand school board operations, and builds trust between trustees and senior administration.

The Chair and Director have been in their respective roles for over five years, and have a strong, positive working relationship. Through their collaborative relationship, the Chair and Director encourage collegial working relationships within the school board and among trustees and senior administration.

The Board has established a standard process for conducting a performance appraisal of the Director. The Director submits an annual plan to the Board in August and presents a summary report in June. The trustees review the report, and provide feedback to the Chair, using a standardized template. The Chair prepares a summary report and discusses it with the Director.

The school board has established a code of ethics for trustees. However, this policy provides only a high-level statement and references to other Board policies and Government legislation. The school board is planning to update the code, using the provisions of the *Student Achievement and School Board Governance Act*.

Each year, the trustees establish specific objectives, and complete a self-evaluation survey. The results of self-evaluation surveys are summarized by the vice-chair and discussed by the Board to determine follow-up actions. The key committees of the Board are the Program Committee and Business Operations Committee, which include all trustees as members. Additional committees of the Board include the Budget Liaison Committee, Special Education Advisory Committee, Joint Health and Safety Committee, Accessibility Steering Committee, Parent Involvement Committee, and Policy Management Committee.

Development of the Strategic Directions/Plan

The school board's last strategic plan was developed in 2000, and involved consultations with various stakeholders. Over the past five years, the school board has been focused on implementing a number of changes based on the recommendations of an extensive review conducted by an external consulting firm. This review looked at all

key departments within the school board, and included substantial stakeholder engagement.

Currently, the school board is in the process of developing a multi-year strategic plan to provide a framework for annual planning. The school board retained an external facilitator to conduct online consultation with a large number of stakeholders across the school board community. Using this input, the senior administration and the Board have prepared a strategic plan for approval by the Board. Senior administration is planning to make the strategic plan publicly available, and will undertake alignment of annual operating departmental plans with the new strategic priorities.

Each summer, the Director (in consultation with the executive council members) develops an annual system plan for the school board, which is linked to the Ministry's priorities. This plan is presented to the Board in August, and also forms the basis for the Board's annual performance appraisal of the Director. The Director's objectives are posted on the website and communicated to the system in September, through a presentation to all principals and a video shown in all schools and departments.

Each department of the school board develops a departmental operating plan aligned with the Director's annual objectives. The plans have a three-year span. In addition, each superintendent and executive officer submits annual goals to the Director as part of their performance appraisal process. The Director presents a summary of the superintendents' and executive officers' annual achievements to the Board.

In addition to the Director's annual objectives, the school board develops an annual Board Improvement Plan that is aligned with the Ministry directions. The plan includes specific targets for student achievement. The Director reports on progress against these targets in the Director's annual report, which is available on the school board's website.

Decision-Making Process

The Board has established a Board Procedural By-law that outlines the rules for its meetings. The by-law identifies the rules and protocol for Board meetings, order of business for meetings, matters to be considered *in camera*, rules for standing and *ad hoc* committees, duties of the chair and vice-chair, and trustee attendance at meetings.

The agenda-setting process for the Board and the standing committees is outlined in the by-law. Agenda items may be identified by trustees requesting information from senior administration, submission of reports from staff, or community requests for responses to issues. The Director, Chair and Vice-Chair meet one week prior to each Board meeting to review and confirm the items that have been put forward, and circulate the agenda. At a regular Board meeting, new items can be raised by trustees to be added to the agenda.

Most agenda items are first reviewed by a standing committee which discusses issues in detail before the item is brought before the Board. The Board has two key standing committees: one for programs and one for business operations. The committees meet monthly. At the beginning of the year, the chairs of standing committees circulate a survey to all committee members asking trustees to identify items for discussion during the year.

The Board's policy management committee meets a minimum of five times annually to facilitate the development, implementation, and review of policies. The school board has established a formal policy and procedures on policy management. The Board aims to review existing policies on a three to five year cycle, but a number of policies have not been refreshed within this timeframe. New policies or revisions to existing policies outside of the refresh cycle may be brought forward due to Ministry direction, or because of issues raised by trustees that require a change in policy. Generally, when a new policy or a policy revision is needed, senior administration develops and submits a draft policy for trustees' input and approval. All Board policies are posted on the school board's website.

Organizational Structure and Accountability

The school board's administrative leadership is represented by two committees: the executive committee and the leadership committee. The executive committee comprises the Director, four superintendents of education, the Superintendent of Programs, the Superintendent of Finance, the Executive Officer of Human Resources, the Manager of Capital/Renewal Projects, the Chief Information Officer and the Communications Officer. This committee meets bi-weekly, and provides overall leadership for the system, particularly around budget development.

The leadership committee deals with overall system issues, and provides input into the budget development. This committee meets monthly and consists of the members of the executive committee, central principals and nine principal representatives. All members of the executive council report to the Director. In addition, the School Effectiveness Lead Principal and the Records Management Officer report to the Director.

In addition to the two senior administration committees, the Director meets monthly with the programs/education senior administration team, the business operations senior administration team, and the accommodation strategy action plan committee. The accommodation strategy action plan committee includes senior administration from finance, planning and capital/renewal departments.

The school board has an up-to-date organization chart for senior administration. Management should consider posting the chart on the school board's website and providing contact details for key staff.

Several years ago, the school board contracted external consultants to conduct an organizational review of each department to assess the effectiveness of the organizational structure. This assessment identified areas for improvement, and resulted in a number of recommendations which have been implemented by the school board.

Succession and Talent Development

The school board has established a succession strategy for principals and viceprincipals. This strategy has been adapted to meet the Ontario Leadership Strategy framework. The current succession and talent development strategy includes a number of mechanisms for data collection, and the evaluation of skills and competencies for existing principals and vice-principals and potential candidates.

These mechanisms include data on projected retirements over the next 10 years, career-planning forms completed by principals and vice-principals, annual growth plans, and staff feedback surveys. The school board develops the leadership recruitment plan and communicates it to staff, and conducts two rounds of hiring each year for new principals/vice-principals. Through the application process, the school board collects data on potential candidates.

The school board also provides a number of professional learning opportunities for potential candidates for principal and vice-principal positions. These include leadership dinners, mock interviews, job shadowing, workshops on preparing effective applications, and debriefing sessions for both successful and unsuccessful applicants during the hiring process.

Principals and vice-principals are also provided with a number of learning opportunities through the individual annual growth plan objectives, Professional Learning Teams' objectives, and Supervisory Officer Training courses. Multi-year objectives are in place for these activities, but the various components have not been synthesized into a cohesive succession and talent development plan.

The existing succession planning and leadership initiatives are mainly focused on academic leadership positions at the school board. The school board has not yet implemented similar initiatives for non-academic leadership positions. The school board builds leadership capacity for non-academic roles by supporting staff in obtaining specific qualifications, and by ensuring cross-training opportunities. The Director has also established business continuity arrangements that identify the individuals who will act in the Director's role when the Director is not available.

Stakeholder Engagement

Through surveys and focus groups, the school board has been proactively engaging system stakeholders in the development of its new strategic plan . The stakeholders were also consulted as part of the review of school board operations conducted by external consultants a few years ago.

The school board has established a parent involvement committee to support parent engagement. The committee has terms of reference outlining their involvement. The role of the committee is to facilitate parents' involvement in education, and provide advice and constructive feedback to the Board in several areas.

The Director and supervisory and executive officers actively participate in many regional and province-wide sector committees and associations, and in a number of Ministry workgroups. The Director serves on a number of committees, including Council of Ontario Directors of Education (CODE), Ministry student success initiative, as an English Director representative for Elementary Teachers' Federation of Ontario (ETFO), and is a member of the Education Research and Development Institute. The superintendents serve on Council of Senior Business Officials (COSBO), Ontario Association of School Business Officials (OASBO), and Ontario Public Supervisory Officials Association (OPSOA).

Recommendations:

- The Board should document its governance model and clearly define the roles and responsibilities of trustees.

- The Board should finalize and communicate its multi-year strategic plan, which should serve as a framework for annual system-wide and departmental planning. The annual system-wide operating plan should be aligned with the strategic plan, incorporate both academic and non-academic departments and contain goals that are specific, measurable, achievable, relevant and timely. The Director's annual plan can be used as the basis for the development of a system-wide annual operating plan.

- The school board should establish a formal policy review schedule to ensure that all policies are reviewed within the established three to five year cycle.

- Management should post the organizational chart of the school board administration on the school board's website.

- The school board should continue developing its leadership development programs and activities. It should develop a formal succession and talent

development plan in line with the Leadership Succession Planning and Talent Development Ministry Expectations and Implementation Continuum.

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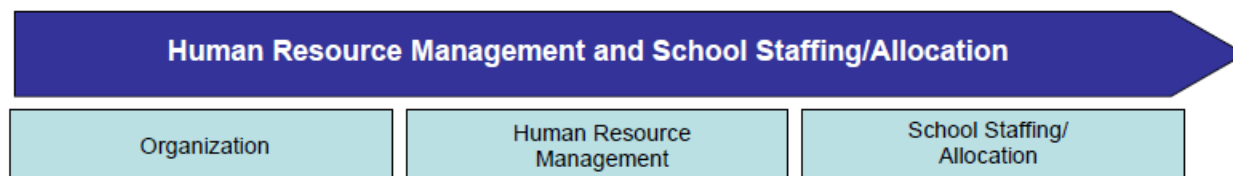
Effective management of human resources ensures an adequate number of qualified staff throughout the organization can perform their prescribed duties. Policies and procedures to develop staff are in place, through performance appraisals, professional development and support services. Staff allocations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

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

3.1 Human Resource Organization

The review of the organization of the HR department assesses:

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

- Whether an annual departmental plan setting out the goals and priorities and their alignment to the school board's strategic directions has been established;

- Whether the roles and responsibilities of staff support the key functions, activities and practices of HR;

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

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Human Resource Organization	Evidence of Adoption?
The HR department's goals and priorities are documented in an annual departmental operating plan. They are aligned to the annual board operating plan accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified accountability.	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.	Yes
Senior HR staff have appropriate designations (e.g., Certified Human Resource Professional, etc.).	Yes

Monitoring and Communication of Policies

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

Development and Reporting of Annual Goals and Priorities

The Human Resources department establishes a three-year department plan, which is presented to the Board each fall. These goals are aligned with the Director's annual plan for the school board. The HR department plan contains high-level priorities for each year of the plan. The current plan includes the following priorities:

- Attendance support program

- Collective bargaining requirements

- Pandemic preparedness

- Performance appraisal process for management

- Standardized hiring practices for all employees.

