

**Ministry of Education**

# **Operational Review Report - Waterloo Region District School Board**

**October 2009**

## Table of Contents

<b>Executive Summary .....</b>	<b>1</b>
Introduction .....	1
Governance and School Board Administration .....	1
Recommendations: .....	3
Human Resources Management and School Staffing/Allocation.....	3
Recommendations: .....	4
Financial Management .....	4
Recommendations: .....	5
School Operations and Facilities Management .....	5
Recommendations: .....	6
<b>1. Background and Overview .....</b>	<b>8</b>
1.1 School Board Profile and Structure.....	8
1.2 Key Priorities of the School Board .....	8
1.3 Student Achievement.....	9
1.4 Fiscal Overview.....	10
1.5 Key School Board Statistics .....	12
<b>2 Governance and School Board Administration Findings and Recommendations .....</b>	<b>14</b>
Establishment of an Effective Governance Model .....	16
Development and Reporting of Annual Goals and Priorities .....	17
Decision-Making Process .....	18
Organizational Structure and Accountability .....	19
Stakeholder Engagement .....	20
Recommendations:.....	20
<b>3. Human Resource Management and School Staffing/Allocation – Findings and Recommendations .....</b>	<b>22</b>
3.1 Organization .....	22
Development and Reporting of Annual Goals and Priorities .....	23
Organizational Structure and Accountability .....	23
Monitoring and Communication of Policy .....	24
Recommendation:.....	24
3.2 Human Resource Management .....	25

	Staff Recruitment .....	27
	Labour Relations.....	27
	Employee Performance Evaluation Processes .....	28
	Attendance Management Processes/Programs.....	28
	Management of HR and Payroll Data .....	29
	Management of the Board's Benefit Plans.....	30
	Monitoring Staff Satisfaction .....	30
	Recommendations: .....	31
3.3	School Staffing/Allocation .....	31
	Planning and Processes for Annual Staffing and Allocation .....	32
	Monitoring and Reporting on Staff Allocation.....	33
	Benchmarking Costs with Other Boards and Funding .....	34
	Recommendations: .....	34
<b>4.</b>	<b>Financial Management – Findings and Recommendations.....</b>	<b>35</b>
4.1	Finance Organization.....	35
	Development and Reporting of Annual Goals and Priorities .....	36
	Organizational Structure and Accountability .....	37
	Monitoring and Communication of Policy.....	38
	Recommendation:.....	38
4.2	Budget Planning and Development.....	38
	Annual Budget Development Process .....	39
	Enrolment Forecasting Linked to Budget Development.....	41
	Identification of Risks and Mitigation Strategies.....	41
	Recommendations: .....	41
4.3	Financial Reporting and Analysis.....	42
	Integrated System for Variance Analysis and Financial Reporting .....	43
	Interim Financial Reporting Accountability .....	43
	Internal Audit Function .....	43
	Audit Committee .....	44
	Recommendations: .....	45
4.4	Treasury Management.....	45
	Cash and Investment Management .....	46
	Management of School-Based Funds.....	46

4.5	Non-Grant Revenue Management .....	47
	Policies to Support Non-Grant Revenues .....	48
	Procedures for all Non-Grant Revenues .....	48
4.6	Procurement .....	49
	Procurement Policies and Procedures.....	50
	Participation in Buying Consortia .....	51
	Purchasing Levels of Authority .....	51
	Policies and Procedures for Purchase Card/Corporate Card Use .....	52
	Accounting for Completeness of Purchase/Payment Cycle .....	52
	Use of Electronic Funds Transfer for Greater Efficiency .....	53
	Recommendations: .....	53
<b>5.</b>	<b>School Operations and Facilities Management – Findings and Recommendations .....</b>	<b>54</b>
5.1	Organization .....	54
	Development and Reporting of Annual Goals and Priorities .....	55
	Organizational Structure and Accountability .....	56
	Monitoring and Communication of Policy .....	56
	Recommendation:.....	57
5.2	Custodial and Maintenance Operations .....	57
	Staffing Model Supports Cleaning and Maintenance Standards .....	59
	Development of Annual and Multi-Year Maintenance Plan .....	59
	Training to Support Skills Development and Safety .....	60
	Standardization of Cleaning and Maintenance Supplies .....	60
	Project Management, Monitoring and Supporting Systems .....	60
	Recommendation:.....	60
5.3	Energy Management.....	61
	Energy Management Plan .....	62
	Tracking and Reporting Energy Conservation .....	62
	Recommendation:.....	63
5.4	Health, Safety and Security .....	63
	Development, Monitoring and Tracking of Policies and Plans for Health, Safety and Security .....	64
5.5	Capital Plans, Policies and Procedures .....	65

	Development of Annual and Multi-Year Capital Plans .....	66
	Ongoing Monitoring and Maintenance of Data to Support Capital Planning .....	67
5.6	Construction Management.....	67
	Cost-Effective Practices in the Design and Construction of Facilities .....	68
	Monitoring and Reporting of Progress on Construction Projects .....	69
	Maintaining Current Approved Professional Service Providers.....	69
	<b>Appendices .....</b>	<b>70</b>
	Appendix A: Overview of the Operational Review .....	70
	Operational Review Objectives .....	70
	Operational Review Summary Scope .....	70
	Operational Review Summary Approach .....	71
	The Operational Review Team .....	74
	Limitations of this Review .....	74
	Appendix B: Summary of Recommendations .....	75

## **Executive Summary**

This report details the findings and recommendations of the Operational Review of the Waterloo Region District School Board (the school board or WRDSB) conducted by the Operational Review Team composed of external consultants from Deloitte LLP and Ministry of Education staff. The Operational Review was conducted over four days beginning May 19, 2009.

## **Introduction**

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

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

In conducting the operational review, the team considered the fact that the school board is in the process of a system re-organization, driven by a business process review conducted in 2006-2007, as well as an expenditure review conducted in 2007. The review team found that the school board has implemented many leading practices. Noted strengths include financial management practices with an internal audit function. 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 Board has adopted a governance structure that clearly delineates the division of duties between the board of trustees and the director of education. The administrative council is composed of the director of education, three executive superintendents, one superintendent of learning, and four superintendents of education

The governance structure is supported by a board of 11 experienced trustees, with an average tenure of nine years. The trustees serve a four-year term, with annual election of the chair and the vice-chair.

The school board's governance policy has seven principles and an accountability framework to delineate the roles and responsibilities of the Director and trustees. The framework stipulates that the board of trustees sets and maintains policy, while the administrative council develops and implements operating plans and procedures consistent with the school board's key goal of improving student achievement.

The Board meets monthly and all Board and Committee of the Whole meetings are open to the public. As per the Education Act, *in-camera* meetings (closed to the public) are held to discuss matters of personnel, property, contract negotiations, and litigation.

The Board has also established an Agenda Development Committee (ADC) to review pending motions, establish agendas for Board meetings, and advise on issues such as timeliness and thoroughness of items, action versus information items, and open and closed session agendas. The committee releases the agenda for Board meetings a week in advance, and the agenda is made available on the school board's website. Minutes are taken by the Manager of Corporate Services and are posted on the website two weeks later.

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

The Board is organized around a 'family of schools' structure, where each superintendent of education is responsible for the day-to-day operation of schools within a defined area, along with additional responsibilities. This structure has helped develop common strategies to improve student achievement, and improved communication with academic staff.

The Board has decided to refresh their strategic plan through the course of 2008 – 2009. In the interim the Board has adopted a simplified interim strategy to support student success within their three priority areas of learning, caring and connecting.

Flowing from the direction set in the strategic plan, the school board established goals for the year through the System Success Plan. The 2008-09 System Success Plan identified two goals:

- To improve written communication EQAO scores for all students

- To improve written communication EQAO scores for specific groups (e.g. primary boys).

The system success plan is supported by data, and includes assigned areas of responsibility, identification of resource requirements, expected outcomes, indicators of success, and a time frame for completion of the work. However, the plan is primarily focused on academic priorities, and does not cover non-academic areas such as human resources, financial services, and facilities services. As a next step, the school board should consider expanding the scope of the System Success Plan to include the operational functions of the school board.

### **Recommendations:**

- The school board should expand the scope of the system success plan to cover all aspects of school board operations, including human resources, financial management and facilities management. Furthermore, the format of system success plan should be updated to demonstrate its alignment to the Board's multi-year strategic plan.
- The Board should consider establishing a formal refresh policy to ensure periodic review of terms of reference across all committees to ensure they are meeting the needs of the board. This could include forming a committee to consider terms of reference for review or development.
- The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators, with a particular focus on the non-academic operations of the school board.

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

The Human Resources (HR) department at the school board demonstrates a good level of operational effectiveness overall. It has implemented many of the leading practices:

- Confidential staff satisfaction surveys are performed periodically.
- There are well-defined procedures to govern the total staff allocation requirements. These procedures are driven by enrolment projections, student need, class size requirements, preparation time, and alignment to collective agreements.
- HR has demonstrated a focus on maintaining strong relationships with their unions, and meets monthly with each union through the Bargaining Unit Advisory committee. The Director and superintendents are also present at these meetings

and the school board reports that participation in these meetings has resulted in more efficient and effective issue resolution and fewer grievances.

### **Recommendations:**

- The HR department should consider developing an annual departmental plan that aligns with the System Success Plan, subsequently feeding up into the strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
- Management should develop recruitment policies and procedures and ensure they are reviewed annually to align staff planning with student achievement.
- Management should periodically report to Board and senior management on the effectiveness of its attendance management program, once it is in place.
- Management should expand the scope for its staff satisfaction surveys to include all employee groups. This would improve communication with staff and provide input for professional development plans and HR policy.
- Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy as well as process and program improvement.

### **Financial Management**

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

- The finance department has developed an effective annual budget planning process that is transparent and clearly communicated, incorporating input from all key stakeholders including management (with principals), the board of trustees and the community.
- Management has adopted an integrated (at school board and school levels) approach to enrolment forecasting. This supports development of the staffing plan and the annual budget.
- Management identifies and documents all significant risks during the budget planning process, and develops strategies to mitigate the risks of spending beyond authorized/budgeted levels.
- The school board's integrated financial information system provides useful, timely, and accurate information for management and stakeholders.

- Approved procurement policies and procedures are clearly communicated to staff with purchasing authority, and are periodically reviewed and updated.

To support compliance with the Board's purchasing policies and procedures, the Purchasing Department provides school administrative staff (including principals and vice-principals), maintenance and custodial staff with regular updates and training. The school board has also communicated to staff that any hardware or software not purchased from an approved vendor will not be supported by the IT department. In some instances, purchasing staff provide additional support and training to ensure compliance.

### **Recommendations:**

- The finance department plan should prepare a more formalized annual plan that demonstrates alignment to the Board's strategic plan and board improvement plan. A more specific plan will provide greater clarity to departmental and other Board staff on the annual priorities. This will enable the department to track and report progress of its defined priorities and goals throughout the year.
- The school board should formally add a step in the budget planning process to ensure alignment between specific budget goals and the school board's annual district goals and the objectives outlined in the Board's multi-year strategic plan.
- Management and the Board should include at least two external members on the Board's audit committee to advise and contribute to the committee's overall effectiveness.
- The department should develop calendarized reporting that uses historical expenditures as a benchmark for comparison. This will provide more accurate information on whether variances are in line with historical spending trends.
- Management should perform a detailed review of the Board's purchase-to-payment cycle, to validate the process's efficiency and effectiveness opportunities.
- Finance staff should implement EFT payments to all appropriate suppliers, to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank. Management may want to consider EFT capability when tendering banking services in the near future.

### **School Operations and Facilities Management**

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

- The operations and facilities department has clearly defined organizational units and delineates respective roles and responsibilities. A current organizational chart is available.
- The facilities department has developed extensive training programs for its personnel that include modules on communication, motivation and stress. It has also developed specific training modules for certain staff groups.
- Purchasing practices support energy conservation objectives. The school board is part of a natural gas consortium and incorporates energy efficiency and greening initiatives (such as sunlight harvesting) in its new construction designs.
- The school board has a Joint Health and Safety Committee and has developed a Board-approved health and safety policy. The policy recognizes that all employees must adhere to the Provincial Occupational Health and Safety Act and Regulations. The board also conducted a health and safety audit in conjunction with SBCI and an external consultant. Of particular note is the board's business continuity plan, which is very thorough.
- The school board has an approved annual and multi-year capital program that includes the related funding plan
- Management uses cost-effective designs, standard footprints, energy conservation, and economical construction practices to minimize construction, maintenance, and operation costs.

### **Recommendations:**

- The Facilities Services department should develop an annual departmental plan that aligns with the objectives in the system success plan. The departmental plan should set targets, timelines, and assigned responsibilities for key activities. This would enable management to track and report progress of its defined priorities and goals throughout the year.
- The board should consider expanding the use of the work order system to track effort and costs associated with work orders. This will allow for comparison with benchmarks from previous years, and support project estimates and evaluations to ensure the most effective use of resources.
- Management should establish a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.

- Management should ask utility companies to provide consolidated billing in an electronic format.
- Management should provide formal annual reporting on the conservation savings achieved against its energy management plan.

# 1. Background and Overview

## 1.1 School Board Profile and Structure

The Waterloo Region District School Board is responsible for providing public education to almost 60,000 students. The school board offers a diverse range of programs throughout its 113 elementary and secondary schools and other educational facilities.

While enrolment has declined relative to 2002-03 levels, there has been a pattern of increasing enrolment since 2006-07. However, there is still a focus on keeping class sizes small. For the current 2008-09 academic year, class sizes are the lowest they have ever been in the Waterloo Region District School Board.

The following figure represents the Executive Council at the school board. The Executive Council is composed of the Director of Education, the Executive Superintendent of Human Resources and Organizational Development, the Executive Superintendent of Business and Financial Services (who is also the Treasurer to the Board), and the Executive Superintendent of Education. The school board is organized around a ‘family of schools’ structure, where four Superintendents of Education are responsible for the day-to-day operations of schools in an area.

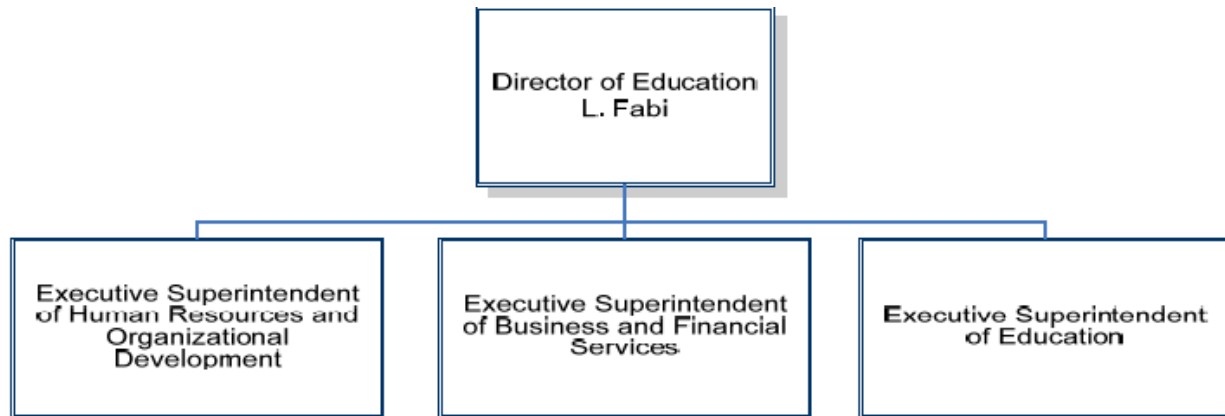


Figure 1

## 1.2 Key Priorities of the School Board

The vision of the Waterloo Region District School Board is: **“Engaged Learners, Engaged Communities”**. In support of this vision, the following mission statement has been developed for the school board:

*“We strive to deliver an exemplary public education, through diverse and inclusive environments that engage learners in developing their potential and pursuing their aspirations and being participating community members.”*

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

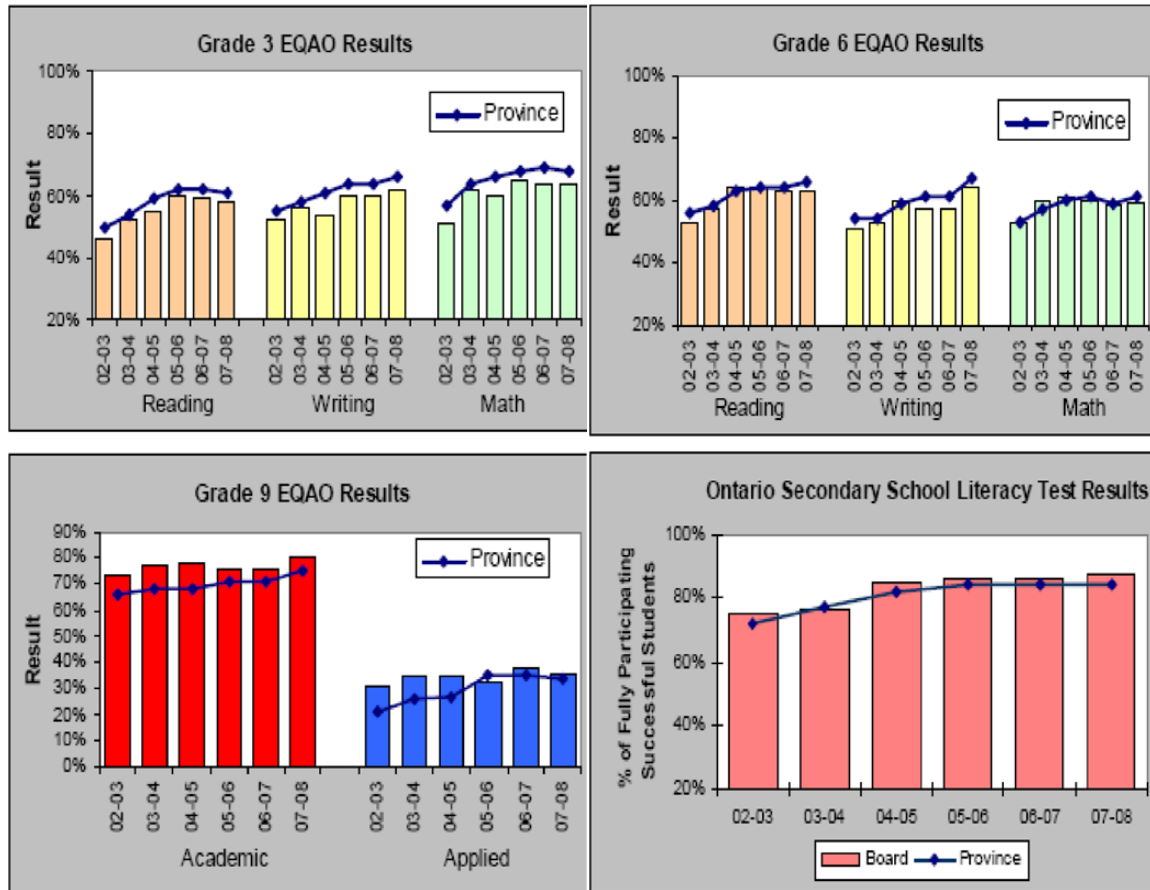
1. To institute an organizational planning framework that supports continuous improvement within the Board's strategic plan.
2. To establish a positive organizational culture.
3. To continue the pursuit of innovative educational programming and environments that respond to evolving learner, societal and community needs, and success for all.
4. To pursue supports for vulnerable or potentially vulnerable learners.
5. To complete an organizational review.

To support the implementation of the Strategic Plan, the school board adopted a System Success Plan that follows three priorities: learning, caring and connecting. Overall, these components combine to form the basis of an effective strategic plan for the organization, as will be discussed in section 2 of this report.

### **1.3 Student Achievement**

Between 2002-03 and 2007-08, the school board's standardized test scores were mixed. Grade 3 and Grade 6 Education Quality and Accountability Office (EQAO) results were consistently below the provincial average. However, marginal improvements have been made, particularly in Grade 3 Math and Grade 6 Reading and Writing.

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



## 1.4 Fiscal Overview

Over the last few years, the school board has consistently presented balanced budgets to the Ministry. In 2008-09, the school board is projecting a budget surplus of \$1.6 million.

Since 2006-07, the school board's Reserve for Working Funds has increased from \$5.8 million to \$9.8 million in 2008-09. This change included a draw on reserves in 2007-08 related to the construction of new schools.

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

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

## Summary Financial Data (Revenues)

Revenues	2006-07 Financial Statements	2007-08 Financial Statements	2008-09 Revised Estimates
Legislative Grants	\$296,182,441	\$322,791,605	\$341,229,671
Local taxation	\$167,530,972	\$170,566,736	\$174,467,181
Board Revenues	\$7,880,466	\$6,073,701	\$2,611,600
Other Operating & capital Grants	\$5,841,457	\$5,359,534	\$857,200
<b>Total Revenues (Schedule 9)</b>	<b>\$477,435,336</b>	<b>\$504,791,576</b>	<b>\$519,165,652</b>

## Summary Financial Data (Expenditure)

Expenditures	2006-07 Financial Statements	2007-08 Financial Statements	2008-09 Revised Estimates
Operating expenditures	\$448,812,105	\$470,142,447	\$496,387,083
Capital expenditures - Before transfers from reserves	\$30,808,223	\$30,489,602	\$21,677,124
Transfer to (from) Reserves	-\$2,184,992	\$4,159,526	(\$552,100)
<b>Total Expenditures</b>	<b>\$477,435,336</b>	<b>\$504,791,575</b>	<b>\$517,512,107</b>
<b>In-year Surplus (Deficit)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,653,545</b>

## School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues	2006-07 Financial Statements	2007-08 Financial Statements	2008-09 Revised Estimates
Reserve for Working Funds Miscellaneous	\$5,852,870	\$11,005,239	\$9,853,139
Professional Development	\$145,124	\$163,045	\$163,045
Director's Emergency Fund	\$300,000	\$300,000	\$300,000
Schedule 'A'	\$1,596,818	\$1,380,926	\$1,380,926
Pupil Accommodation Debt Reserve	\$3,461,259	\$7,154,748	\$7,154,748
GPL Reserve	\$160,149	\$3,798,567	\$2,921,246
<b>Total Reserve Funds (Schedule 5)</b>	<b>\$11,516,220</b>	<b>\$23,802,525</b>	<b>\$21,773,104</b>
Special Education Reserve	\$2,712,309	\$1,631,014	\$1,099,626
Proceeds of Dispositions Reserve- School Buildings	\$16,199,003	\$16,219,408	\$16,219,408
<b>Total Deferred Revenues (Schedule 5.1)</b>	<b>\$18,911,312</b>	<b>\$17,850,422</b>	<b>\$17,319,034</b>
<b>Total Board Reserves and Deferred Revenues</b>	<b>\$30,427,532</b>	<b>\$41,652,947</b>	<b>\$39,092,138</b>

## 1.5 Key School Board Statistics

The following table highlights key statistics for the school board. Of note is the fairly stable enrolment trend. These statistics illustrate a unique and challenging operating environment for the school board.

### Day School Enrolment

<b>Day School Enrolment</b>	<b>2002-03 Actual</b>	<b>2008-09 Revised Est.</b>
Elementary Day School ADE	36,876	36,508
Secondary Day School ADE	20,116	20,250
<b>Total Day School Enrolment</b>	<b>56,992</b>	<b>56,758</b>

### Primary Class Size

<b>Primary Class Size</b>	<b>2003-04</b>	<b>2008-09</b>
% of Classes Less Than 20	33%	91%
% of Classes Less Than 23	67%	100%
Average Class Size - Jr/Inter	26.67	25.60
% of 3/4 Classes 23 & Under	16%	100%
% of Combined Classes	16%	36%

### Staffing

<b>Staffing</b>	<b>2003-04</b>	<b>2008-09</b>
School Based Teachers	3,152	3,535
Teacher Assistants	368	503
Other Student Support	256	329
School Administration	181	196
School Clerical	231	241
School Operations	494	503
Other Non-Classroom	486	154
<b>Total Staffing</b>	<b>4,868</b>	<b>5,461</b>
<b>Teacher - Pupil Ratio</b>	<b>1:18</b>	<b>1:16</b>
<b>FTE Staff per 1,000 Pupils (ADE)<sup>1</sup></b>	<b>85.4</b>	<b>124.4</b>

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

<b>Staffing</b>	<b>2003-04</b>	<b>2008-09</b>
<b>Total Salary &amp; Benefits as % of Net Operating Expenditures</b>	<b>88.1%</b>	<b>88.9%</b>

## Special Education

<b>Special Education</b>	<b>2003-04</b>	<b>2008-09</b>
Special Education Incremental Expenditures	\$39,740,151	\$61,428,549
Special Education Allocation	\$40,757,140	\$61,669,551
<b>Spending above Allocation (Reserve)</b>	<b>\$1,016,989</b>	<b>-\$241,002</b>