The Executive Officer of HR uses the three-year departmental plan to establish the annual performance plan, which is monitored and assessed by the Director each year. The Executive Officer's performance plan indicates specific activities, timelines and performance measures. The Executive Officer communicates the high-level goals and objectives for the year to the HR department staff. Department staff are then responsible for setting specific goals and objectives in their personal plans that support the implementation of the departmental priorities. During the year, the Executive Officer holds regular review meetings with the HR staff to discuss progress against the departmental annual priorities.

Management should consider enhancing the annual departmental planning by establishing an annual departmental operating plan that includes specific activities with measurable targets, timelines, and identified responsibilities. The Executive Officer's plan could be used as the basis to develop a distinct annual operating plan for the department. The plan should also be accessible by all department staff and other departments.

The HR department conducted a broad survey of school board staff three years ago to obtain feedback on the services they are providing. HR gathers customer satisfaction feedback by regularly attending family of schools' meetings. Before rolling out new initiatives, HR conducts a pilot to ensure the processes are effective and meet stakeholders' needs.

Organizational Structure and Accountability

The Executive Officer of HR reports directly to the Director, and is responsible for the activities of the department. The Executive Officer is supported by the HR Services Team Manager and the Superintendent on Assignment. The HR Services Team Manager is responsible for day-to-day operations of the department. The Superintendent on Assignment is a part-time position which was established to oversee the HR project-based initiatives.

The human resources department is responsible for recruitment, hiring and staffing, payroll, benefits, pensions, employee relations, health and safety, and disability management.

The department maintains an up-to-date organization chart and job descriptions for HR staff. A listing of all HR staff, their titles and responsibilities is available on the school board's intranet. Management should consider publishing contact information of key HR staff on the school board's website. The staff in the HR department have appropriate professional designations and experience for their respective roles.

Monitoring and Communication of Policies

The Human Resources department is responsible for implementing policies pertaining to hiring, health and safety, harassment, absences and leaves, and attendance support. The department has central controls in place to ensure that policies related to hiring and staffing are followed.

To support compliance with Board policies, the HR department provides in-service, particularly for principals, on key topics such as managing support staff and performance appraisals. The department staff regularly attend leadership team and family of schools' meetings where time is allotted on the agenda to discuss HR policies or updates to HR procedures.

3.2   Human Resource Management

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

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

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

- Adequate systems and procedures 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.	Yes

Labour Relations

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

Employee Performance Evaluation Processes

Leading Practices – Human Resource Management	Evidence of Adoption?
HR management has policies and procedures for an employee evaluation/performance system for all staff.	Yes
HR management maintains and communicates formal disciplinary policies and procedures for all staff.	Yes
The HR department actively supports the professional development activities of the school board.	Yes

Attendance Management Processes/Programs

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

Management of HR and Payroll Data

Leading Practices – Human Resource Management	Evidence of Adoption?
Payroll processing is segregated from employee data records, and changes to data are adequately controlled.	Yes
HR records are current, including the formal tracking of teacher qualifications and experience.	Yes

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

Monitoring Staff Satisfaction

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

Staff Recruitment/Hiring

The HR department advertises vacant positions on the school board's website, on the *Apply to Education* website, in schools and sites throughout the Upper Grand district, and in local and provincial newspapers. Management noted that the school board has very few job vacancies. The school board does not require additional recruitment activities to generate a sufficient number of qualified candidates.

The school board has a number of hiring policies such as pre-employment screening, police record checks, and selection and transfer of principals and vice-principals. Recent revisions to the hiring process have made the practices more consistent and equitable across the school board.

When a school administrator identifies a vacancy, they post the position on the intranet and on the *Apply to Education* website, and notify HR of the posting. The school administrator is responsible for conducting interviews at the school level for teaching

staff and for checking the references of the preferred candidate. Once a candidate has been selected, the school administrator submits a hiring request to HR to notify them of the preferred candidate and receives approval to offer the position. The school administrator provides the documentation and reference checks to HR to conduct the police checks. Documents outlining the required hiring process and hiring guidelines are distributed to school administrators and supervisors to guide them through the processes.

Hiring of educational assistants and office/clerical/technical positions is managed centrally by an administrative officer within the HR department.

For teaching positions that become vacant during the year, priority is given to contract teachers. Specialized/subject qualified secondary occasional teachers are guaranteed an interview as required by the collective agreement. HR conducts interviews each summer to establish the list of occasional teachers in line with the collective agreements requirements. HR monitors the availability of occasional teachers throughout the year to ensure that there is a sufficient supply of occasional teachers.

Labour Relations

HR has established good relationships with the three unions representing the school board's employee groups. Labour relations committees exist with each of the five employee groups covered by the Ontario Secondary School Teachers' Federation (OSSTF), with two of the employee groups under the Elementary Teachers' Federation of Ontario (ETFO), and with the Canadian Union of Public Employees (CUPE). Meetings are scheduled at the request of either party. Issues are generally discussed informally, reducing the need for formal meetings. HR also has worked with the unions to establish informal mechanisms for solving issues before they become a grievance.

HR provides new administrators with a guide on employee rights, and how to avoid grievances. In addition, the administrators are trained on topics such as managing support staff and the latest information on employee rights. When there is a formal grievance, HR staff provide substantial support to school administrators to guide them through the grievance process.

The Executive Officer of HR is the lead negotiator and spokesperson during negotiations of collective agreements. The supporting team consists of the management team for the particular employee group and other HR staff.

Employee Performance Evaluation Processes

The school board has implemented formal performance appraisal processes for all employee groups, except for management staff. There is a policy and a procedural manual for performance appraisals. The Director and the superintendents are reviewed

annually. Principals and vice-principals complete annual growth plans, and are subject to formal performance appraisals every three years. For teaching staff, the school board follows the Ministry Teacher Performance Appraisal process and the New Teacher Induction Program (NTIP). HR has also recently implemented a review process to evaluate occasional teachers and long-term occasional teachers each year.

Support staff are assessed on a four-year review cycle. All support staff are evaluated using the same process and appraisal templates. The HR department has also established a process to assess probationary staff in their first three months of employment.

Each performance appraisal process is supported by a guide outlining the purpose, appraisal cycle, appraisal template and a description of the process. HR notifies administrators/supervisors of the staff that require appraisals for that year. Throughout the year, HR monitors the list of employees that have been identified for performance appraisals in the HR system, to ensure that appraisals are completed regularly and on time.

Principals assessing a teacher with an unsatisfactory performance rating work with the relevant superintendent of education and the HR department to identify the required supportive action. The principal and superintendent of education are responsible for delivering ratings to staff. The unions and HR are directly involved in the rare situation when an employee's performance is expected to lead to termination.

The HR department have policies and procedures in place to distinguish and address poor performance and disciplinary issues. Poor performance results in remedial action through the performance appraisal process, while employee behavioural issues follow an established disciplinary process. The new principal's guide to managing support staff includes a section that outlines the progressive disciplinary process for support staff. HR recently conducted a workshop with principals to review the disciplinary process for teachers.

The Board must approve teacher terminations, and trustees are also notified of any support staff terminations which may have repercussions for the school board.

The HR department has a dedicated staff development coordinator responsible for facilitating professional development (PD) programs. HR is responsible for conducting some of the required training and professional development courses. HR maintains an online catalogue of the courses that are offered through the school board's PD program. Specialized professional development and training for various employee groups is coordinated by other departments. For instance, most of the PD for teachers is managed by the program departments.

All support staff receive at least one professional development day each year. These PD days are planned in consultation with the respective union. At the end of training sessions, HR conducts surveys participants for feedback and to gather ideas for future PD days.

The school board takes advantage of other formal and informal opportunities to provide training and professional development. A substantial amount of management training is provided through in-services for specific initiatives, such as the attendance support program. HR also uses leadership team and family of schools meetings to train management staff. The school board also encourages staff to attend relevant professional conferences.

Attendance Management Processes/Programs

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

The school board uses an electronic attendance tracking system to record absences and notify replacement staff. The HR department has a dedicated staff member responsible for providing training and support for the electronic system.

The school board has established a number of absence codes to differentiate and track different types of absences. The attendance system is integrated with the HR system to allow for tracking individual employee absences. HR monitors overall staff absences by employee group to identify any trends in attendance. The Disability Management Assistant prepares monthly reports of staff absences for each supervisor. The report identifies all absences to date for the current school year and provides sufficient detail for the supervisor to identify trends for individual employee's absences.

The school board has implemented an attendance support program (with a policy and procedures manual) to promote regular attendance at work. Managed by the Disability Manager, the attendance support program is a supportive program that educates staff on the appropriate use of absence codes and provides alternative work arrangements.

The school board's Workplace Early Intervention Program (WEIP) identifies and supports employees who are absent for five consecutive days. The new attendance support program is an extension of WEIP, which helps identify and provide assistance to employees who are regularly absent from work. The school board also has a number of support programs in place, such as preventative wellness programs, early return-to-work and employee assistance programs, which are used to support staff identified through the attendance support program.

The attendance support program was developed with assistance of external consultants, who provided orientation training for supervisors. The program commenced last year as a pilot in four schools, and is currently being rolled out across the school board. HR is providing extensive training and support for supervisors, which includes a one-day session on the objectives and fundamentals of the program, identification of responsibilities, and an orientation to the tools and templates available to support supervisors. There is also a detailed guidebook for supervisors.

Management of HR and Payroll Data

The HR department has responsibility for maintaining personnel files and the payroll function. To ensure the segregation of duties, HR has restricted access to the payroll module for HR staff are responsible for employee files. Payroll clerks do not have access to the HR modules which contain personal information.

All employees of the school board are paid through direct deposit and pay stubs are issued electronically. The department is investigating the opportunity to further increase the efficiency of the payroll process by eliminating manual timesheets and capturing absence data through the attendance tracking system.

The Administrative Officer for Teaching Staff is responsible for all staff position classifications. Teachers submit Qualifications Evaluation Council of Ontario (QECO) evaluations to the Administrative Officer who verifies the qualifications in the Ontario College of Teachers (OCT) database and adjusts the personnel files accordingly. Personnel files are updated with data from OCT for new hires and when notified of a change by an employee.