## School Utilization

<b>School Utilization</b>	<b>2003-04</b>	<b>2008-09</b>
Number of schools	117	118
Total Enrolment (ADE)	56,992	56,758
School Capacity (Spaces)	52,525	53,880
<b>School Utilization</b>	<b>108.5%</b>	<b>105.3%</b>
<b>Board Area (Km<sup>2</sup>)</b>	<b>1,404</b>	<b>1,404</b>
<b>Number of Trustees</b>	<b>11</b>	<b>11</b>

## 2 Governance and School Board Administration Findings and Recommendations

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

Governance and board administration processes are reviewed to:

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

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

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

## Establishment of an Effective Governance Model

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

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

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

## Decision Making Processes

Leading Practices – Governance and School Board Administration	Evidence of Adoption ?
The board of trustees and management have established appropriate processes for decision making to address student achievement targets and operational performance.	Yes
The board of trustees and management have appropriate processes for the establishment and regular maintenance of policies for the efficient and effective operation of the school board. Policies are posted on the school board's web site.	Yes

## Organizational Structure and Accountability

Leading Practices – Governance and School Board Administration	Evidence of Adoption ?
The organizational structure has clearly defined organizational units that delineate roles and responsibilities, minimize administrative costs and ensure effective and efficient operation.	Yes
The director has established a formal succession plan to manage retirements and resignations of key managers/administrators.	No
A departmental organization chart (supplemented with a directory of key staff contact information) is publicly available on the school board's web site.	Yes

## Stakeholder Engagement

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

## Establishment of an Effective Governance Model

The school board has adopted a governance structure that clearly delineates the roles and responsibilities of the board of trustees and senior administration. Recently the school board reorganized the administrative structure to streamline the number of superintendents reporting to the Director and to ensure that there is sufficient capacity to support the family of schools model. As a result, the director of education is now supported by an Executive Superintendent of Business & Financial Services, an Executive Superintendent of Human Resources and Organizational Development and an Executive Superintendent of Education, under which there are four superintendents of education and one superintendent of learning services. The Director has also created an Executive Officer position to help support the priorities of her office, staffed by an individual at the principal level who also has supervisory experience.

The governance structure is supported by a board of 11 experienced trustees with an average tenure of nine years. As part of its governance model, the school board has developed a governance policy, with seven principles to direct the governance approach of the Board, and an accountability framework that delineates the roles and

responsibilities between administration and trustees. The framework stipulates that the board of trustees sets and maintains policy, and that the administrative council develops and implements operating plans and procedures, consistent with the school board's key goal of improving student achievement.

The Board recognizes that the committee structure is an effective process for the identification and close study of issues. As such, the Board establishes by resolution such standing, special purpose and ad hoc committees as it deems appropriate or as required under legislation or through contractual obligations.

There are currently 12 committees in place at the school board, including two standing committees- the Good School Standing Committee and the Policy and Bylaw Standing Committee. The other nine include the Special Education Advisory Committee (SEAC), the Committee to Hear Suspension/Expulsion Appeals, and the Student Program Review Committee, all of which are statutory committees. The Good Schools Standing Committee, the Environmental Advisory Committee, and the Policy and Bylaw Standing Committee are advisory committees.

The rest, which include the Approval of Research Projects Committee, the Selection of Educational Resources Committee, the Parent Involvement Committee and the Agenda Development Committee are board committees. There is also one ad-hoc committee currently in place, the Healthy Eating in Schools Ad-Hoc Committee, which is looking at a school nutrition policy.

The Board should consider establishing a formal refresh policy to ensure periodic review of the terms of reference for all committees. This could include forming a committee to consider terms of reference for review or development.

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

The school board plans to refresh its strategic objectives in the fall of 2009, since the Board feels the strategic plan created in 2004 no longer supports the needs of the school board. For 2008-2009, the board developed a simplified interim strategy to support student success within the three priority areas of learning, caring and connecting.

Flowing from the direction set in the strategic plan, the school board establishes goals for the year through the System Success Plan. The 2008-09 System Success Plan identifies two goals:

- To improve written communication EQAO scores for all students.
- To improve written communication EQAO scores for specific groups, such as primary boys.

The system success plan is supported by data and includes assigned areas of responsibility, identification of resource requirements, expected outcomes, indicators of success, and a time frame for completion. The plan is primarily focused on academic priorities, and does not cover the non-academic areas such as human resources, financial services, and facilities services. As a next step, the school board should consider expanding the scope of the System Success Plan to include the operational functions of the school board.

The System Success Plan is not clearly aligned to the Board's multi-year strategic plan. The school board could further enhance its effectiveness by demonstrating the alignment of the plan to the Board's multi-year strategic goals, which includes responsibility functions and timelines. This is a good practice at all levels of the organization, since it enables the Director to report on the achievement of specific outcomes identified in the System Success Plan, and how they contribute to the implementation of the Board's Strategic Plan. Moreover, as the System Success Plan expands to include operations, the development and reporting of annual plans for non-academic departments will become more streamlined.

Currently, the Director publishes an annual report outlining academic and non-academic initiatives. Management updates the trustees with progress made against the System Success Plan during regular Board meetings, while school improvement plans are monitored by the Education Superintendents to track each school's progress against the annual plan.

## **Decision-Making Process**

The primary responsibilities of the board of trustees are to determine policy for the school board, to communicate with parents, students and all community stakeholders, and to advocate on behalf of their communities. The administrative team develops and implements plans and procedures to ensure adherence to Board policies and the accomplishment of key priorities. These responsibilities are clearly outlined in the Governance Policy- Roles and Responsibilities.

The governance model is supported by a collegial, transparent, and cooperative relationship between the Director and the board of trustees. This positive relationship promotes open communication, and contributes to an effective process for agenda-setting and decisionmaking.

The Board meets monthly, and all Board and Committee of the Whole meetings are open to the public. As per the Education Act, *in-camera* meetings (closed to the public) are conducted to discuss matters of personnel, property, contract negotiations, and litigation.

The Board has also established an Agenda Development Committee (ADC) to review pending motions, establish agendas for Board meetings, and advise on such issues as timeliness and thoroughness of items, action versus information items, and open and closed session agendas.

The Board has established a comprehensive set of policies that are available on its public website. The Board regularly reviews its policies, at a minimum once every three years. This ensures conformity with changing regulatory and statutory requirements and effective response to community expectations and practices. A Policy and Bylaw Standing Committee manages this process.

The Board reviews each of its policies at a minimum of every three years.

### **Organizational Structure and Accountability**

The Board is governed by a group of 11 experienced trustees, six of whom have previously been Chair. The board of trustees is responsible for approving the policies and bylaws governing the school board's operations, and ensures that the educational goals and needs of all students are met.

The organization, roles and responsibilities of the school board's administrative team have been formally defined and documented. Board operations are managed by an Executive Council which includes the Director, along with three executive superintendents in charge of education, one for business and financial services, and one for human resources and organizational development. This committee is focused on strategic decision making, ensuring alignment of all aspects of the Board's work, and acting as an accountability lens for the system. The Executive Council meets once a week.

The four superintendents of education have responsibility for a 'family of schools' that involves overseeing the operations of each school within their purview. This structure helps develop common education strategies to improve student achievement. The roles and responsibilities of the superintendents have been clearly defined and documented. These superintendents meet weekly with the Executive Superintendent of Education and the Superintendent of Learning Services as part of the Education Committee.

Overall, the school board has developed up-to-date job descriptions for the Director, the executive superintendents, and the superintendents of education, and has made their names and areas of responsibility available on the school board's website. The job descriptions are reviewed at planning sessions in January and June each year.

The school board has not established a formal succession plan for its leadership positions (such as superintendents). The school board would benefit from the

establishment of a formal succession plan for key management positions. There is a mentorship program for principals and vice principals.

## **Stakeholder Engagement**

The school board actively seeks stakeholder engagement and has developed a policy on community consultation. The school board values community input and provides opportunities for effective involvement in decision-making processes for the public, which encompasses the full-range of stakeholders.

Reinforcing this commitment was the Board's decision to hire a Manager of Communications and two full-time staff, who have developed a communications strategy with internal and external mandates. Staff ensure good relationships between the Board and the media, and are involved in initiatives such as the safe and secure schools committee. These positions resulted from a communications audit conducted two and a half years ago.

The school board engages in outreach activities using a variety of techniques to both inform the public about key issues and promote input opportunities. As an example, the Board has established the Waterloo Region Assembly of Public School Councils (WRAPSC), whose importance was underlined by both the Director and the Chair. The purpose of the assembly is to provide school councils with a forum to raise matters of significant importance that impact all schools. The assembly allows for the exchange of ideas, concerns and best practices for School Councils, and provides the Director of Education, Staff and Trustees with an effective means to share information and consult with School Councils on current issues and future plans. The Director also issues an Annual Report which outlines the achievements of the board over the past year. This is supplemented by the school board's monthly newsletter, press releases, website postings, and public consultations. The Board also has a Parent Involvement Committee.

Senior management and trustees actively participate in stakeholder engagement. For example, the Director participates in CODE (Council of Ontario Directors of Education) and serves on a number of boards that support students in the three priority areas of learning, caring and connecting. All superintendents of education are also part of various professional organizations with an emphasis on provincial associations and committees such as OASBO (Ontario Association of School Business Officials).

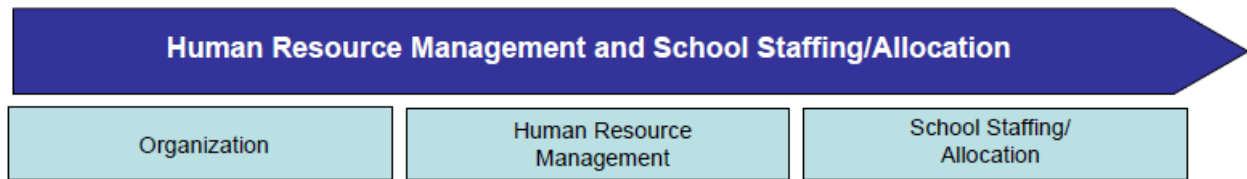
## **Recommendations:**

- The school board should expand the scope of the system success plan to cover all aspects of school board operations, including human resources, financial management, and facilities management. Furthermore, the format of system

success plan should be updated to demonstrate its alignment to the Board's multi-year strategic plan.

- The Board should consider establishing a formal refresh policy to ensure periodic review of terms of reference across all committees to ensure they are meeting the needs of the board. This could include forming a committee to consider terms of reference for review or development.
- The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators, with a particular focus on the non-academic operations of the school board.

### 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 allocation models adopted by the board ensure the most effective teaching and learning practices.

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 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 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 department plan. They are aligned to the annual board improvement plan, accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified responsibilities.	No

## Organizational Structure and Accountability

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

## Monitoring and Communication of Policies

Leading Practices – Human Resource Organization	Evidence of Adoption?
HR management has processes in place to monitor H R policy compliance.	Yes
HR Management provides regularly scheduled H R policy awareness, training, and education sessions.	Yes

## Development and Reporting of Annual Goals and Priorities

The HR function currently does not develop its own annual departmental plan. Instead, departmental priorities are driven by internal report recommendations, expenditure reviews, and external consultant report recommendations, such as the business process review.

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

## Organizational Structure and Accountability

The HR department at the school board performs standard HR functions such as employee recruitment, attendance management, and payroll. The HR function reports to

the Executive Superintendent of Human Resources and Organizational Development through the Superintendent of HR Services.

The HR department's job descriptions are accurate and up-to-date, and the department has clearly defined organizational units delineating roles and responsibilities. Recently, the HR department centralized HR staff from various board office locations for better proximity to the Learning and Business Services departments. This relocation has promoted internal HR department collaboration and improved HR's services across the system.

While maintaining the required segregation of duties, the new environment also enabled HR and Payroll to amalgamate some of their functions, and initiate a data connection that supports the department's focus on the concept of "Hire to Retire", which develops a comprehensive HR view of each employee through their life-cycle of employment. The change of location also included a review of HR managers' roles and responsibilities that resulted in a realignment of HR staff with the board's new senior administrative structure. This process resulted in the hiring of additional HR officers to support the department's objective to better serve the needs of their school-based clients. As part of the new organizational structure, the department has developed a formal succession plan for managerial positions.

Department staff have appropriate professional designations and experience. They regularly attend HR management conferences and provincial committees.

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

The HR department is the lead for monitoring and communicating policies, including hiring, safe schools, health and safety, and harassment. The HR department's system memos keep staff informed on upcoming dates and requirements, and changes to policies or procedures.