The school board has updated pay equity plans for all staff categories other than educational assistants and professional student services personnel. HR is currently negotiating with the union to establish pay equity plans. Management noted that the pay equity plans for educational assistants and professional student services personnel have not been completed, and pose a financial risk to the school board. The Administrative Officer for Support Staff is responsible for reviewing any salary adjustments, and is present during collective agreements negotiations to identify any potential impact on pay equity. The school board has no outstanding pay equity grievances.

Management of the School Board's Benefit Plans

The HR department is responsible for managing the benefits plans on behalf of the school board. The secondary teachers' union owns and manages a benefits plan for its members, who do not participate in the school board's plan. The elementary teachers' union manages the long-term disability plan for its members. The elementary teachers participate in the school board's life, medical and dental benefit plans. The HR

department has two benefits administrative officers, one for teachers and one for support staff. There is also one pension officer who manages the benefits and pension plans, and liaises with the benefits carriers and consultants.

The school board engages an external benefits consultant to conduct annual compliance audits of the insurance carriers. The benefits consultant compares the new collective agreements to the insurance plans, to ensure that the contract from the carrier reflects any changes in benefits coverage. The consultant conducts an annual review of claim reports to verify the accuracy of claims, monitor year-over- year trends for each claims category, and provide recommendations and ongoing administrative considerations to school board administration. The benefits consultant also provides support during the negotiation of collective agreements.

The school board last tendered for a benefits carrier in 2000. At annual renewal, the school board's benefits consultant compares the administrative charges to ensure that the financial terms remain competitive based on the size of the group, as well as the method of underwriting and financial status of the plan.

Management provides presentations to the Board on changes and costs of the benefits plans during the budget development process, and when collective agreements are being ratified. The school board does not regularly conduct benchmarking exercises, but has participated in the OASBO surveys of benefits plans and costs.

The benefits and pension administrative officers are responsible for communicating employee data to external carriers. The Pension Administrative Officer manually imports teacher information to the Ontario Teachers Pension Plan (OTPP) bi-weekly, resolves discrepancies, and reconciles employee records. Employee information is synchronized with Ontario Municipal Employees Retirement System (OMERS) through standard reporting with monthly transfers, adjustments, and service purchases. As part of the hiring process, HR has processes in place to enroll new employees with the external insurance and pension carriers.

The HR department has a Disability Manager, who is responsible for long-term disability, WSIB claims, disability support programs, and the Employee Assistance Program (EAP).

Monitoring Staff Satisfaction

The school board conducted targeted staff surveys in the past, but has not established a systematic periodic employee survey process. Similarly, exit interviews have been conducted with some staff. Exit interviews are not conducted on a consistent basis. Exit interviews would provide management with valuable input for professional development and insight into policies impacting future employee relation. Both staff satisfaction

surveys and exit interviews would also provide input for HR policy as well as process and program improvement.

Recommendations:

- Management should develop a mechanism to assess and report on the effectiveness of the attendance support program to senior administration and the Board.

- Management should finalize updating the pay equity plan for all employee groups of the school board

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

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

3.3   School Staffing/Allocation

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

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

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

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

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

Processes for Annual Staff Planning and Allocation

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

Monitoring and Reporting on Staff Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Systems are in place and accessible by both HR and Finance staff to establish and track an approved level of staff.	Yes
Management periodically reports on the actual allocation of staff, compared to the original approved allocation plan and budget (FTEs by function, department and program, actual versus budget).	No
Procedures are in place to enable adjustment of staff allocations for school based staff, if estimates for enrolment and funding change after budget approval.	Yes
Management's plan for providing student support services and staffing is based on student-needs analysis.	Yes

Processes for Annual Staff Planning and Allocation

The school board does not have formal policies for staff planning and allocation, except for special education staffing. HR, supported by the Planning, Finance, and Program departments, is responsible for developing the annual staffing allocation model. The model considers collective agreement requirements, Ministry guidelines (i.e., Primary Class Size (PCS), etc) and Board-set formulas.

To determine the staffing model for the elementary panel, each principal is responsible for submitting projected enrolments to the Superintendent of Education responsible for elementary staffing. These projections are adjusted by the Superintendent and entered into a staffing software program with the Ministry's mandated parameters for primary class sizes to determine the full-time equivalent (FTE) teacher staffing needs.

The superintendents use spreadsheets (developed by HR) with the staffing formulas to determine the actual number of teachers required, including planning time, number of library staff, teacher librarians, and French teachers, based on enrolment formulas and requirements in collective agreements. The program department is responsible for

determining the number of ESL teachers, staff for self-contained classes, and resource staff. Staff are generally allocated based on the previous year's allocation, with some adjustments made for changes in enrolment forecasts. In addition, HR allocates a certain number of staff on holdback to be allocated in September if necessary, depending on the actual student enrolment number and distribution. Once the staffing plan is finalized, it is released to the union and an elementary staffing committee with union representation who are responsible for the placement of staff.

The secondary panel staffing model is established using a similar process and timelines. Secondary principals are required to submit their enrolment projections, which are used to establish the number of teachers, library staff, and special education staff. A secondary staffing committee of principals, superintendents and union representatives is responsible for staffing the secondary schools according to the allocation model.

The staffing allocation for school administrators is based on enrollment with some adjustments. The model generally follows historical allocations. Similarly, support staff allocations are set in line with collective agreements, or based on the previous year's allocation. The school board has established staffing committees for CUPE staff, Professional Student Services Personnel (PSSPs) EAs and office, clerical, technical to ensure that the collective agreements are being followed. Any changes to support staff allocation levels require the approval of the Executive Committee.

The final staffing allocation model is provided to the finance department to include in the budget. HR establishes and communicates staff allocation timelines in advance. Enrollment projections are collected from principals in February/March, to develop the staffing allocation model in March/April and place staff by May/June. HR provides a preliminary staffing allocation model report to the Board for review in April. In September, HR provides the Board with an updated staffing and enrollment report to reflect the actual enrolment.

Monitoring and Reporting on Staff Allocation

The human resources department has established central controls in the hiring process to ensure that the staff allocation process is being followed. Staffing committees for the elementary and secondary panels are responsible for staffing according to the allocation model. HR staff monitor the number of vacancies at the end of the staffing process that require new hires. Any teacher vacancies are filled by individual principals, but only with approval from HR, which verifies that a position is available according to the approved staffing allocation model.

In September, HR collects the actual enrolment numbers and determines whether the elementary holdback staff need to be allocated in response to changes in enrolment or distribution relative to the original forecasts. For secondary staff, adjustments to staffing levels can be made in September and October, and again at the beginning of second

semester, depending on the enrolment figures. HR provides a staffing update to the Board in September identifying variances in the original allocation model.

Throughout the year, HR works closely with finance to monitor and verify that the elementary teacher payroll data matches the approved budget. Management intends to implement the same process for other employee groups and include it as part of interim financial reports presented to the Board.

Recommendations:

- Management should document staff planning and allocation processes in formal policies and procedures.

- Management should continue establishing a process to monitor and compare actual staff complement and salaries against the approved budget for all staff groups, and provide regular reports to the senior administration and the Board.

# 4.	Financial Management – Findings and Recommendations
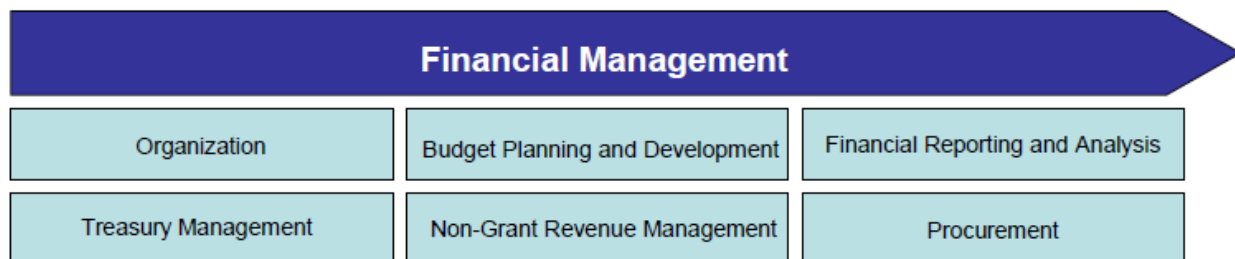
The financial management of the school board ensures the efficient and effective use of fiscal resources. Financial management ensures that the annual budget is developed within the Ministry's allocation guidelines and aligned with student achievement targets. It also ensures that appropriate financial 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 key finance management staff, as well as follow-up and confirmation of information.

## 4.1	Finance Organization

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

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

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

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

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

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Finance Organization	Evidence of Adoption?
The finance department's goals and priorities are documented in an annual departmental operating plan that is aligned to the annual operating plan accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified accountability.	Yes

Organization Structure and Accountability

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

Monitoring and Communication of Policies

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

Development and Reporting of Annual Goals and Priorities

The finance department began developing a formal three-year rolling departmental operating plan in 2008-09. The Director sets the annual goals and objectives for the school board. The finance department established its goals and objectives based on the priorities established by the Director. The department managers also establish goals for their functional areas

The finance department's current plan includes goals for:

- Transportation consortium to harmonize walking distances

- Planning staff to complete an accommodation review and plan for all-day kindergarten

- Purchasing staff to comply with the requirements in the Supply Chain Guideline

- Accounting/Accounts Payable staff to investigate efficiencies through electronic processes, and implement and provide training for a new policy for school generated funds

- Budget staff to establish interim financial reporting

- Community Use of Schools staff to revise the policy and handbook and investigate opportunities to use an electronic management system.

The departmental plan includes high-level goals and objectives for each area of the department. Management should consider enhancing the annual departmental plan by including specific activities with measurable targets, timelines, and identified responsibilities.

Organizational Structure and Accountability

The Superintendent of Finance reports directly to the Director. The Manager of Budget and Financial Reporting is responsible for management reporting. This role is clearly segregated from the role of the Controller of Finance, who has responsibility for spending authorization. The roles and responsibilities of the finance staff are clearly documented in job descriptions.

The department has clearly delineated the roles and responsibilities of its staff. The finance department is responsible for accounting/accounts payable, purchasing, budgeting and financial reporting, community use of schools, and planning. The finance department is also responsible for the transportation consortium.

The finance department reports to the business operations committee of the Board for most finance activities. The finance department reports to the budget liaison committee on all matters pertaining to budget development, approvals, and audits.

There is a current organization chart for the department. The contact information for key staff in the purchasing department is provided on the school board's website. Management should consider publishing contact information for all key staff of the finance department on the school board's website.

Finance staff have appropriate professional designations and experience for their respective roles.

Monitoring and Communication of Policies

The finance department is responsible for policies on school-generated funds, community use of facilities, purchasing, expense reimbursement, corporate credit cards, transportation, accommodation review, disposal of school board property, and use of operating budget surpluses.

The finance department conducts in-service training for school administrators on various finance processes. Before the beginning of each school year, the finance department conducts a half day in-service with all administrative staff to review finance policies and processes to support compliance. Finance staff also have time available during monthly family of schools meeting to discuss finance-related topics.

The finance department has established central controls for procurement, corporate card use, and expense reimbursements. The Manager of Purchasing monitors these processes to ensure compliance with Board policies. Finance has established a three – stage remediation process for non-compliance with finance policies. The first stage is a written notice explaining the policy infraction. A second infraction results in a written notice to the staff member's supervisor. A third infraction requires that the staff member attend remedial training.

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

Each year, the school board follows a standard process for the development of the annual budget. The budget development process is communicated to the trustees and the senior administration prior to the beginning of each budget cycle in February. The communication to staff includes an overview of the budgeting environment to increase staff awareness of fiscal pressures, such as declining enrolment and impacts of the economic downturn.

The school board begins developing the expenditures portion of the budget in March. Once the GSN announcements are made, the revenue is calculated and the expenditures are revised to balance. The development of the budget is directed by guiding principles set by the Board, GSN funding, and the requirements of the collective agreements. The guiding principles set by trustees determine the system priorities. The Board revisits these priorities each year.

However, management noted that the Board has not substantially changed the priorities over time. The guidelines are used throughout the budget development process by senior management to make decisions and by trustees to review and approve the final budget. For example, management noted that over the past several years, the strategic

decisions to overspend the Special Education allocation, and under spend on administration, were made based on the Board's guiding principles.

Each budget holder is required to review and submit their budget in March. The finance department prepares and distributes a budget package that includes (for each account) the previous year's budgeted and actual amounts, and the current year's budgeted and year-to-date amounts. For non-staffing components, budget holders can submit requests and justifications for reallocating the budget amounts within the department account codes. If the historical budget amount is still valid it is used.

A budget holder may be given approval to increase spending or may be required to reduce budget requests. For variable expenditures, such as snow removal or utilities, the best estimate is used based on the previous year expenditures. The Director and the finance department meet with each department in May to review the previous and current year's budgets and current expenditures, to request justification and discuss any discrepancies or opportunities to reduce budget amounts. Departments requesting additional funding must submit a request form to the executive committee.

When the GSN is issued, the finance department compares the revenues and funding allocated to the school board relative to peer school boards, on a per pupil basis. This comparative information is shared with all budget committees, leadership groups and trustees. Once the GSN is announced, the finance department meets with the unions to communicate foreseen staffing pressures and the anticipated impact of these pressures. The budget committee of the Board receives the final budget for approval in June.

Although the planning department prepares multi-year enrolment forecasts, these projections are only used for long-range accommodation planning. The enrolment projections used in the budgeting process are based on the projections submitted by principals, and compiled and adjusted by a coordinating superintendent of education in March. The enrolment projections are used to set the staffing models and determine the number of classroom staff. All other staff are allocated based on historical staffing levels. In September, an actual enrolment is calculated and reported. The finance department tracks enrolment trends throughout the year, by conducting a monthly comparison of current enrolment relative to the previous month data and enrolment in September for each school and grade.

Risk Mitigation and Board Approval

Throughout the budget development process, specific budget pressures are identified by management and incorporated into the budget. Known increases in expenditures, as well as potential expenditures not already identified explicitly in the budget, are communicated to the budget liaison committee. Surpluses are put into contingency reserves. The use of reserves is reported and approved in the financial statements.

When revised estimates are prepared, any adjustments to the budget are identified for information only, and do not require Board approval.

Throughout the year, management identifies material budget variances as well as unbudgeted expenditures through the quarterly interim financial reports. The discussion and analysis of budget variances constitute a key mechanism for reporting budget risks to the Board of Trustees. Through this process, the Board of Trustees is able to obtain an informed assessment of significant budget risks facing the school board. However, management indicated that the discussion of budget risks is not documented in a report that summarizes the nature, probability of occurrence, potential impact and proposed mitigation strategies for the risks.

<u>Suggested enhancements to the budget risks reporting process:</u>

The process of reporting on risk mitigation strategies varies significantly among school 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 which 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 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 budget risk, identified formally at the beginning of the budget cycle.

- Any new budget risks.

The level of detail of the budget risk mitigation plan would depend on the preferences of management and the Board. At the minimum it should include a summary outlining the above elements in table format. The periodic documentation of such information 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 suggested steps outlined in section 4.2 of this report. The development of a single risk plan/report would identify and document all significant risks on a periodic basis and include strategies to mitigate the risks of spending beyond authorized and budgeted levels.

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

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
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. The system includes the following modules: general ledger (GL), payroll, human resources, accounts payable, and purchasing. GL codes are assigned to the specific budget holders. The Controller of Finance approves the setup of new GL accounts. The school board participates in a user group for the system with representatives from other Ontario school boards, to provide feedback to the system provider on issues and opportunities for improvements.

Interim and Annual Financial Reporting

The finance department currently provides interim financial reports to the Board on a quarterly basis. The interim financial report process was recently revised with a new template to align to the guidance from the Interim Financial Reporting Committee (IFRC) established by the Ministry. The new template provides a comparison of actual to budget showing the percentage variance, a comparison to actuals for the same period in the previous year, and explanatory notes for significant variances. The finance department is also changing the frequency of reporting to three reports a year, which includes revised estimates, end of March, and year-end results.

The Superintendent of Finance is accountable for the interim reports, but there is no formal sign-off of reports. Each year the Superintendent of Finance meets with the trustees to discuss the detailed budget and provides them with the knowledge necessary to approve the budget and review the interim reports.

The Controller of Finance also provides each budget holder with a monthly report comparing budgeted amounts to expenditures to date. Each budget holder is responsible for their own budget and spending. The Controller of Finance is accountable for the accuracy of the information in the system.

The Budget Manager is responsible for coordinating the year-end closing process to ensure that all Ministry reports are filed on time.

Audit

The school board does not have an independent internal audit function. As such, the Board does not have any formal internal audit plan in place. The Board is aware of the Ministry's direction on internal audit, and intends to monitor the direction from the Ministry closely.

The budget liaison committee of the Board acts as the audit committee with responsibility for external audits. This committee consists of five Board members, but does not include independent external advisors.

Along with significant changes in accounting in recent years, the complexity of the annual financial statements is increasing. Audit committee members should understand what constitutes sound internal accounting and operational control processes. Management and the board of trustees should consider adding external members to the audit committee who can act as advisors. The advisors would not be voting members, since current legislation only recognizes trustees as voting members on Board standing committees. The professional backgrounds of the external members could include professional accountants, lawyers or other professionals, depending on the needs of the committee and its mandate. The Board plans to follow Ministry direction and advertise for external positions in the audit committee after the next round of elections.

The external auditors present their annual plan and report to the budget committee. For the past three years, the Board has received an unqualified opinion from the external auditors and has not been issued management letters. Management should consider requesting a formal management letter from external auditors which is consistent with audit leading practices.

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 implement the revised interim financial reporting process that is consistent with recommendations provided by the Interim Financial Reporting Committee (IFRC).[3]

- The school board should establish approval procedures for interim financial reports, and implement formal sign-off of these reports by senior management.

- Management should establish an internal audit function giving due consideration to the new Ministry's direction on internal audit.

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

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

4.4   Treasury Management

The purpose of reviewing treasury management processes is to assess:

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

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

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

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

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[3] Ministry of Education Memorandum SB38, September 16, 2009

Cash and Investment Management

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

Cash and Investment Management

The finance department has established efficient cash management processes. Finance periodically compares short-term investment yield rates to the current operating account interest rate, to ensure that the school board continues to maximize interest income from idle cash. The Controller of Finance is responsible for tracking and managing cash flow. Cash flow forecasting is assessed twice annually.

Finance maintains a capital liquidity template for monitoring long-term debt and assessing the impact of different scenarios to ensure that the debt service costs can be met at maturity. This tracking form is used to plan for long-term financing and to provide options to the Accommodation Strategy Action Plan committee of the Board on capital investments.

An accounting analyst within the finance department is responsible for conducting monthly bank reconciliations, which are approved by the Controller of Finance to ensure proper segregation of duties. The school board has only one bank account. Schools are encouraged (but not required) to use the school board's bank for school accounts.

The school board does not have any investments or an investment policy. The Director, as the Treasurer to the Board, provides oral reports to the Board on interest income. The school board has several debentures through the Ontario School Board Financing Corporation (OSBFC), which have been incorporated into the long-term capital debt analysis. The status of the sinking funds is included in a capital update provided to the Board at least annually.

The school board periodically participates in comparative surveys of school board financial terms conducted by OASBO. The school board has been using the current

banking services provider for many years. Management notes that current banking services meet the needs of the school board, although consideration should be given to tendering for bank services in the future.

The finance department monitors and mitigates financial risks related to cash and investment management. The school board only uses a small number of wire transfers for debenture payments. All wire transfers require the signature of the Chair of the Board and a signed letter to the bank from the Superintendent of Finance authorizing the payment. Contracts and agreements are stored in a fire-proof vault at the board office. The use of reserves is reported to the budget committee and approved by the Board as part of the financial statements.

Recommendation:

- Management should establish an investment policy and provide periodic reports to the Board on the school board's investment activity, in accordance with the investment policy.

4.5 School-Based Funds and Non-Grant Revenue Management

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

- Assess whether procedures are in place to ensure the timely, complete and accurate recording of the different types of school-based 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 a policy on school-generated funds that includes a policy statement and a procedures manual that provides specific detail on the acceptable sources of funds, procedures for generating funds, use of proceeds, and accountability.

The school board uses a software program to manage all school accounts and transaction activities. Schools generally have up to three separate accounts that are tracked in the school financial software: a general school account; one account for student council generated funds; one account for school council generated funds. Two accounting analysts within the finance department provide support on the school accounting system and monitor all school-based funds. These staff are also responsible for centrally conducting year-end reporting for each school and rolling over any amounts to the next year. Principals are required to ensure that bank reconciliations occur and are approved monthly. For school-generated funds, the finance department works closely with principals to assist in setting up separate line items. This allows clear identification of the separate school-generated funds to ensure that they are tracked and used appropriately.