The Superintendents of Education are trained on HR policies, and are responsible for monitoring compliance within their family of schools. HR staff conduct random spot checks for policy compliance. Procedures have been developed by HR to support execution and compliance in these areas. The HR department works closely with the unions, and conducts joint meetings to discuss issues.

All HR policies are available to school board employees on the school board's website.

### **Recommendation:**

- The HR department should consider developing an annual departmental plan that aligns with the System Success Plan, subsequently feeding up into the

strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.

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

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

Leading Practices – Human Resource Management	Evidence of Adoption?
Recruitment policies and procedures are reviewed annually, and are aligned with staff planning in support of student achievement.	No
New hire policies and procedures for the respective staff groups are harmonized.	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

## Attendance Management Processes/Programs

Leading Practices – Human Resource Management	Evidence of Adoption?
Attendance management process/programs exist that include employee supportive policies and procedures to minimize the cost of absenteeism.	No
Management periodically reports on the effectiveness of the attendance management process/programs to senior management and the Board.	No

## Management of HR and Payroll Data

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

## Management of 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 the benefit plans terms and conditions.	Yes
Employee data is automatically synchronized among the school board and external carriers such as TPP, OMERS and the school board's benefit provider(s).	Yes
Policies and procedures ensure the school board's benefit plans are managed appropriately.	Yes

## Monitoring Staff Satisfaction

Leading Practices – Human Resource Management	Evidence of Adoption?
Management has established policies and procedures for staff/professional development and monitors staff take-up, budget, and outcomes.	Yes
Confidential staff satisfaction surveys are performed periodically.	Yes
Confidential exit interviews are performed for all staff.	No

## Staff Recruitment

The school board does not currently have any policies or formalized procedures to support the recruitment process. This is due to a decision the Board made two years ago based on the large volume of applications being received, including those for teaching positions typically difficult to staff, such as French and science. The school board uses 'Apply to Education', a website to source for education positions in Canada, and advertisements in local papers are used for other positions (e.g. custodial staff).

New hire policies and procedures are standardized into one package for use in all departments, and HR must approve every hire recommended by departments. Management organizes orientation sessions for new hires in both academic and non-academic departments.

Although recruitment is currently not a challenge, the Board should develop a recruitment policy and supporting procedures, given that labour market conditions can change significantly.

## Labour Relations

The school board maintains a collective agreement with each of its seven employee groups, which consist of regular and occasional secondary teachers, regular and occasional elementary teachers, custodial maintenance group, office/clerical/technical group and educational assistants. HR is responsible to ensure that the agreements are up-to-date and that processes, procedures and related HR systems are aligned with any changes in the agreements. Board administration noted they maintain collegial relationships with all bargaining agents.

HR has demonstrated a focus on maintaining strong relationships with the unions and meets monthly with each union through the Staff Advisory Committee. The Director and superintendents are also present at these meetings. In addition, the Director attends monthly meetings with representatives from each of the unions to discuss labor issues. The school board reports that participation in these meetings has resulted in more efficient and effective issue resolution and fewer grievances.

## **Employee Performance Evaluation Processes**

The school board has developed procedures for conducting employee performance appraisals. In line with the Ministry of Education's 'Supporting Teaching Excellence' document, the school board evaluates its experienced teachers on a five-year cycle. New teachers are reviewed during the first and second year as part of the New Teacher Induction Program (NTIP).

Non-teaching staff, including support and administrative staff, are appraised for performance every three years. There is an initial one year probationary period for new administrative and office support employees.

Principals are responsible for conducting teacher performance appraisals but may delegate this responsibility to vice principals, depending on scheduling conflicts. Superintendents are responsible for principal and vice principal performance appraisals, and supervisory staff are responsible for administrative and support staff appraisals. HR provides the training to principals and vice principals on conducting performance appraisals. The board has taken steps to help make the evaluation process more efficient by developing a custom, web-based evaluation form for most employee groups. This project will conclude as soon as all groups have been moved on-line.

The HR department has developed a procedure for staff discipline, in consultation with the unions. The process is based on the principles of progressive discipline and involves six steps:

1. Determining the factors to consider
2. Conducting an investigation
3. Determining whether disciplinary action is warranted
4. Identifying the appropriate starting point in the progressive discipline sequence
5. Following up
6. Documentation.

## **Attendance Management Processes/Programs**

An effective attendance management system combines policies/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.

Effective September 1, 2008, the school board retained SBCI (School Boards' Cooperative Inc.) to assist in developing and implementing attendance management and disability management policies and operating procedures. Administration is currently working on an attendance management process, which will include clear steps for all school board staff to take in reporting an absence, as well as the steps that management must take to address absenteeism and support employee attendance. This will improve the current process, which is based on a bi-weekly absence report for each employee group. When the report indicates that an employee has exceeded six days of absence, the Workplace Management Officer in HR notifies the employee's immediate supervisor and initiates the department's disability management process.

A comprehensive attendance management program will provide management with a consistent and structured approach to improve attendance, by engaging in positive reinforcement with employees and adopting standardized practices across all employee groups. An attendance management program will also ensure that HR can periodically report on the effectiveness of the attendance management process to senior management and the Board.

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

The department recently up-graded its integrated HR and payroll system for better functionality and efficiency. Every employee hired by the school board is set up in the system, and information is validated by the employee before and after orientation.

The payroll function resides within human resources, with respect to the input of employee data. The school board has implemented effective processes to ensure that teacher qualifications and experience are formally tracked and updated. This is done through a new on-line tool that captures information from the formal evaluation that is composed of an initial meeting, observations, and a debrief that covers the teacher's goals for the next one, three and five years. If the evaluation is unsatisfactory, there are specific steps outlined for administration to take based on a second evaluation.

The academic positions are re-classified with input from OSSTF and the Qualification Evaluation Council of Ontario (QECO). HR revises its personnel files based on these updates, and ensures teachers are placed in the appropriate salary grid. Teacher qualifications are synchronized with the Ontario College of Teachers database, which is a joint IT/HR project. Data from the Ontario College of Teachers is downloaded to the school board's HR System two or three times each year, and transferred to the teacher profile sheets prior to staffing.

The generation of payroll and the payment transactions requires review and sign off from the Manager of Accounting Services. This ensures segregation of duties between the HR and payroll functions. Furthermore, separate system modules for HR and payroll ensures segregation of data at the system level. Updates to personnel records for pay

and benefit changes or other compensation adjustments are performed by authorized staff only. Payroll deposits are made through electronic funds transfer (EFT).

The pay equity plan was last updated in 1996. The school board does not have any outstanding pay equity issues or grievances.

### **Management of the Board's Benefit Plans**

The school board's benefits and wellness services are provided directly by the insurance company. Recently, employee groups were given some flexibility in re-designing the types of services and entitlements in their benefits plans.

The school board's benefits data is maintained in their HRIS system, and synchronized with its provider's data via a direct feed. An automated report identifies any discrepancies or deltas between the two systems, and the carrier conducts compliance audits to ensure adherence to the benefit plan terms and conditions. The department reports that there is a good partnership between the board and carrier.

The school board assesses the cost of its plan against other school boards regarding health, life and dental costs through OASBO. It was reported that the Waterloo Region District School Board's costs are lower than the provincial average. While management does not currently provide reports to the Board regarding the cost of plans, the HR department has identified the need to do this now that benefit plans have recently been updated.

Finally, the HR system automatically transmits employee and employer contributions to the Ontario Teachers' Pension Plan and the Ontario Municipal Employees Retirement System, ensuring accurate and timely enrolment of all eligible employees.

### **Monitoring Staff Satisfaction**

In February 2007, the HR department conducted a satisfaction survey of system leaders regarding HR customer service, training and development and communication effectiveness. HR analyzed the survey results and presented system leaders with a plan designed to respond to areas marked for improvement. The department plans to expand the survey audience to all staff groups, for a more accurate assessment of the needs of HR clients and department performance. As a next step, management should consider developing formal plans to periodically survey staff for feedback on school board priorities and general attitudes.

Management does not conduct formal exit interviews. Practices such as staff surveys and exit interviews for all employee groups can provide management with valuable input for attendance management, professional development, and policies impacting future employee relations.

### Recommendations:

- Management should develop recruitment policies and procedures and ensure they are reviewed annually to align staff planning with student achievement.
- Management should periodically report to the Board and senior management on the effectiveness of its attendance management program, once it is in place.
- Management should expand the scope for its staff satisfaction surveys to include all employee groups. This would improve communication with staff and provide input for professional development plans and HR policy.
- Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy as well as process and program improvement.

### 3.3 School Staffing/Allocation

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

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

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

#### Planning and Processes for Annual Staff Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Policies and procedures govern the annual staff allocation process.	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
Systems and processes monitor adherence to key Ministry and board policy parameters, such as: class size, prep time, collective agreement requirements and other board directions.	Yes
Management periodically reports on the actual allocation of staff, compared to the original approved allocation plan and budget (FTE's by function, department and program, actual versus budget).	Yes
Procedures are in place to enable adjustment of staff allocations for school-based staff, if estimates for enrolment and funding change after budget approval.	Yes
Plan for student support services and staffing are based on student-needs analysis.	Yes

## Benchmarking Costs with Other Boards and Funding

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

## Planning and Processes for Annual Staffing and Allocation

The school board has documented procedures governing the determination and allocation of total staff requirements in its collective agreements. The school board has developed an elementary school staffing handbook for administrators, describing the staffing allocation process and how it is driven by enrolment projections, student needs, class size requirements, and preparation time in alignment to collective agreements.

The annual staffing allocation for elementary teachers is based on various factors such as Primary Class Size requirements, Board-wide averages, planning time requirements outlined in the collective agreement, and funding for Special Education Resource Teachers and the Board-approved French Immersion program.

The number of elementary teaching staff allocated to each school is determined based on student enrolment. The WRDSB uses staffing software called "Staffing Plus" to collect student enrolment and generate appropriate FTE (Full Time Employee) numbers for each school. The HR department works in co-operation with the Financial Services department and Planning to determine FTE allocations for the next school year.

The process for secondary staffing begins with an initial meeting to discuss the collection of enrolment projection data presented by the board's Planning Department.

The meeting is attended by the Executive Superintendent of HR, the Superintendent of HR, the HR Manager, a Planning representative, Finance Department representatives and the secondary staffing committee (made up of five secondary principals). This provides the board with a rough estimate on enrolment and potential staffing needs. The secondary staffing committee then meets with all secondary principals regarding their enrolment projections and staffing plans, and then meets with school board management to review enrolment numbers and staff allocations. The process for secondary staffing is supported by documented procedural guidelines and annual staff training.

The allocation of non-classroom staff for elementary and secondary schools, which includes office assistants, elementary library technicians and secondary school technicians, is a data-driven process. For instance, prior to the commencement of staffing elementary schools for both the secretarial and library clerk allocations, the following data is obtained:

1. Projected Enrolments (Principal submissions)
2. Anticipated Growth beyond Elementary Principal Projections (Planning Dept.)
3. Elementary Congregated Settings – Staff Allocation/Student Numbers by school location (Special Educations Services)

The formulae to determine the allocation of these staff are outlined in collective agreements, and the board also follows any pertinent Ministry guidelines. The allocation of custodial staff is determined based on square footage of the facility, with consideration of multiple-level facilities and portables. Other discretionary staff allocations include psychologists and social workers. These allocations are largely determined by student needs and budget approval.

### **Monitoring and Reporting on Staff Allocation**

Management notes that its staffing allocation models and formulas have been very effective in meeting Ministry class size policies and targets. At the elementary level, the school board uses scatter grams of each school to compare allocated FTE to actual. For secondary schools, a secondary staffing spreadsheet is used to compare allocated and actual FTE counts. The allocation of staff is done centrally with finance and HR providing oversight to ensure that allocations are within budgeted levels. Adjustments to staff levels can be done in the second semester, and these changes are picked up in the revised estimates.

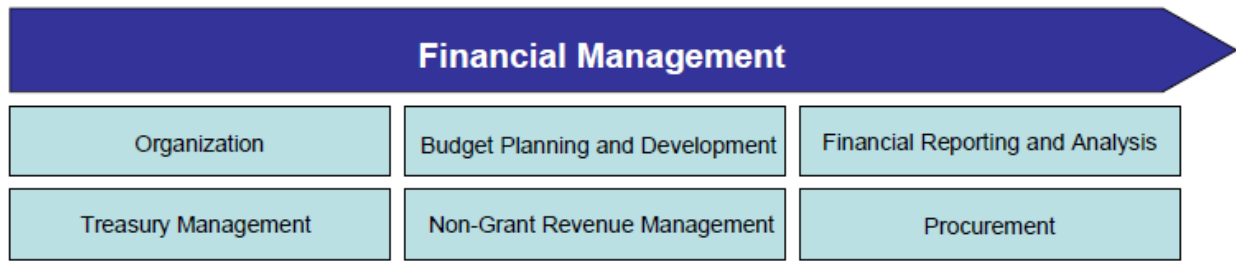
### **Benchmarking Costs with Other Boards and Funding**

The school board compares its staffing costs with similar-sized boards during the collective agreement negotiation process. This occurs for both academic and non-academic staff such as executive assistants, secretarial and custodial staff. Due to province-wide bargaining, costs are fairly similar.