Formal cash management processes are implemented in schools. The office coordinator may collect cash, or the classroom teacher may submit a sealed deposit envelope to the office coordinator to deposit at the bank.

Management of Non-Grant Revenue

The key sources of non-grant revenue for the school board are continuing education programs, programs funded by the Ministry of Citizenship and Immigration, tuition fees for non-resident students, fees for community use of school facilities, lease of facilities, and interest income. Budget holders responsible for non-grant revenue streams are required to prepare forecasts of annual revenues and expenditures, as part of the budget process and to provide updates for the revised estimates.

The school board has established a policy and procedures manual for the community use of school facilities. A fee schedule is in place for community use permits. The finance department has a community use of schools office, with a community use of schools coordinator and one clerk. Payment is required in advance for all permits and course registrations to minimize the risk of bad debt. Currently, permit applications are completed and manually submitted directly to schools. The school board is investigating options for implementing an on-line booking and payment system, for both community use permits and registration in continuing education courses.

Senior administration has adequate controls to monitor revenues and expenditures and ensure compliance with the terms and conditions of EPO grants. The Director posts all ministry communications through the internal website portal. The executive committee is responsible for identifying the EPO grants for which the school board is eligible. The Superintendent of Finance maintains and tracks a list of reporting requirements to ensure all deadlines are met.

The finance department sets up a new cost centre for each new EPO grant awarded. The EPO grants are tracked using a spreadsheet that includes the budget, expenditures to date, and reporting deadlines. The codes are entered into the electronic attendance system to ensure that all occasional teacher time to fill staff absent on EPO-related activities is captured. The staff members responsible for specific EPO grants are accountable for ensuring that all costs have been allocated to the correct GL 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 exist to support the procurement and related payment process;

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

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

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

Policies and Procedures

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

Participation in Group Purchasing Initiatives

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

Purchasing Levels of Authority

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
Purchasing authorization levels are commensurate to job roles and responsibilities, and are monitored for compliance by a supervisor or department head.	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 board's finance department performs three-way matching (purchase order, receipts/invoice and inspection) before invoices are paid.	No
Commitment accounting is in place to monitor budget utilization.	Yes
Management has implemented electronic supplier interface for ordering, processing and payment	No

Use of Electronic Funds Transfer

Leading Practices – Supply Chain/Procurement	Evidence of Adoption?
Management maximizes use of electronic funds transfer (EFT) for vendor payments.	Yes

Policies and Procedures

The school board has established a policy and procedures manual for purchasing that provide principles, criteria, ethics, conflict of interest, and dispute resolution procedures. Currently, the finance department is revising the policies and procedures manual and the purchasing handbook to align to the mandatory requirements in the Supply Chain Guideline issued by the government in 2009. In addition, the school board has established policies and procedural manuals and a supporting handbook to outline procedures for reimbursement of employee expenses, reimbursement of trustee expenses and corporate credit cards. The policies and handbooks are provided electronically to staff. Significant changes to policies and procedures are communicated through staff in-service sessions, at family of school meetings, and through the school board's administrative departments.

The current purchasing handbook outlines the circumstances under which the school board can use non-competitive versus competitive procurement methods. Different purchasing methods and authorizations are required, depending on the dollar

thresholds of the goods of services procured. The school board requires that any purchase over $50,000 must be approved by the Purchasing Manager, and publicly tendered. Requests for proposals are posted on *Biddingo*. The handbook includes a clause identifying the circumstances for which purchasing by negotiation or sole sourcing is acceptable.

The purchasing handbook outlines the type of supplier selection criteria (quality, guarantee, warranty, location, dependability and service record) that should be used in evaluating vendors. The finance department aims to provide transparency around the evaluation criteria and the school board's contract clauses, by outlining them clearly in the tender documents.

The purchasing department tracks all vendor agreements using a spreadsheet. Information about the specific products and how to order, receive or return goods are also contained in the spreadsheet. The finance department has established some Vendor of Record (VOR) arrangements for transportation services, capital project management, and maintenance staff. The school board also utilizes the Government VOR agreements for cell phones and courier services. The purchasing department has established standing purchase orders for some custodial and maintenance supplies. Standard forms are provided to ensure these contracts are used appropriately.

Any purchasing activity that does not follow an authorized purchasing method is considered unauthorized by the school board. Accounts payable follows up on any invoices that are received without a purchase order.

The Controller of Finance is responsible for reviewing employee expense claims and any exceptions are brought to the attention of the Superintendent of Finance.

Participation in Group Purchasing Initiatives

The purchasing department develops strategies to increase purchasing power. The Purchasing Manager periodically conducts spend analysis to identify strategic sourcing options for large spend categories. The purchasing department requires that school board employees use the system supply contracts.

To generate larger economies of scale, the school board works collaboratively with other school boards and public sector agencies, including the Guelph Co-operative Purchasing Group with the City of Guelph, Wellington County and other local public sector entities. The school board also participates in other cooperative purchasing arrangements for specific commodities such as gas and electricity. The Purchasing Manager is the current chair of the OASBO purchasing committee.

Purchasing Levels of Authority

Currently, management is revising the existing purchasing levels of authority to align to the requirements provided in the Supply Chain Guideline.

The purchasing handbook sets out approval authority level for purchasing and competitive bidding thresholds as follows:

- $0 - $2,000 – informal purchasing method can be followed and purchases are authorized by the Department Manager/Principal within the budget limit.

- $2,000 - $15,000 – purchases require at least three oral quotations and are authorized by the Department Manager/Principal within the budget limit.

- $15,000 - $50,000 – purchases require at least three formal written quotations and the authorization of either the Department Manager/Principal if the amount is within their budget limit or the Manager of Purchasing.

- Over $50,000 and purchases by negotiation or sole source – requires a formal public tender issued by the purchasing department and approval from the Manager of Purchasing.

The existing purchasing procedures do not specify authorization levels for large dollar value purchases.

Policies and Procedures for PCard/Corporate Card Use

The school board has a corporate card (PCard) policy and procedures manual containing the general provisions regarding the use of corporate cards. The finance department provides a handbook that operationalizes the policy and provides guidance to staff on corporate card use.

There are approximately 500 cards, which are used by principals, maintenance staff, school department heads, specialized teachers and board administrative staff. The finance department has established an application process for corporate cards, which requires a supervisor's approval. Cardholders are required to sign a user agreement to confirm their understanding and acceptance of user guidelines.

Most cards have a purchasing threshold of $1000 per month. Cardholders must submit receipts to the accounts payable department and indicate the relevant account code. All corporate credit card purchases are approved by the employee's immediate supervisor.

The Chair of the Board approves purchases made by Trustees and the Director of Education. The Superintendent of Finance approves purchases made by the Chair of

the Board. The accounts payable clerks receive and verify that the use of corporate cards follows the school board policies and procedures.

Accounting for Completeness of Purchase/Payment Cycle

The finance department does not currently have the capability to perform three-way matching among the purchase order (PO), receipt of goods, and the invoice, before an invoice is paid. Requisitions are electronically entered and submitted to the purchasing department. Purchase orders are issued and a confirmation is sent to the requisitioner. Goods and invoices from suppliers are delivered directly to the school or department. The invoice is verified by the recipient and sent to accounts payable to issue payment. Invoices from large suppliers are received electronically. Management noted that the school board is continually identifying additional vendors that have the capacity to set up electronic invoicing.

The finance system has commitment accounting. Expenses for goods and services are encumbered at the point when the PO is issued. A PO issued against an account that does not have sufficient funds available will be identified by accounts payable when payment is being made.

Finance has established an electronic supplier interface for ordering office supplies. The orders are downloaded centrally by finance staff into the board's financial system and paid centrally.

Use of Electronic Funds Transfer for Greater Efficiency

The finance department aims to maximize the use of electronic funds transfer (EFT) for vendor payments. Currently, 80 per cent of vendors are paid through EFT and other vendors are paid with electronic cheques. The finance department is working with the vendors to further increase the use of EFTs.

Recommendations:

- Management should establish purchasing authorization levels for large dollar value purchases. This could be done as part of the ongoing update of the school board's purchasing policy to align to the Supply Chain Guideline.

- The school board should implement three-way matching (purchase order, receipts/invoice and inspection) before invoices are paid.

- Management should consider expanding the use of electronic supplier interface, where possible.

5. School Operations and Facilities Management – Findings and Recommendations

School Operations and Facilities Management

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

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

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

5.1 Operations and Facilities Organization

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

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

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

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

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

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
The School Operations and Facilities Management department's goals and priorities are documented in an annual departmental operating plan. They are aligned to the annual board operating plan, accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified responsibility.	Yes

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 understating of school operations and facilities policies and administrative procedures.	Yes
Processes exist to monitor new legislation and regulations and implement necessary changes.	Yes

Development and Reporting of Annual Goals and Priorities

The Plant Operations department is responsible for the maintenance and custodial operations and design and construction of all facilities at the school board. Over the past several years, the department has been undergoing significant changes in its

organizational structure and service delivery. As a result, management is revising the approach to the annual departmental planning.

The Director's annual plan identifies key priorities for the Plant Operations department. The operating plans developed by the department reflect the priorities identified by the Director. The department has established three-year plans for the maintenance and custodial functions, and a five-year capital/renewal plan. The capital and renewal plan identifies Good Places to Learn, annual renewal grant, and energy funding projects. The maintenance plan sets the broad goals/vision of the maintenance department and more specific objectives with established timelines. The custodial services plan is similar in format to the maintenance service plan, and includes high-level goals/vision of the custodial services department and specific activities. The plans have been presented to the Business Operations committee of the Board.

As part of further departmental internal review, management should consider streamlining the annual planning process by establishing a single planning document which would include specific and measurable actions/goals, timelines and responsibilities. This would enable the Plant Operations department to develop indicators of success, and track and report on progress in implementing the goals. Management should also ensure that there is periodic evaluation of progress against the plan and regular reports are provided to the senior administration and the Board.

The department should continue developing a distinct multi-year plan for its maintenance and renewal activities.

Organizational Structure and Accountability

As a result of changes in the plant operations staffing, the department operates under the direction of the manager of capital and renewal projects. Following the retirement of the superintendent in September 2009, management delegated the manager of capital/renewal with the task of reviewing and improving the department's organizational structure and processes. Management noted that as result of reorganization, the school board's planning function has been moved to the finance department.