### **Recommendations:**

- The school board should formalize the secondary staffing process through the development of a secondary school staffing handbook for administrators, building on the staffing guidelines document already in place for the elementary panel.

## 4. Financial Management – Findings and Recommendations



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

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

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

### 4.1 Finance Organization

The purpose of reviewing the organization of the Financial Services department is to assess:

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

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

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

### Development and Reporting of Annual Goals and Priorities

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

### Organization Structure and Accountability

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

### Monitoring and Communication of Policy

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

### Development and Reporting of Annual Goals and Priorities

At the WRDSB, the Business and Financial Services division includes the Financial Services, Facilities Services, and IT departments. The Financial Services department has developed multi-year goals, which align with two of the school board’s three priority areas—Learning, Caring and Connecting.

- **Learning** – *“Develop action plans that include strategies that are targeted at improving service delivery.”* In support of this objective, the departmental plan includes targeted financial training sessions for facilities staff and vice-principals, and updated forms to support streamlined processes.
- **Connecting** – *“Develop a strategy to strengthen communications that better connect departments to stated priorities, using feedback from staff.”* In support of this objective, the department plans to improve communication with Student Activities Councils by setting up a Waterworks board for discussion and support. WaterWorks is an electronic mail and conferencing system designed to provide rapid and efficient communication among staff at all levels.

The purpose of WaterWorks is to provide one common source for communication within the Board and to enhance the educational experience by providing curriculum resources and assisting communication among teachers, support staff, administrators, trustees and school council chairs. The department also plans to expand the current purchasing website to be a more all inclusive Financial Services information site.

In addition to these broader goals, the department is focused on implementing a number of finance-related recommendations that resulted from a business process review. The review examined business process and supporting systems in each of the school boards key functional areas, beginning with Finance. The department is also in the process of implementing recommendations based on a recently conducted system-wide expenditure review that identified additional areas of opportunity to gain efficiencies.

Although the combination of broader goals and report recommendations provide a basis for the department to make improvements, there is no single plan that identifies specific goals with related strategies/actions, responsibilities, resources required, timelines and indicators of success.

As a next step, the Financial Services department should develop an annual departmental plan to incorporate key recommendations of recent reviews and align with the objectives in the expanded system success plan. This could be achieved by expanding the current project list to include timelines and clear linkages to the system success plan. This process would enable management to track and report progress of its defined priorities and goals throughout the year.

### **Organizational Structure and Accountability**

The Financial Services department reports to the Executive Superintendent of Business and Financial Services through the Controller of Financial Services. The Controller oversees budget services, accounting, purchasing and distribution, and enrolment. Each of these functions reports to the Controller through a Manager. Every job category

has a detailed and up-to-date job description. An organizational chart of the department provides a general outline of roles and responsibilities.

Staff in the Financial Services department have appropriate financial designations and relevant experience to perform their roles. The Executive Superintendent of Business and Financial Services is a Chartered Accountant, the Controller of Financial Services is a Certified Management Accountant with a Masters in Business Administration, and the Manager of Review Services is a Certified General Accountant. Other staff, particularly in accounting services, have a mix of appropriate designations and experience.

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

The Financial Services department continually monitors compliance with its key policies, especially in the areas of procurement and accounting. Policy compliance is maintained through the financials system, along with a combination of manual reviews and audits. Financial Services staff monitor for compliance with appropriate accounting of funds when reviewing all requisitions before purchase orders are issued. Staff with sub-standard compliance are directed to the appropriate policy, and in some cases are provided with retraining.

The department also provides various types of training targeted at specific groups of staff. As an example, a school secretary's guide is provided to all schools and includes updates to finance policies and guidelines, and Principals and Vice-Principals are provided with training on school based funds and enrolment.

### **Recommendation:**

- The Financial Services department should develop an annual departmental plan that incorporates the key recommendations of recent reviews and aligns with the objectives in the system success plan, once it is expanded to include operations. This could be achieved by expanding the current project list to include timelines and clear linkages to the system success plan.

## **4.2 Budget Planning and Development**

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

- Understand the linkages between the board of trustees' goals and priorities and the operational budgeting process;
- Assess whether sufficient transparency and controls exist in the budget planning and development process;

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

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

### Annual Budget Development Process

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

### Enrolment Forecasting Linked to Budget Development

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

### Identification of Risks and Mitigation Strategies

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

### Annual Budget Development Process

The annual budget process at the school board is transparent, clearly communicated, and well documented, and incorporates input from all key stakeholders. Stakeholder

involvement occurs through various means, such as asking internal stakeholders to identify their five highest and five lowest priorities for spending. WRAPSC representatives go back to their own school council to share the template and respond with feedback. The budget template is posted on the board's website for input prior to presentation to the Board. Advertisements in newspapers and on the website announce that the budget process is beginning, with a list of meeting dates and an invitation to appear as a delegate.

The budget development process begins in January, when Financial Services staff send electronic budget packages to department and school management staff. Budget packages include detailed departmental/ program working papers in Excel along with rationale forms to explain proposed budget increases. Proposed increases require written approval from the appropriate superintendent before being submitted to the Financial Services department, where a report of all new initiatives is prepared for Executive Council. This report is then reviewed and requests are prioritized for inclusion into the budget. The budget provided to the Board includes two reports: one outlining ongoing commitments such as salaries and benefits, and the other detailing new requests. The Board then has the opportunity to approve or make revisions accordingly.

Finance and HR meet to review contracts. Staff look at total staffing numbers, in particular FTE allocations for certain groups, to determine any upcoming changes/additions (e.g. new schools) or reductions (expenditure reduction review recommendations), and corresponding changes in benefits.

In March, the Financial Services department updates the budget working files with revisions made by all departments. The Finance Services department also revises its enrolment projections and revenue estimates through April, and reviews operating budgets with school principals. Other revenues such as tuition fees and school rentals are also calculated.

In May, the Financial Services department presents a preliminary budget to Executive Council, and changes are incorporated to produce a balanced budget. The final draft of the balanced budget is then brought to the Board for a series of in-camera deliberations through May. The final budget is ratified in a board meeting in June.

The summer months are used to capture any changes made in the final budget approvals, and are integrated into the accounting system for the new fiscal year.

Revised grant estimates take place in November, after the annual enrolment count deadline on October 31. At this point, any additional changes in the form of expenditures or revenues are incorporated. The complete and revised estimate package is then sent to the Ministry.

Management should consider adding a step in the budget planning process, to ensure alignment between specific budget goals, the school board's annual district goals, and the objectives outlined in the board's multi-year strategic plan.

### **Enrolment Forecasting Linked to Budget Development**

In the WRDSB, enrolment projections are developed by an enrolment committee composed of HR, Financial Services and Planning. The enrolment forecasting process begins in February, when the Planning department begins developing system level projections based on information gathered from local municipalities, health networks and census data. In April, enrolment projections are revised, based on school-by-school enrolment projections developed by school administrators. The enrolment committee manages the projections and develops a consensus projection used for both budget and staffing purposes.

### **Identification of Risks and Mitigation Strategies**

One of the key risks faced by the school board is the degree of variance between enrolment and grant revenue. The department mitigates the risk of spending beyond authorized/budgeted levels by closely monitoring the variance between enrolment forecasts and actual enrolment. The department also ensures that the final budget incorporates all known cost changes, and that it is balanced against the Ministry grants prior to presentation to the Board. As part of the annual budget set-up, the department creates a standard accounting and reporting structure within its financial management system, to closely track and control spending in all areas, including EPO funds.

Administration manages enrolment risk with conservative staffing estimates that offer flexibility if there is significant variance between forecasts and actual enrolment data, working closely with the Planning department. To minimize exposure to WSIB claim costs, the department works closely with the HR department, which has engaged School Board Cooperative Inc. to assist them in monitoring claims and develop proactive plans to reduce the number of claims and improve return-to-work performance

The school board also tracks special projects monthly, and records liability commitments on an on-going basis. Insurance premium deductibles are also monitored every two years. Although special projects to mitigate budgetary risks are managed by Financial Services and reported to the Board regularly, the department should consider consolidating key risks and mitigation strategies into a single risk plan.

### **Recommendations:**

- The school board should formally add a step in the budget planning process to ensure alignment between specific budget goals and the school board's annual district goals and the objectives outlined in the Board's multi-year strategic plan.

### 4.3 Financial Reporting and Analysis

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

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

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

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

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

#### Interim and Annual Financial Reporting

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

#### Audit

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Management maintains an independent internal audit function.	Yes

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Internal and external audit plans are clearly documented. Internal audit report recommendations are followed up and acted upon by management.	Yes
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 uses an integrated financial system, Budgetary Accounting Systems 2000, (BAS 2000) to record, track and report financial data. The system integrates general ledger, accounts payable, accounts receivable, budget and purchasing modules. The financial system also facilitates variance analysis and management reporting. Financial Services staff set up the chart of accounts in the financial system, maintains aliases and manages access rights to the system. The department is currently rationalizing its chart of accounts to better meet management's reporting needs.

### **Interim Financial Reporting Accountability**

A number of factors (including variances in actual enrolment versus projections, contract negotiations, macro-economic trends, and Ministry directives) can produce in-year variances between budget estimates and actual costs. Interim financial reporting allows management to track such variances and communicate them to the trustees and other key decisionmakers. To that end, Financial Services staff at the school board prepares quarterly expenditure variance reports for the board of trustees, which are approved by the Director before being presented. These reports to the Board provide a summary of expenditures by operating area.

In addition to these reports, the department should develop calendarized reporting that uses historical expenditures as a benchmark for comparison. This will provide more accurate information on whether variances are in line with historical spending trends.

### **Internal Audit Function**

The primary function of an internal auditor is to provide added assurance that the internal controls established by management are operating effectively and comply with policies and procedures.

The school board has an internal audit and review function performed by the Manager of Review Services, who reports to the Executive Superintendent of Business and

Financial Services. The school board's audit and review function provides independent, objective assurance, and consulting services that improve the organization's operations. This is achieved by evaluating and assessing the control and governance processes, and providing tools that enable strong management of resources.

The annual audit plan is determined by the Management Audit Committee, which consists of the Director of Education and the Executive Superintendent of Business and Financial Services. The plan is based on an annual risk assessment and in consultation with the external auditors as required. The plan focuses on areas of identified risk, or those with significant change (either monetary or percentage).

An annual report presented to the Audit Committee of the Board report includes the engagement's objectives and scope, as well as applicable findings and recommendations. Activities arising from the report are monitored and reported to the Management Audit Committee. A follow-up review is conducted after sufficient time has elapsed for the recipient of the report to act on the recommendations. The results of this review are reported to the Management Audit Committee. Systemic issues are reported to the Audit Committee of the Board.

While the board has clearly adopted the leading practice by having an internal audit function, it should reconsider the formal reporting relationship between Audit and Finance, to maintain the independence of the internal audit function. It is recognized that the Executive Superintendent of Business and Financial Services will continue to play an important role in directing the work of the internal auditor. However, it may be more appropriate for the Manager of Review Services to report to the Director of Education or the Audit Committee of the Board.

### **Audit Committee**

The board of trustees has an audit committee, but it does not include external members as advisors. The establishment of an audit committee with external advisors should be considered, because along with significant changes in accounting in recent years, annual financial statements are becoming more complex. External members support audit committee members in understanding what constitutes sound internal accounting and operational control processes.

The external advisors would not be voting members, since current legislation only recognizes trustees as voting members on school board standing committees. The professional backgrounds of the external members could include professional accountants, lawyers or other professionals, depending on the needs of the committee and its mandate. This would ensure that an objective third-party view is applied to the review of financial statements, auditor's report, and in-year reports produced by management.

Finance staff prioritize and implement recommendations from the management letter provided by external auditors annually, while the Executive Superintendent monitors and reports progress back to the board on an ad hoc basis.

### Recommendations:

- Management and the Board should include at least two external members on the Board's audit committee to advise and contribute to the committee's overall effectiveness.
- The department should develop calendarized reporting that uses historical expenditures as a benchmark for comparison. This will provide more accurate information on whether variances are in line with historical spending trends.

## 4.4 Treasury Management

The purpose of reviewing treasury management processes is to assess:

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

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

### Cash and Investment Management

Leading Practices – Treasury Management	Evidence of Adoption?
There is an efficient cash management process to maximize interest income, using short-term investments where appropriate.	Yes
Cash management activities are consolidated with a single institution.	Yes
Management periodically reports to the Board on the performance of the investment activity, in accordance with the approved investment policy in accordance with the Education Act.	Yes
Management periodically compares the school board's banking terms and conditions to those of similar school boards.	Yes

Leading Practices – Treasury Management	Evidence of Adoption?
Management monitors financial risk related to cash/investment management, and has a plan to mitigate associated risks. Management performs regular cash/funding forecasting to ensure that the school board's debt service costs can be met to maturity.	Yes

## Management of School-Based Funds

Leading Practices – Treasury Management	Evidence of Adoption?
Management ensures adequate controls are in place to safeguard non-school board funds and coordinate the annual reporting of revenues and expenditures from schools and school councils.	Yes

## Cash and Investment Management

The school board's cash management process is efficient, minimizing idle cash by monitoring daily cash flows against forecasts and making short term investments. There is no approved investment policy. The department uses their financial system to monitor and report on cash flow and bank reconciliation is performed by a separate function within finance daily. Management maximizes yields through a competitive interest rate for deposits and short-term investments through an investment firm.

Management documents and periodically reviews the investment policy and prepares investment performance reports. Also, management actively monitors financial risk related to cash/investment management, and has a plan to mitigate associated risks in accordance with the limits set out in the Education Act. The treasurer provides the board of trustees with an investment report through the budget year-end.

Management has consolidated cash management activities for the board and its secondary schools with a single institution. Elementary schools have been provided the flexibility to select their own chartered banks, based on location and services. The Board regularly compares banking terms and conditions to those of similar schools identified in OSBFC reports. The Board reviews its banking services/agreement every three years.

Reserve working funds have been set up to manage unforeseen expenditures such as the "Director's Emergency Fund". The use of these earmarked funds requires formal Board approval before being applied to cover expenses.

## Management of School-Based Funds

The Financial Services department has developed appropriate procedures to manage school-based funds. These procedures clearly outline the roles and responsibilities of

school staff and accounting services staff respectively. In addition, the segregation of school-based funds from school board funds ensures that principals are accountable for the funds generated within their school.

In addition, the following reports ensure that the accounting of school-based funds is accurate and complete:

- Weekly, receipt logs and bank deposit slips are presented to principal for review. Reconciliations of receipt logs to bank deposits are attached to the receipt log if required. A schedule of disbursements for the week is presented to principal for review.
- Monthly, bank reconciliations are presented to principals for signature and sent to the Financial Services department for review. As well, a schedule of disbursements noting GST amounts and total expenditures for the period are sent to the Financial Services department.
- Annually, a summary of deposits and receipts for the year ending August 31 and a report on cash and investments at August 31 of each year are sent to the Financial Services department.

#### **4.5 Non-Grant Revenue Management**

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

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

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

## Policies, Procedures, and Planning to Support Non Grant Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
The board has established policies and/or procedures for the application of its fee structures.	Yes

## Procedures for all Non-Grant Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
Electronic registration and payment systems are used where appropriate (e.g., continuing education, permitting of facilities and leasing).	Yes
Staff monitor all sources of revenue to ensure completeness and compliance with policies. Action plans and processes maximize collections including obtaining credit/risk assessments.	Yes
Board budget identifies revenue and expenditure for each EPO program. Management monitors activity to ensure compliance with terms and conditions.	Yes

## Policies to Support Non-Grant Revenues

Non grant revenues represent a relatively small portion of overall revenues, since the school board reduced its continuing education programs after the expenditure review. The Board has an established policy on the levy of permits, fees and the application of the fee structure for programs such as summer school. All forecasts are captured by the financial system, and reported to the Board as part of Finance's regular quarterly reporting process.

## Procedures for all Non-Grant Revenues

The school board has an in-house facility rental system that is managed centrally by the financial service department. The board is currently investigating an off-the-shelf, web based solution that would enhance the overall client experience. Staff monitor receivables and dispatch invoices through the financial system. The department has action plans and processes in place to maximize collection. A list of delinquent accounts is managed by Finance and shared with central booking to minimize risk. Some collections are sent to a third-party, depending on the AR balance and the age of the receivable.

Finance develops a detailed budget for each EPO grant that identifies revenue and standard accounts for program expenditure. The attendance system is linked to the appropriate GL code, so supply teacher costs are charged to the appropriate EPO. The system ensures that budgets are not exceeded once spending is initiated. The

programs are tracked to ensure compliance with the requirements of the individual EPO grants, and proof of program delivery is provided by the program lead to the school board. The school board meets with each school before a grant can be spent, and the Executive Superintendent of Business and Financial Services approves all EPO grants. Management receives reports on EPO grants as part of the quarterly reporting process, and in cases where the Board has a high-level of interest for a specific program.

## 4.6 Procurement

The purpose of reviewing procurement processes is to assess:

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

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

### Procurement Policies and Procedures

Leading Practices – Procurement	Evidence of Adoption?
Approved procurement policies and procedures are clearly communicated to staff with purchasing authority, and are periodically reviewed and updated.	Yes
Vendor selection criteria include elements other than the lowest cost, such as total cost of ownership, value, quality and competitive procurement (including the use of public advertising for FRPs and tenders over a defined level).	Yes
Purchasing managers monitor and ensure compliance with the school board’s procurement policies and procedures.	Yes

## Participation in Buying Consortia

Leading Practices – Procurement	Evidence of Adoption?
The procurement strategy includes the participation in consortia/cooperatives for cost savings.	Yes
Management evaluate and develop strategies to increase purchasing power and minimize the cost of goods and services procured.	Yes

## Purchasing Levels of Authority

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

## Policies and Procedures for PCard/Corporate Card Use

Leading Practices – 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 – Procurement	Evidence of Adoption?
Automated three-way matching (purchase order, receipt/invoice and inspection) is used.	No
Commitment accounting is in place to monitor budget utilization.	Yes
Management has implemented electronic supplier interface for ordering, processing and payment, including the use of supplier portals.	Yes

## Use of Electronic Funds Transfer

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

## Procurement Policies and Procedures

The Board has developed a purchasing policy that ensures fair and equal treatment of all qualified suppliers and the best value for the school board. As well, management has

developed administrative procedures for purchasing goods and services to support the implementation of the Board's procurement policies, which are currently under review.

The school board's current purchasing policy and procedures consider factors other than lowest price in vendor selection. This includes consideration of the quality of product and timely delivery and total cost of ownership (maintenance and warranties).

The school board's purchasing procedures require all tenders and Requests for Proposals (RFPs) (regardless of dollar amount) to be posted on electronic advertising bulletin boards for the widest circulation of its tenders.

To support compliance with the Board's purchasing policies and procedures, the Purchasing Department provides school administrative staff (including principals and vice-principals), maintenance and custodial staff with regular updates and training. Any hardware or software not purchased from an approved vendor is not supported by the IT department. In some instances, purchasing staff provide additional support and training to ensure compliance.

### **Participation in Buying Consortia**

The school board's procurement strategy includes participation in consortia to realize cost savings. The school board participates in a number of cooperative procurement initiatives, including the Educational Computing Network of Ontario (ECNO), Waterloo Wireless REPNet, Ontario Education Collaborative Marketplace (OECM) the Waterloo Region Cooperative Purchasing Group. Other participants include coterminous school boards and the City of Waterloo.

In some instances the school board participates in cooperative purchasing arrangements to leverage buying power for the benefit of their partners. As an example, the school board participates in ECNG, Eastern Canada Natural Gas Brokers, for utilities.

### **Purchasing Levels of Authority**

There is a number of purchasing authorization levels (depending on the job position and function) which are monitored and controlled by financial services. For example, P-Cards are generally limited to \$1000 per transaction, with a \$5000 monthly limit. Facilities have a \$2000 individual purchase limit. SAC directors and ITS consultants have a \$10,000 monthly limit. All invoices over \$50,000 require the signature of the Executive Superintendent of Business or a designate. Purchase orders over \$50,000 are signed by the Manager of Purchasing and a second signature by the Controller of Financial Services is required when they exceed \$1 million.

## **Policies and Procedures for Purchase Card/Corporate Card Use**

The school board has developed a policy and an associated set of procedures for the use of P-Cards. The principal or manager determines which personnel at each site should have a P-Card and informs the Financial Services department.

Expenses charged to P-Cards are monitored and approved by the immediate supervisor. For each purchase made using a P-Card, the original receipt and charge slip are required to verify purchases noted on the monthly statement. P-Card statements and all relevant documentation are submitted to Financial Services for review and payment.

Management has placed category limits on the school board's P-Cards such that certain types of merchants, including restaurants, hotels, the LCBO and Brewer's Retail have been blocked. Requests for authorization will be declined when the card is presented for these types of purchases. This reduces the risk of inappropriate purchases and requires less manual review.

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

The school board uses the requisitioning and purchasing module in its financial system to initiate and approve purchases as well as dispatch POs to vendors. Paper requisitions are forwarded to staff with appropriate system access, who create an online requisition which in turn creates a pre-encumbrance on the assigned budget line in the GL. Once requisitions are approved by a supervisor or principal, they are automatically forwarded to Financial Services where, once approved by the Manager of Purchasing, the requisition is converted to a PO by Financial Services staff. An encumbrance is automatically created and the PO is dispatched via fax to the appropriate vendor.

Most purchases are drop-shipped to the requestor's location along with receiving documentation and the invoice. Staff who receive the goods examine the invoice to ensure that it matches the receiving documentation (packing slip). However, the invoice is not matched to the original PO, nor is the invoice or receiving information entered into the financial system for automated matching or manual matching by Financial Services staff. Instead, invoices are sent from the ship-to location to Financial Services, where accounts payable pays all invoices received unless notified by the receiver to hold payment. The exception is invoices relating to facility services, which are directed there for completion/authorization before being processed by accounts payable.

The school board has implemented a procure-to-pay model, where Financial Services is not directly responsible or accountable for ensuring completeness of the purchase cycle before vendor payments are made. Instead, Finance defers a portion of that accountability to the staff who request and receive goods, and who are considered accountable for the budget used to purchase the goods. The board also feels that the

effort and cost required to support receiving staff in matching invoices to POs or entering receiving and invoice data into the system would outweigh the benefits and create a less efficient procure to pay cycle.

The school board should revisit the accountability and oversight for matching, which is currently fragmented between the schools and Accounts Payable in Finance.

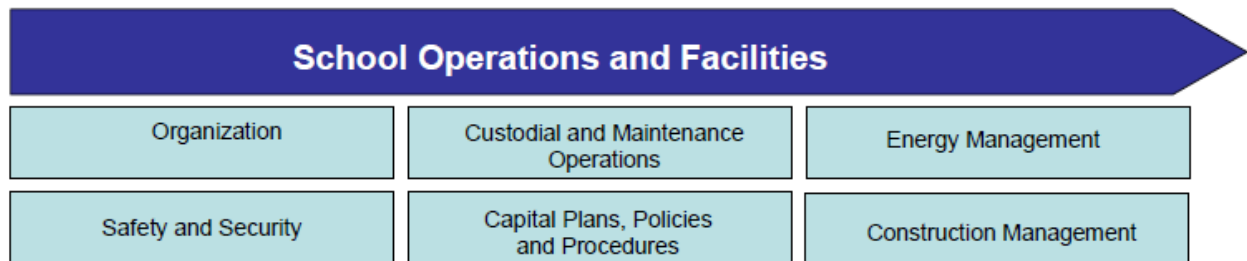
### **Use of Electronic Funds Transfer for Greater Efficiency**

The Board is using EFT for payments for utilities only. Management recognizes that additional EFT opportunities should be explored to maximize efficiency within Finance.

### **Recommendations:**

- Management should perform a detailed review of the Board's purchase-to-payment cycle, to validate the process's efficiency and effectiveness opportunities.
- Finance staff should implement EFT payments to all appropriate suppliers, to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank. Management may want to consider EFT capability when tendering banking services in the near future.