The Manager of Capital and Renewal Projects reports to the Director of Education and is a member of the senior administration team. The Manager of Plant Operations is responsible for all custodial and maintenance operations and reports to the Manager of Capital and Renewal. The Manager of Plant Operations is supported by two custodial supervisors and one maintenance supervisor. Within the capital and renewal function, the Manager of Capital and Renewal Projects is supported by the Facility Projects Team Leader and Capital Project Coordinator.

Management noted that organizational structure is being finalized. Management has also identified areas in the organizational structure and service delivery that require further improvement.

Monitoring and Communication of Policies

The Plant Operations department is responsible for a number of policies and maintains a set of operating procedures covering pertinent aspects of facilities and operations management. The policies are posted on the school board's website, and operating procedures are available on the internal electronic communication system.

Appropriate training is provided to custodial and maintenance staff to address policy issues and the need for compliance with the various regulatory requirements. Examples of such training include WHMIS, asbestos management and water flushing.

The Plant Operation department conducts monthly meetings which also provide a forum for sharing information and updates, including changes in regulations. The Plant Operations department provides regular presentations on issues which affect schools during family of schools' meetings.

Recommendation:

- Management should finalize the organizational structure of the plant operation department and document the structure in an organization chart. Management should also consider posting the organizational chart or providing contact information for key department staff on the school board's website.

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 is accessible by the public.	Yes

Training to Support Skills Development and Safety

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

Standardization of Cleaning and Maintenance Supplies

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Management uses an inventory system to track and control major cleaning and maintenance equipment.	Yes

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Management has defined common standards to ensure efficient procurement of supplies in order to minimize costs, promote energy and operating efficiency, and environmental sustainability.	Yes

Project Management, Monitoring and Support Systems

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

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

The Plant Operations department has developed and documented standards for cleanliness and cleaning procedures. The procedures are communicated to staff through formal training and informal on-site practical training provided by the head custodians. Changes in cleaning procedures are communicated to all head custodians in a meeting.

Management has recently established a standard template for regular inspections of school board facilities, to ensure compliance with the established cleanliness standards. However, management noted that the inspection process has not been formalized and does not occur on a regular basis. It is planned that the inspections will take place on a three to six month cycle. In response to the H1N1 pandemic, management established a formal process for inspection of facilities and reporting. Management intends to use this approach as the basis to develop a formal inspection process for cleanliness.

The school board has implemented several pilot projects for green cleaning products. The school board is working with its suppliers to increase the use of green-certified products. The school board has established an environmental policy and procedures which address issues of environmental management, from both the academic and operations perspective. However, the school board has not formally adopted a green clean program for all its schools.

The environmental procedures emphasize that the school board shall purchase "environmentally friendly" products when it is practically and financially feasible, and when products have an acceptable level of performance. This requirement is also set out in the school board's policy on the purchasing of goods and services. The policy

states that the school board shall use, where possible, maintenance and housekeeping products that are non-toxic, non-polluting, and biodegradable. In 2009, as part of professional development for custodial staff, the cleaning products manufacturer provided a presentation on environmentally-friendly cleaning products and procedures for schools.

The school board has an almost equal proportion of unionized and contracted custodial staff. The collective agreements mandate a staffing ratio which is based on square footage. In general, allocation of custodial staff is based on square footage. However, management accounts for other factors such as the number of portables and stairwells.

Management is currently revising the approach to allocation of custodial staff to include workload as a key factor. As part of the new approach, custodial operations at each school are broken down into specific tasks and time required to perform them. The model also identifies priority tasks for each shift, so that these tasks can be completed if one or more custodians is absent. The workload-based approach was piloted in four schools, and is now being rolled out across the school board.

The majority of the maintenance staff at the school board are members of CUPE. The school board contracts out some maintenance work and custodial functions at a number of schools to independent contractors. The review (conducted by external consultants several years ago) identified areas where contracting out to external providers would contribute to a more efficient service delivery. As a result, the school board has outsourced its grounds maintenance and snow removal services, except in a few geographical areas where retaining in-house staff was more efficient. Management works closely with the unions in reviewing the school board's custodial and maintenance service delivery model.

Development of Annual and Multi-Year Maintenance Plan

The school board develops a multi-year renewal plan using information from the ReCAPP database, with input from maintenance and school staff. There is a standard template which is completed by maintenance staff to identify renewal work for the year. This information is collected in September/October, and used as the basis for refining the first two years of the five-year renewal plan. The renewal plan identifies specific projects and the amount and source of funding, including Good Places to Learn and Energy efficiency funding. The two-year report is presented to the Director and to the Business Operations committee of the Board and is made public. Management provides periodic updates to the Board as appropriate and reports annually on the work completed and the readiness of the schools.

In addition to the multi-year plan developed each year, a specific budget is allocated for projects identified by schools. School principals complete requests and submit them to

the respective superintendents of education. The superintendents prioritize the requested projects, and allocate the available budget across schools.

The ReCAPP database is updated annually and when significant changes in facilities are implemented. A dedicated staff member is responsible for completing facility condition reports and updating ReCAPP.

Management noted that currently the Plant Operations department is working to improve its maintenance management system. The Plant Operations department has implemented a maintenance management information system, and is planning to expand its use to provide a formalized preventative maintenance program.

Training to Support Skills Development and Safety

The Plant Operations department establishes an annual training and development plan for custodial and maintenance staff. Training for staff includes training for summer students, training for new employees, PD days and in-service sessions on specific topics. There is a significant component related to health and safety training and regulatory training, such as asbestos management and water flushing. PD days are conducted for all staff once a year. The Plant Operations department also provides training on supervisory skills such as conflict resolution, stress management, and time management.

The Plant department works closely with the Health and Safety Officer to plan and deliver training. Attendance at training events is tracked in a database which is maintained by the Health and Safety Officer.

Standardization of Cleaning and Maintenance Supplies

The Plant Operations department purchases, allocates and tracks equipment and custodial supplies.

Since the school board recently contracted out grounds maintenance services to external providers, it does not have a significant inventory of major maintenance equipment. The department has an up-to-date inventory of major custodial equipment which is assigned to specific sites with the indication of the date of purchase, supplier, warranty period, location, and supervisor. There is also an inventory of maintenance vehicles which indicates staff, vehicle details, department and mileage. The inventory of vehicles is updated when there are changes in the information, such as driver update, change of ownership or transfer to another department. The mileage is updated annually, at a minimum, upon renewal of vehicle license and insurance. There is a maintenance guide for school board vehicles.

Custodial supplies are purchased and managed at the school level on a "just in time" basis. The Plant Operations department sets a custodial supplies budget for each school and retains a contingency amount centrally for school cleaning. The Plant Operations department tracks the consumption of custodial supplies on a monthly basis and uses this information to set targets. Management noted that reduction targets are set to reduce the usage of specific products, rather than custodial products in general. The monthly tracking of the use of custodial supplies allows management to make comparison between schools. The use of the contingency budget for custodial supplies requires an approval of a supervisor.

The school board has standardized cleaning supplies and uses one supplier. A stock of specific supplies, such as hand sanitizers, may be maintained in exceptional circumstances, such as for the H1N1 pandemic.

Project Management, Monitoring and Supporting Systems

The school board uses a software application for its work order system. In general, work orders are submitted by head custodians. The health and safety staff may also create work orders. Supervisors or assistant supervisors receive work orders and assign to a specific maintenance staff. Supervisors can indicate a due date for completion of a work order, which facilitates tracking of outstanding work orders. Management noted that currently supervisors do not indicate the due date on every work order. This would encourage staff to consolidate work orders to manage and complete them more efficiently.

The plant operations department presented a report to the senior administration on the work order process and the use of the automated work order system.

Recommendation

- The school board should continue piloting its green clean products and move towards implementing a formal green clean program as part of its overarching Education Environmental Policy.

5.3 Energy Management

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

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

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

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

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

Energy Management Plan

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

Tracking and Reporting Energy Conservation

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

Energy Management Plan

Although the Plant Operations department has developed an energy management strategy, it has not been presented to the Board. The strategy document describes the school board's overall energy management strategy, objectives, and responsibilities.

The school board started its energy management initiatives in 2002, using an external consultant to conduct energy audits of all schools and administrative facilities. At that time, the school board established a full-time position within the Plant Operations

department to oversee the energy management initiatives. Since then, the school board has made investments each year in energy upgrades based on the findings of the energy audits. Allocation of funding to the energy management position was suspended several years ago due to budget constraints. Management notes that over the past several years the Board has once again identified energy management as a priority.

During the 2008-2009 school year, the Plant Operations department conducted a pilot project in three schools. The purpose was to collect data to build a business case for the hiring of dedicated staff, who would oversee energy management and integrate educational components into the strategy. The Plant Operations department received approval in the 2009-2010 school year to hire an additional staff resource for implementing the energy management strategy and a second resource for capturing and monitoring building automation systems.

The recently constructed Orangeville Education Centre incorporates solar, water and wind energy conservation features. The centre is equipped with a building automation system which provides staff, students and the general public with online real-time information on energy consumption and carbon offsets. This information can be used by teachers across the system in the delivery of curriculum.

The school board has developed resources to support the Grade 5 science curriculum and training sessions with Grade 5 teachers were conducted across the system. Currently, the school board is developing high school and elementary school lessons using the actual information from the environmental centre. The school board is also preparing a press release announcing the educational centre to the public. The Manager of Capital/Renewal contributed an article on the school board's environmental initiatives for *Education Today* published by the Ontario School Board Association. Management should continue communicating successful conservation initiatives across all schools and with other school boards.

The school board's purchasing policy identifies environmental considerations as one of its guiding principles. Consideration is given to environmentally responsible products that are energy efficient, with low emissions and minimal waste. The school board participates in purchasing consortia for electricity and gas.

Tracking and Reporting Energy Conservation

The school board has been tracking energy consumption at each facility for many years. This information is collected from energy bills for each facility, and recorded in a spreadsheet to conduct annual comparisons across all facilities. The tracking sheet has been used to identify and address any unexpected variances between facilities. The school board is planning to participate in the Utilities Consumption Database sponsored by the Ministry.

Currently, the school board does not receive consolidated utility bills from its utility suppliers. The school board has three natural gas, seven electricity and five water suppliers. The school board requested consolidated billing several years ago from the utilities. Subsequent to the request, one provider has made consolidated bills available to the school board, and another provider is planning to implement consolidated billing in 2010. Management noted that some providers do not offer consolidated billing.