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



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

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

### 5.1 Organization

The purpose of 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 operations and facilities department's goals and priorities are documented in an annual department plan that is aligned to the annual board improvement plan and is accessible by key stakeholders. The plan incorporates measurable targets, specific timelines, and identified accountability.	No

### Organizational Structure and Accountability

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

### Monitoring and Communication of Policies

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
Management has processes in place to monitor departmental policy compliance.	Yes
Processes exist to monitor new legislation and regulations and implement necessary changes.	Yes
Management provides scheduled policy awareness, and training to address ongoing skill development and emerging regulatory issues.	Yes

### Development and Reporting of Annual Goals and Priorities

The Facilities Services department has developed a mission statement and a multi-year department plan. The mission states that “the employees of Facility Services will construct, renovate, maintain and protect the facilities and sites required for school/community programs and enrolment needs, in compliance with all federal,

provincial and municipal standards. Enhancement opportunities will be provided where practical, within allocated funds.”

For 2009 and beyond, the goals outlined in the department plan include:

- **Learning** – Develop a staff development program that facilitates succession planning and growth opportunities for all within the department;
- **Connecting** – Survey school administrators bi-annually to define targets to improve service delivery.

Although the department's goals are aligned **with two of** the board's three priority areas, neither goal identifies strategies/actions, responsibilities, resources required, timelines nor indicators of success. As a next step, the Facilities Services department should develop an annual departmental plan that aligns with the objectives in the system success plan. The departmental plan should set targets, timelines and assigned responsibilities for key activities. This would enable management to track and report progress of its defined priorities and goals throughout the year.

### **Organizational Structure and Accountability**

The Facilities department reports to the Executive Superintendent of Business and Financial Services through the Controller of Facility Services. The Controller of Facility Services oversees planning, capital projects and operations.

The school board recently completed a re-organization to help simplify reporting from the Controller through an Executive Superintendent of Business and Financial Services to the Director of Education. As part of the re-organization of the department, Facilities staff have been aligned along a family of schools structure to better meet the needs of clients. Each family of schools area is managed by a Facility Manager who is supported by facility supervisors. The department has also taken steps to provide employees with cross-training opportunities to ensure that maintenance and custodial positions are staffed by generalists as opposed to specialists. This staffing strategy has allowed the board to remain flexible and efficient in meeting the needs of its clients.

The roles and responsibilities for facilities staff are clearly outlined in job descriptions, and are well understood within the organization. Key department staff have appropriate professional designations and related field experience, and are involved in various provincial committees to keep abreast with best practices and new directives.

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

The school board has various policies and procedures to manage its facilities and operations, covering areas such as accommodation review, video surveillance, student

transportation and expectations regarding major work requests for inclusion in the five-year maintenance forecast. Management monitors changes in legislation through OASBO's Operations, Maintenance and Construction Committee and communicates any changes in policies or procedures to maintenance and custodial staff through mandatory training sessions and occasionally through Superintendent memos to supervisors.

**Recommendation:**

- The Facilities Services department should develop an annual departmental plan that aligns with the objectives in the system success plan. The departmental plan should set targets, timelines and assigned responsibilities for key activities. This would enable management to track and report progress of its defined priorities and goals throughout the year.

## **5.2 Custodial and Maintenance Operations**

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

- Whether custodial and maintenance services are responding effectively and efficiently to maintaining an optimized learning environment for students;
- Whether the department has the appropriate organizational structure to effectively manage service delivery;
- Whether appropriate internal controls exist to effectively manage custodial and maintenance operations and expenditures;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

## Staffing Model/Allocation Supports the Cleaning Standards and Maintenance Requirements.

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The board has adopted cleaning standards and has developed a standard set of processes and tools to monitor, manage, and report on results.	Yes
Management's custodial/maintenance allocation model optimizes the use of staff.	Yes

## Development of Annual/Multi-Year Maintenance Plan

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Using stakeholder input, management develops an annual and multi-year (three to five years) maintenance plan that addresses preventative and deferred maintenance priorities. Outcomes improve the learning environment for students. The plan optimizes the use of available funding (Annual Renewal Grant and Good Places to Learn funding) and is approved by the school board.	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?
An inventory system tracks and controls major cleaning and maintenance equipment.	Yes
Common standards ensure efficient procurement of supplies to minimize costs and promote energy and operating efficiency.	Yes

## Project Management, Monitoring and Support Systems

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

## **Staffing Model Supports Cleaning and Maintenance Standards**

To maintain a consistent level of school cleanliness across the system, the Facilities Services department has developed a cleaning procedures and standards manual for its custodians. The guide covers procedures and tips on topics such as cover floor care, carpet care, area cleaning, and surface cleaning. The cleaning procedures also identify cleaning standards, including the frequency, quality and quantity (approximate time of effort necessary) of cleaning required. The department utilizes custodian log books to monitor, manage and report on cleaning standard results. Daily and monthly inspection results are reported in the custodian log books, which are regularly reviewed by supervisors.

The Facilities Services department has developed a custodial allocation model for the optimum use of resources to implement the school board's cleaning standards and practices. Using a balanced work-loading system (TechniClean) the department develops room-by-room cleaning schedules based on parameters outlined in the collective agreement, school specific information that is entered by the head custodians, and additional input from the union. The system prioritizes duties and generates a cleaning schedule. The board's recent expenditure review provided validation of the required custodial staffing levels needed to maintain standard levels of cleanliness.

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

Management currently maintains a list of preventative, critical and deferred maintenance projects which is updated as new requests are made and projects are completed. This list is derived from the department's Time Activity Planning System (TAPS) which tracks school principal wish lists, inspection reports and health and safety issues. TAPS is integrated with the board's work order management system and ReCAPP, which supports the identification of maintenance needs. Facilities staff indicated that due to recent staff changes, ReCAPP is moderately out of date, but that any backlog would be addressed once another staff person is hired. ReCAPP and TAPS are used in the development the board's renewal budget and prioritization of major maintenance projects.

The Facilities Services department uses reports generated from TAPS as their multi-year maintenance and renewal plan. The reports identify the budget allocated for each initiative, which is assigned through the annual budgeting process, taking into account the funding available from the Ministry. The reports also identify the percentage complete, responsible project manager, expected year of completion and the assigned financial account code.

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

The Facilities department has developed extensive training programs for its personnel that include modules on communication, motivation and stress. It has also developed specific training modules for certain staff groups. As an example, the department has also developed a five module leadership program for custodians interested in moving into other positions such as Chief Custodian or the maintenance department. Included in this program is a leadership module that provides training on time management and how to train staff. Training courses and credentials are tracked in the employee's personnel files. Mandatory recertification dates, for programs such as the Workplace Hazardous Materials Information System (WHMIS), are tracked by the department.

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

The department uses Excel spreadsheets to track cleaning and maintenance equipment such as vehicles, scrubbers and power tools at the school level. The facilities department also has a blanket order of specified minor maintenance and cleaning supplies through a single vendor / distributor. The vendor provides functionality that allows chief custodians and maintenance staff to submit on-line orders. The system also supports the department in monitoring its cleaning and maintenance budget as well as track what is being ordered.

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

Work orders are generated by custodians or maintenance staff through two primary channels: a direct request through the department's computerized maintenance management system (Synergen) or through the Facility Services customer service desk (via e-mail, fax or verbal communication), where the request is entered in the system.

Requests are reviewed by the facility supervisor, prioritized in the system, and dispatched to staff through a daily work list that is circulated at the facility depot. POs are directly associated with the work order but are not interfaced with the financial system (BAS). Once assigned work has been completed, it is inspected and approved by the head custodian in each building. Facility Services is currently working on an RFP for a new computerized maintenance management system.

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

## **Recommendation:**

- The board should consider expanding the use of the work order system to track effort and costs associated with work orders. This will allow for comparison with

benchmarks from previous years and support project estimates and evaluations to ensure the most effective use of resources.

### 5.3 Energy Management

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

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

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

#### Energy Management Plan

Leading Practices – Energy Management	Evidence of Adoption?
Management has established a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.	Yes
Purchasing practices support energy conservation objectives (e.g., Energy Star products, leveraging consortia membership).	Yes
Successful conservation initiatives are shared across all schools and with other school boards.	Yes

#### Tracking and Reporting Energy Conservation

Leading Practices – Energy Management	Evidence of Adoption?
Management provides formal annual reporting on the conservation savings achieved against plan.	No
A comprehensive system exists to budget expenditures, track consumption, and identify opportunities for further savings.	Yes
Billing for all board facilities is consolidated from each utility.	No

Leading Practices – Energy Management	Evidence of Adoption?
Centralized technology that automates energy regulation and conservation (e.g., light control, desktop power) is used wherever practical.	Yes

## Energy Management Plan

The school board has developed an energy management policy to support energy efficiency and limit its production of greenhouse gas emissions. The school board's energy management policy aims to identify school facilities where energy savings opportunities exist, and prioritize the types of energy programs and projects that will reduce energy use, including energy intensity benchmarks for consumption, for all schools. Within the policy, the board has identified a list of energy-related upgrade projects and their associated costs,

In support of this policy, the board has added a clause to all of its RFPs, asking bidders to consider environmental impacts when printing board documents or providing any goods or services. Over the past two years the school board has also hired a college co-op student to conduct energy audits of schools. This initiative has been very successful at engaging students within schools in energy saving practices.

As an additional means to reduce energy costs, the school board is part of a natural gas consortium and incorporates energy efficiency and greening initiatives such as sunlight harvesting in its new construction designs. The Facilities department is also retrofitting older buildings with new roofs and, in some cases, is “re-skinning” older building exteriors to prevent heat loss in winter and gain in warmer months.

The school board has only recently reorganized the Facilities Services Department to include a Mechanical and Electrical Services department focused on developing an environmental and energy management strategy. The school board is encouraged to continue supporting this initiative, by developing a multi-year plan that builds on the elements of the existing policy (with a baseline for consumption), and identifies the measures to be implemented, the timelines for completion and the tools and resources to monitor and manage the plan.

## Tracking and Reporting Energy Conservation

The department uses FASER Energy Accounting Software to track energy consumption on a facility basis. The school board does not receive consolidated billings from its utility providers. Consumption data from the energy provider is entered into the FASER system manually. The FASER system does not have the functionality to load electronic billings directly into the system. Management is encouraged to explore opportunities to receive consolidated billing in an electronic format.

The department manages energy consumption on a daily, weekly and monthly basis with its Building Management System (BMS). The BMS uses pre-defined algorithms that automate air quality through ventilation, while ensuring that the compensating energy consumption is maintained at a minimum. Reports concerning consumption and conservation savings are not presented to Executive Committee or the Board of Trustees.

**Recommendation:**

- Management should establish a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.
- Management should ask utility companies to provide consolidated billing in an electronic format.
- Management should provide formal annual reporting on the conservation savings achieved against its energy management plan.

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

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

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

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

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

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

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

The health and safety portfolio is led by the HR Manager of Health, Safety and Security, who reports to the Superintendent of Human Resources Services.

The school board has a Joint Health and Safety Committee, and has developed a Board approved health and safety policy which recognizes that all employees of the Board must adhere to the Provincial Occupational Health and Safety Act and Regulations. Although staff indicated that this policy is reviewed annually by the Director and the Board, this is not reflected in the documents available on the school board's website. The board also conducted a health and safety audit in conjunction with SBCI and an external consultant.

In addition, the Board has approved a Code of Conduct Policy which defines the behaviors expected by students and staff. In support of this policy, all schools have safe school plans as well as school lockdown procedures. The procedures also stipulate that the principal is responsible for the health and safety of students and staff within the school and its grounds. As such, the principal must routinely inspect the school and its grounds, and make recommendations for improving safety and security.

Schools are required to have emergency response plans, which are reviewed regularly by the principals. Schools are also required to have emergency response teams that practice the emergency response plan at least once a year. The school board has developed guidelines in consultation with the Waterloo Regional Police Service to support each school's ability to lockdown in an emergency situation. Principals are

responsible for the development of site-specific “code red” lockdown plans for schools. Health and safety training is provided to all staff.

The board has various policies, procedures and plans to ensure that the learning environment is healthy, safe and secure. It should consider consolidating these initiatives into a single plan to ensure that the Health, Safety and Security group can provide clear direction to new staff.

The school board has a mandatory policy for keeping records of serious / violent incidents, and reports these incidents to the Waterloo Regional Police Service. Incidents of vandalism are tracked and the cost associated with damage is recorded by the Finance department. Management noted that the strategic use of security cameras and other preventative measures has been successful.

Water testing is conducted at all rural schools which use well water, and end-of- the-line flushing is performed as per the Ministry of Environment’s (MOE) regulations. Management ensures that custodians follow procedures by reviewing the custodian log books and performing spot inspections of water test results.

The priority of healthy schools for students is the responsibility of all staff. One superintendent is responsible for ensuring that in-school nutrition meets the board’s healthy schools initiative.