The school board's overarching Environmental Policy includes policy statements related to curriculum and to some aspects of operations. Management noted that the policy requires a review. The policy covers high-level statements about providing environmental education and staff development opportunities. Within operations, the policy provides more specific statements related to purchasing practices, waste management and conservation practices, energy conservation, maintenance and housekeeping, indoor air quality, pest control, grounds care and food handling.

Recommendations:

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

- The school board should continue identifying opportunities for consolidated billing by 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 an occupational health and safety strategy/plan that reflects the board's occupational health and safety policies and administrative procedures and ensures that the school board is in compliance with associated occupational health and safety statutory requirements.	Yes
Develop, implement and monitor a security strategy/plan that reflects the board's security and student safety policies and administrative procedures and ensures the board is in compliance with statutory/policy security requirements.	Yes
Develop, implement and monitor a health strategy/plan that reflects the board's health policies and procedures and ensures the board is in compliance with statutory health requirements.	No

Health, Safety and Security Management

The board has an Occupational Health and Safety policy that provides a policy statement, assigns responsibilities, identifies linkages to legislative requirements (such as the Occupational Health and Safety Act and Workplace Safety and Insurance Board), describes the structure and role of the Joint Health and Safety Committee, and lists training requirements. The Joint Health and Safety Committee includes both management and non-management employees, as well as representatives from the unions. The committee has terms of reference that outline its mandate, structure and function.

Each school has identified a health and safety representative for the facility. Training is provided to appropriate staff in Workplace Hazardous Materials Information System (WHMIS), as well as other safety related training as required. An additional in-service on health and safety has also been provided to school administrators.

The school board has a health and safety officer who reports to the Executive Officer of Human Resources. Workplace inspection audits of facilities are conducted monthly by members of the Joint Health and Safety Committee. This process has been revised with the addition of two seconded members of the Joint Health and Safety Committee (fulltime) to act as school health and safety inspectors. The inspectors conduct inspections daily, with all locations being inspected monthly.

The Joint Health and Safety Committee periodically reports to the Board and communicates updates to the system. Health and safety is a standing item on the agenda for Board meetings to be used as needed. This is also the case for family of school meetings.

The school board has a number of policies related to student safety and security, including emergency procedures, violence-free schools, bullying prevention and intervention, anti-harassment, physical intervention, and student discipline.

The Plant Operations department is responsible for maintaining physical security of facilities. Cameras and building security system are installed at all secondary schools. The school board has established a video surveillance policy and standard operating procedures that provide guidelines for the appropriate use of surveillance cameras

The school board has an emergency procedures policy that identifies the procedures for a response to emergencies involving schools, emergencies involving an administrative site and the emergency control committee. Senior administration has established an Emergency Procedures Handbook, which provides a template for schools to develop Emergency Response Plans, as well as information about roles and responsibilities and the types of emergency situations.

The school board has a police/school board protocol that outlines the relationship between the school board and the local police services across the district, and the agreed protocols for investigating school-related occurrences. The school board also has a media protocol for crises that identifies the communication plan for communicating to the school, the system and the public in the event of an emergency. The principals are responsible for maintaining school-specific emergency procedures and conducting fire and tornado drills.

The school board has implemented safe schools initiatives and has violence and bullying prevention policies in place. Safe schools teams in each school were recently trained on the updates to Bill 157, the new Safe Schools Act.

The Disability Manager within the Human Resources department is responsible for the workplace early intervention program and the attendance support program. These programs provide early identification of employees who may benefit from a support program. The Disability Manager, in collaboration with other staff, has also developed and implemented proactive health and wellness initiatives, such as lunch-and-learn sessions on the employee assistance program, and fitness classes.

The school board has a Health Support Services policy that identifies access to local health support services and medical and first-aid procedures. There is a specific policy for anaphylaxis/life-threatening allergies to ensures compliance to Sabrina's Law. Training is provided to staff on the requirements of Sabrina's Law. Each school facility is

responsible for monitoring and logging air and water quality and completing the necessary procedures.

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 multi-year capital programs;

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

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

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

Development of Annual and Multi-Year Capital Plans

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

Leading Practices – Capital Plans, Policies and Procedures	Evidence of Adoption?
The school board has an approved pupil accommodation review policy.	Yes

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

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

Development of Annual and Multi-Year Capital Plans

The Planning department within the Finance department and the Capital/Renewal department in plant operations jointly develop a three-year accommodation plan for the school board. This plan acts as the annual and multi-year capital and accommodation plan, and identifies specific timelines for objectives over the three-year span. The plan is developed using long-term enrolment projections for each school, the condition of school facilities based on ReCAPP data, and from consultations with the public, superintendents, and principals. The plan is approved by the Board and posted on the school board's website. The current plan expires in 2010, and will be updated to establish the Board's new accommodation plan.

The school board plans to conduct several accommodation or boundary reviews over the next several years to inform the multi-year accommodation plan. An Accommodation Policy is posted on the school board's website.

The Finance Department tracks the amount in reserves to ensure funding is available to support capital projections. The Finance Department uses a capital liquidity template to model the potential cash flow in reserves (given the schedule of current debt commitments) and to identify possible timing scenarios for future capital projects.

The capital plan is considered when prioritizing renewal projects. The capital/renewal department has delayed renewal projects at a small number of schools that are being considered for closure.

The school board has had declining enrolment, and as a result has been conducting accommodation reviews and closures over the past several years. Management noted that the school board is considering establishing a joint use facility with the coterminous board to respond to local enrolment pressures.

The school board has borrowed through the Ontario School Board Financing Corporation (OSBFC) to finance capital projects. The finance department tracks all current debt commitments.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

The planning function within the finance department is responsible for maintaining up-todate inventories of school capacities in SFIS with support from the Plant Operations department. Each year, the Plant Operations department identifies each school's capacity and reports this information to the finance department and updates ReCAPP.

The Plant Operations department has reduced the need for regular monitoring of facilities' conditions, by enhancing the original data in the ReCAPP database with additional data collected through a comprehensive survey of each school. Assessments of school facilities' conditions to update ReCAPP are performed on an as-needed basis. A summary report of the renewal project activities and is generated annually to update ReCAPP data.

Capital forecasts are reviewed and updated at least annually, to ensure they meet the existing needs and reflect the school board's current financial position. Capital projects are tracked with the specific sources of funding identified.

5.6   Construction Management

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

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

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

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

Cost Effective Practices in the Design and Construction of Facilities

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

Monitoring and Reporting on Progress of Construction Projects

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

Maintaining Current Approved Professional Service Providers

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

Cost-Effective Practices in the Design and Construction of Facilities

The school board had significant construction activity several years ago. Due to declining enrolment, there are currently only a few capital projects underway or identified in the accommodation plan. Where there are new facilities being considered, the school board investigates opportunities to partner with other organizations or to make use of existing space. The school board has established a few joint-use arrangements for school facilities with the municipality. The school board actively encourages the community to make use of school facilities. Community use includes daycare centres, community use of school facility permits, shared use of facilities, after

school programs and rental office space. The school board is investigating an opportunity to build a joint facility with the coterminous board.

The Construction Management department rarely uses a repeat blueprint for design of new schools. A set of design standards has been established by the architects to help guide the design and specifications of new constructions, especially when the same blueprints are not used. The construction management department provides standard design schematics to ensure that designs efficiently use space and meet a target ratio of square footage per pupil. The department also provides architects with a list of standard materials specifications to be used in construction projects. For new schools, the board incorporates energy efficient designs such as building automation systems.

The school board has established a rigorous policy on construction project approval and reporting. This policy outlines the roles and processes for the approval of construction projects and ongoing reporting requirements. Before a construction project begins, the Board must first approve a detailed building project report, which provides size and scope of project, the target number of teaching spaces, timing, the proposed architect, and a revenue and budget summary. The policy requires that a building committee is established with a set mandate. The committee is composed of trustees, plant operations staff, and other stakeholders. This committee is responsible for working with architects to develop the concept design that is presented to the Board for approval before the actual design is developed. The design process is guided by a design review team which is composed of plant operations staff and consultants. The final design and budget is presented to the Board for a third approval.

The project budget is identified and refined at each stage of the project approval process. The costs per square footage are included in the reports, and are not allowed to exceed the Ministry's funding model. A design contingency is included in budgets for all construction projects.

Monitoring and Reporting of Progress on Construction Projects

The finance department provides a summary report of capital items to the operations committee of the Board each month. This report includes project updates, actual costs incurred to date and identifies any issue or potential budget overruns.

The Project Manager and Manager of Capital/Renewal receive and approve expenditure reports for progress payments before submitting them to the finance department for approval. A monthly project summary report is provided by the architects. The project manager also monitors the projections for project completion and change orders in a spreadsheet.

Maintaining Current Approved Professional Service Providers

The Construction Management department maintains a pool of pre-approved architects for capital projects. The school board hires general contractors through an open tender process to pre-qualify contractors. The pre-qualification list for architects was established three years ago. The school board's policy requires that pre-qualification be conducted again in 2010. The pre-qualification process for contractors is generally conducted for each project. General contractor hires sub-contractors directly.

The school board does not outsource project management roles. The Plant Operations department noted that it was more efficient to have an in-house project management department, as it reduces the risk to the school board by providing a higher degree of direct oversight of construction projects.