## **5.5 Capital Plans, Policies and Procedures**

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

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

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

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

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

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

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

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

In compliance with Ministry requirements, the school board has completed its capital liquidity template. This year the school board has based its five year capital plan on this template and on the work of the Capital Planning Committee, which is composed of the Chair of the Board, four trustees, the regional planning representative, four community members through the Waterloo Region Association of Public School Councils (WRAPSC), the Controller of Facility Services, Planning and Financial Services. The capital plan has been approved by the Board of Trustees.

The Capital Planning Committee utilizes a variety of different data sets, including population and in-migration numbers captured in the census, as well as regional population projections obtained from the Waterloo Region Planning Department. In an effort to ensure that all school board facilities comply with Ontario Accessibility standards, the school board is building to the requirements outlined in the City of London Accessibility Policy and Facility Accessibility Design Standards (FADS).

Capital requests for major repairs or renovations to a school can be submitted to Superintendents in October and November. Items are prioritized and presented for capital budget consideration.

A combination of the five-year maintenance forecast and the capital budget is forwarded to the schools for planning purposes. Major additions and renovations are considered for inclusion in the five-year capital forecast and submitted to the Ministry of Education and Training for approval and grant allocations. The request may also be considered within the Board's annual capital budget

Budget restrictions frequently defer projects to the following budget year. These requests are subject to the same process by priority. Projects/renovations can be cancelled, providing that the rationale does not meet the criteria of the Administrative Planning Committee for Accommodation Boundaries and Sites (APCABS).

The Board also has an approved accommodation review policy that was last updated in May 2007. The policy outlines the school closure initiation process, a generic school valuation framework, the accommodation review committee (ARC), the initiation process, and the public consultation details. The board has engaged the community in its capital planning process.

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

To maintain the accuracy of capital needs, the Board keeps accurate and timely inventories of school capacity and utilization through SFIS and ReCAPP, which is fed by the board's custom maintenance planning and tracking system (TAPS). This system also provides a listing of deferred maintenance which is used to help identify potential prohibitive to repair (PTR) schools. The Board uses regular inspections and comparisons to industry standards to determine if budget allocations are meeting current and forecasted needs.

## **5.6 Construction Management**

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

- Whether processes are in place to ensure that school boards complete construction projects on-time, on-budget and with due regard to economy;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

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

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

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

### Monitoring and Reporting on Progress of Construction Projects

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

### Maintaining Current Approved Professional Service Providers

Leading Practices – Construction Management	Evidence of Adoption?
Management evaluates and updates the approved list of contractors, architects, and related professionals periodically, ideally in 5-year cycles).	Yes

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

Staff and management minimize construction, future maintenance and operations costs through the use of cost-effective designs, standard footprints, energy conservation, and economical construction practices. To control school renewal and construction project costs, management maintains standard policies and procedures for procurement. For example, the school board maintains a pool of six pre-qualified architectural firms that are well versed in school facility specifications, and can bid on any tender or RFP that the school board advertises. Prequalification factors that are used include sector experience, references, technical knowledge and price. Through the OMC Committee, the cost for school board facility construction is benchmarked against other school boards, including the coterminous school board. Management believes that its projects are cost competitive.

When new construction has been approved by the Board, a multi-disciplinary team is put in place. The team includes the project manager, the manager of building, the manager of mechanical and electrical, the manager of trades, the manager of facilities, finance, purchasing, planning, IT, two principals (usually the principal of the relevant school and, when applicable, child care providers). This approach ensures that construction projects balance the needs of core clients, students, and staff with safe and efficient building practices.

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

The school board outsources its construction work to external contractors. The Facilities Services department provides an on-site project manager, who works with the architect in managing the general contractor and who reviews change orders submitted by the architect. Change orders of a material nature or which could cause a project cost over-run (i.e., easement) are presented by the school board's project manager to the Board for approval. For individually approved capital projects, permission is required from the Board for an overage. The Board conducts a post-construction evaluation. Generally, contractors have satisfied the standard cost construction analysis of each project before considering vendor/contract renewals.

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

To control school renewal and construction costs, management evaluates and updates its approved list of contractors every year, according to its standard policies and procedures for procurement. General contractors and sub-trades are pre-qualified, and construction is outsourced.

## Appendices

### Appendix A: Overview of the Operational Review

#### Operational Review Objectives

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

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

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

#### Operational Review Summary Scope

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

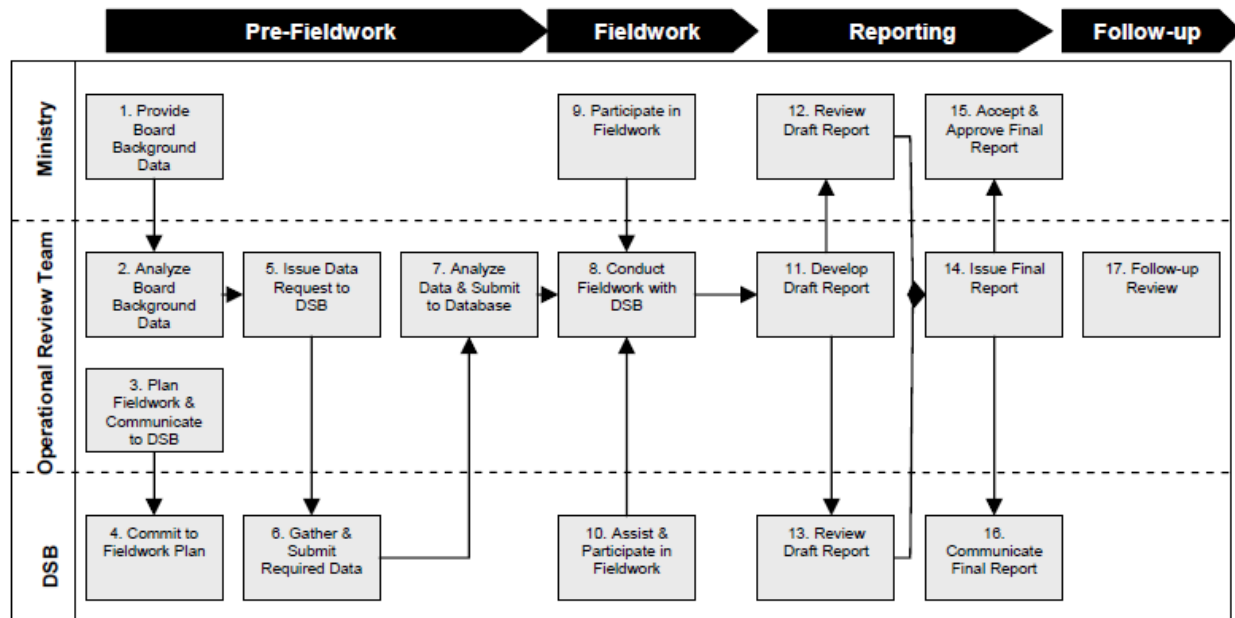
Each of the processes was examined based on its activities and its adoption of sector agreed leading practices, including alignment and support of student achievement strategies.



### Operational Review Summary Approach

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

Observations and assessments are made by the Operational Review Team based on a set of agreed upon leading practices designed for each functional area. The onsite reviews allow the team to validate ministry and board data; provide a better understanding of the environmental conditions and allow the team to review materials that support the existence 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 from the Ministry to provide background data for each board.
Analyze Board Background Data	Before the start of the fieldwork, the Operational Review team reviews board background data to understand the financial and operating characteristics. This review identifies specific issues and focus areas.
Plan Fieldwork and Communicate to Board	The Ministry and the Operational Review team develop a review schedule that is communicated to boards before the start of the next review cycle.
Commit to Fieldwork Plan	School boards are required to commit to the Operational Review schedule. The Ministry and the review team will attempt to accommodate scheduling conflicts.
Issue Documentation Request to Board	Before the start of fieldwork, a request for supporting documentation is generated to gather operating and other information for each focus area. The review team uses this information to enhance its understanding of the 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 board operations.
Assist and Participate in Fieldwork	School board staff participate in the fieldwork. The number of participants involved will vary depending on the size of the board.

## Phase: Reporting

Key Activity	Description
Develop Draft Report	Based on the results of the fieldwork and data analysis, the operational review team writes a draft report. The draft report contains a synopsis of findings and, where appropriate,
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 school 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 school board.

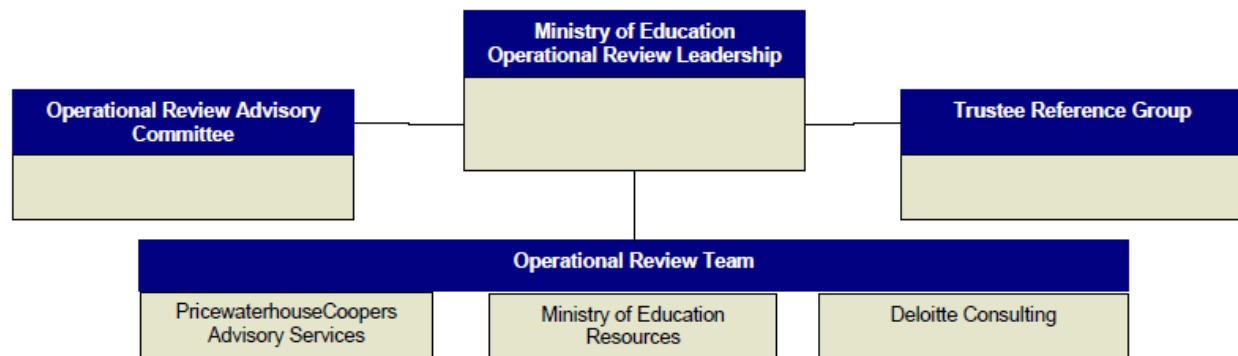
## Phase: Follow-Up

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 school 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 Waterloo Region District School Board. The review has been conducted using the methodology as previously described. The review is not of the nature or scope that constitutes an audit made in accordance with generally accepted auditing standards.

## Appendix B: Summary of Recommendations

### Governance and School Board Administration

No.	Recommendation
1.	The School board should expand the scope of the system success plan to cover all aspects of school board operations, including human resource, financial management and facilities management. Furthermore, the format of system success plan should be updated to demonstrate its alignment to the Board's multi-year strategic plan.
2.	The school board should consider establishing a formal refresh policy to ensure periodic review of terms of reference across all committees to ensure they are meeting the needs of the board. This could include forming a committee to consider terms of reference for review or development.
3.	The school board should establish a formal succession plan to manage retirement and resignations of key managers and administrations, with a particular focus on the nonacademic operations of the school board.

### HR Management and School Staffing/Allocation

No.	Recommendation
4.	The HR department should consider developing an annual departmental plan that aligns with the System Success Plan, subsequently feeding up into the strategic plan. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
5.	Management should develop recruitment policies and procedures and ensure they are reviewed annually to align staff planning with student achievement.
6.	Management should periodically report the Board and senior management on the effectiveness of its attendance management program, once it is in place.
7.	Management should expand the scope for its staff satisfaction surveys to include all employees groups. This would improve communications with staff and provide input for professional development plans and HR policy.
8.	Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy as well as process and program improvement.

### Financial Management

No.	Recommendation
9.	The finance department plan should prepare a more formalized annual plan that demonstrates alignment to the Board's strategic plan and board improvement plan. A more specific plan will provide greater clarity to departmental and other Board staff on the annual priorities. This will

No.	Recommendation
	enable the department to track and report progress of its defined priorities and goals throughout the year.
10.	The school board should formally add a step in the planning process to ensure alignment between specific budget goals and the school board's annual district goals and the objectives outlined in the Board's multi-year strategic plan.
11.	Management and the Board should include at least two external members on the Board's audit committee to advise and contribute to the committee's overall effectiveness.
12.	The department should develop calendarized reporting that uses historical expenditures as a benchmark for comparison. This will provide more accurate information on whether variances are in line with historical spending trends.
13.	Management should perform a review of the Board's purchase-to-payment cycle, to validate the process's efficiency and effectiveness opportunities.
14.	Finance staff should implement EFT payments to all appropriate suppliers, to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank. Management may want to consider EFT capabilities when tendering banking services in the near future.

## School Operations and Facilities Management

No.	Recommendation
15.	The facilities Services department should develop an annual departmental plan that aligns with the objectives in the system success plan. The department plan should set targets, timelines and assigned responsibilities for key activities. This would enable management to track and report progress of its defined priorities and goals throughout the year.
16.	The board should consider expanding the use of the work order system to track effort and costs associated with work orders. This will allow for comparison with benchmarks from previous years and support project estimates and evaluations to ensure the most effective use of resources.
17.	Management should establish a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.
18.	Management should ask utility companies to provide consolidated billing in an electronic format.