Appendices

Appendix A: Overview of the Operational Review

Operational Review Objectives

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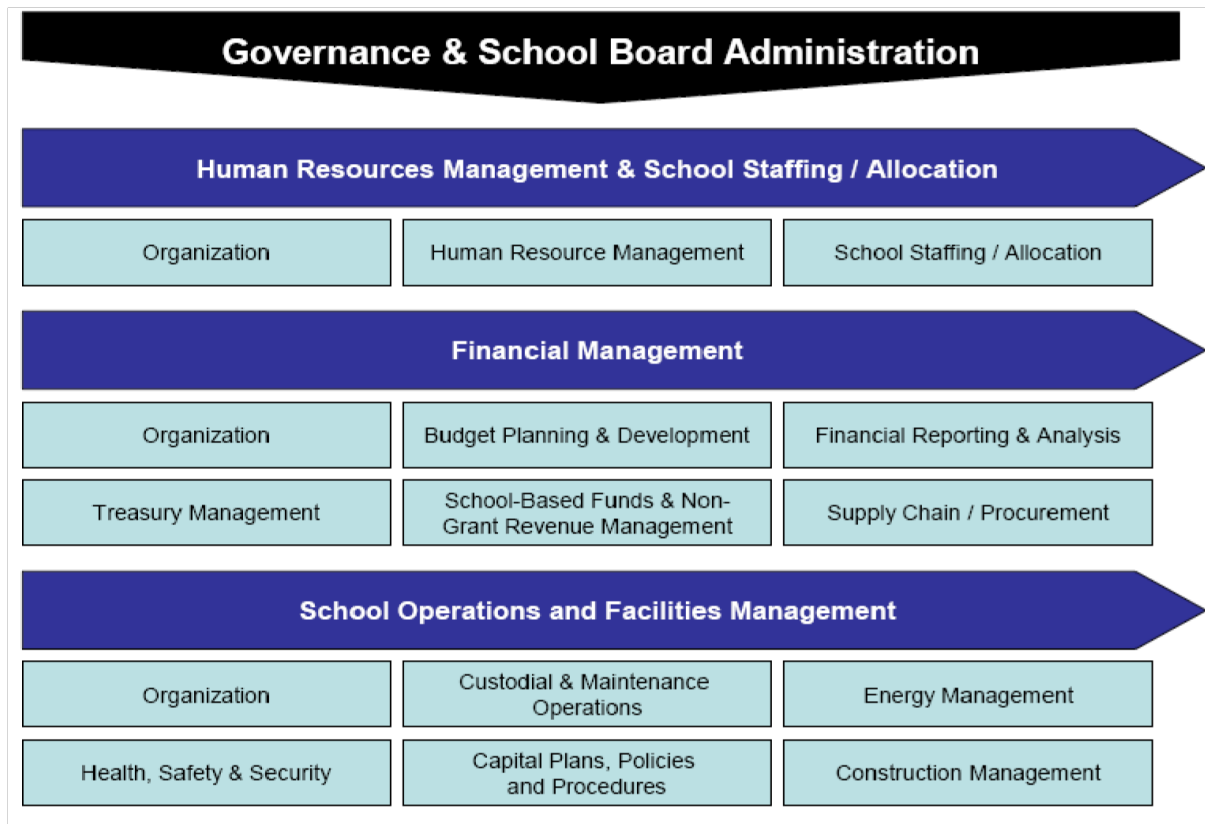
Recognizing the unique characteristics of each DSB, the specific purpose of the Operational Reviews is to:

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

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

- Leverage "best practices" across the education sector;

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

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

Operational Review Summary Scope

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

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

Governance & School Board Administration

Human Resources Management & School Staffing / Allocation

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

Financial Management

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

School Operations and Facilities Management

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

Operational Review Summary Approach

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

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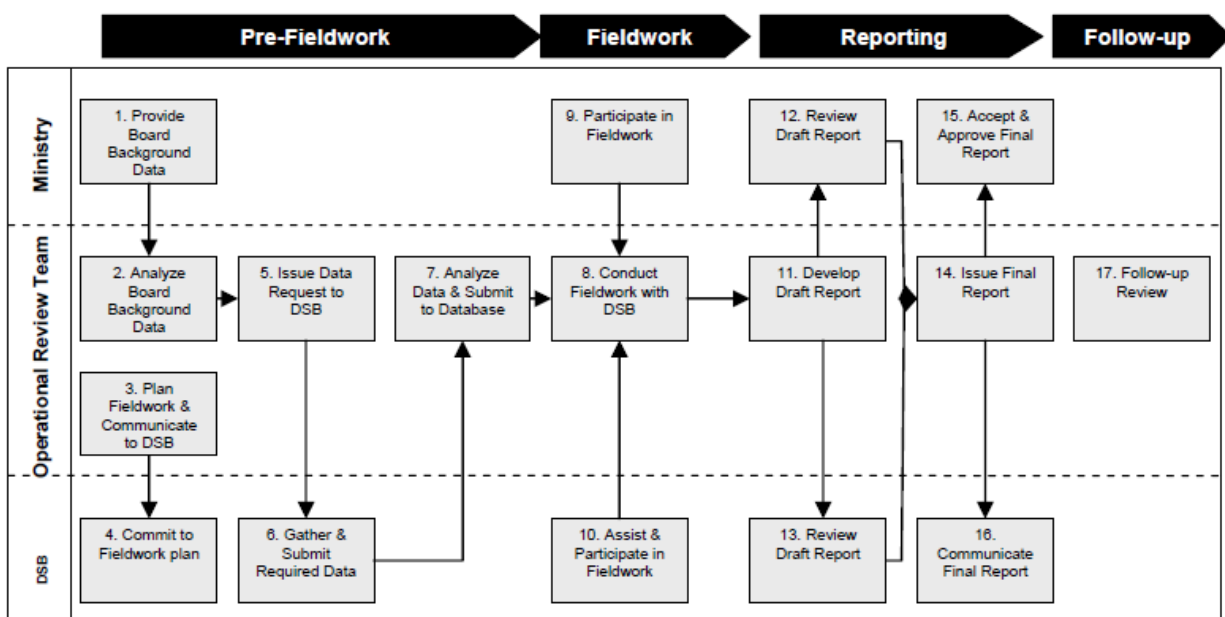
The Table below defines the key phases and activities which comprise the Operational review Methodology.

Phase: Pre-Fieldwork

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

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

Phase: Fieldwork

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

Phase: Reporting

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

Phase: Follow-Up

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

The Operational Review Team

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

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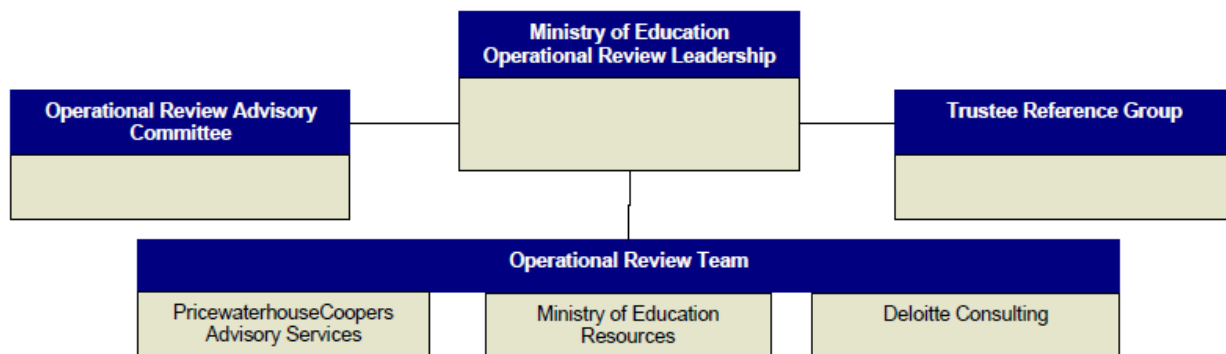
Limitations of this Review

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

Appendix B: Summary of Recommendations

Governance and School Board Administration

No.	Recommendation
1.	The Board should document its governance model and clearly define the roles and responsibilities of trustees.
2.	The Board should finalize and communicate its multi-year strategic plan which should serve as a framework for annual system-wide and departmental planning. The annual system-wide operating plan should be aligned with the strategic plan, incorporate both academic and non-academic departments, and contain goals that are specific, measurable, achievable, relevant and timely. The Director's annual plan can be used as the basis for the development of a system-wide annual operating plan.
3.	The school board should establish a formal policy review schedule to ensure that all policies are reviewed within the established three to five year cycle.
4.	Management should post the organizational chart of the school board administration on the school board's website.
5.	The school board should continue developing its leadership development programs and activities. It should develop a formal succession and talent development plan in line with the Leadership Succession Planning and Talent Development Ministry Expectations and Implementation Continuum.

Human Resources Management and School Staffing/Allocation

No.	Recommendation
6.	Management should develop a mechanism to assess and report on the effectiveness of the attendance support program to senior administration and the Board.
7.	Management should finalize updating the pay equity plan for all employee groups of the school board.
8.	Management should conduct periodic and confidential staff surveys to improve communication with staff and provide input for professional development plans and HR policies.
9.	Management should consider conducting exit interviews with all staff groups to obtain feedback on HR policies, as well as process and program improvements.
10.	Management should document staff planning and allocation processes in formal policies and procedures.
11.	Management should continue establishing a process to monitor and compare actual staff complement and salaries against the approved budget for all staff groups, and provide regular reports to the senior administration and the Board.

Financial Management

No.	Recommendation
12.	Management should consider enhancing the process of reporting on the school board's budget risks using the suggested steps outlined in section 4.2 of this report. The development of a single risk plan/report would identify and document all significant risks on a periodic basis and include strategies to mitigate the risks of spending beyond authorized and budgeted levels.
13.	Management should continue to finalize and implement the revised interim financial reporting process that is consistent with recommendations provided by the Interim Financial Reporting Committee (IFRC).
14.	The school board should establish approval procedures for interim financial reports, and implement formal sign-off of these reports by senior management.
15.	Management should establish an internal audit function giving due consideration to the new Ministry's direction on internal audit.
16.	Management should ensure the internal and external audit plans are clearly documented and recommendations provided in audit reports are acted upon by senior management.
17.	Management and the board of trustees should consider establishing an audit committee that includes external advisors in accordance with the Ministry's emerging direction on internal audit.
18.	Management should establish an investment policy and provide periodic reports to the Board on the school board's investment activity in accordance with the investment policy.
19.	Management should establish purchasing authorization levels for large dollar value purchases. This could be done as part of the ongoing update of the school board's purchasing policy to align to the Supply Chain Guideline.
20.	The school board should implement three-way matching (purchase order, receipts/invoice and inspection) to ensure accuracy before invoices are paid.
21.	Management should consider expanding the use of electronic supplier interface, where possible.

School Operations and Facilities Management

No.	Recommendation
22.	Management should finalize the organizational structure of the plant operation department and document the structure in an organization chart. Management should also consider posting the organizational chart or providing contact information for key department staff on the school board's website.
23	The school board should continue piloting its green clean products and move towards implementing a formal green clean program as part of its overarching Education Environmental Policy.
24.	The school board should continue developing a multi-year energy management plan that incorporates quantifiable measures and the tools to monitor and manage the plan and present the plan to the board for approval. In line with the Green Energy Act, 2009, energy management planning should include the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation. The

No.	Recommendation
	plan should include short-term and long-term opportunities with milestones, roles, responsibilities and budgets and a process for ensuring community support.
25.	The school board should continue identifying opportunities for consolidated billing by utilities.
26.	The school board should consider establishing an integrated health plan/strategy that would reflect the existing policies and procedures regarding the 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.