**Ministry of Education**

# Operational Review Report
# Windsor-Essex Catholic District School Board

**July 2009**

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## Executive Summary

This report details the findings and recommendations of the Operational Review of Windsor-Essex Catholic District School Board (the school board) conducted by the Operational Review Team composed of external consultants from PricewaterhouseCoopers LLP and Ministry of Education staff. The Operational Review was conducted over three days beginning May 11, 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 leading practices. By identifying opportunities for continual improvement, school board administration and operations will be aligned to support the government's highest priority: student achievement.

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

In 2006-07, the school board incurred a significant financial deficit. At that point, it had also accumulated substantial unfunded capital debt. An external consultant was contracted to review the school board's financial condition. The consultant's recommendations supported the school board's discussions with the Ministry of Education in developing a deficit elimination plan, and addressing the capital debt issue.

Since then, the Board has renewed its commitment to strong stewardship over the school board's resources. The Operational Review Team found that it has adopted a number of the leading practices in all of the functional areas reviewed.

The student achievement results demonstrate steady improvement since 2002-2003.The school board's continued focus on student achievement will allow it to further improve the results.

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 current governance model for the Board is under review, and progress is being made in adopting a policy model. The Board's commitment to policy governance and its effort to continuously monitor its practices is leading to an effective governance structure. There is a positive relationship between the Executive Council, Director, and the board of trustees.

The detailed roles and responsibilities of trustees and senior administration have not been clearly delineated in any formal documentation. The Director is currently discussing the delineation of roles and responsibilities with the Board. The school board does not have formal, documented, and easily accessible policies for governance. It is expected that formal changes in the school board's governance process will be finalized using recommendations from the *Governance Review Committee's* report.

The Board-approved *2009-2014 System Priorities* provides a framework for policy development and planning at the operational and departmental levels. Current system priorities are based on two foundations: faith development and student achievement. Specific targets and indicators of how the Board will reach its achievements are reflected in the school board's annual operational plan. In addition, management develops a Board Improvement Plan for improving instruction in literacy and numeracy, as part of the school board's Student Success initiatives. The Director of Education provides an annual report on the school board's achievements related to the Board's strategic plan and the current year operational plan.

The school board has established a comprehensive policy development and review process. The process is directed according to the needs of the Board, and coordinated by a Coordinator of Policy Development who reports to the Director of Education. Management recognizes that the policy development and review process is relatively new. The process is being assessed for its effectiveness on an ongoing basis. As part of the implementation of the new process, older policies with past review dates are being tracked and each policy is reviewed on a priority basis. New policies are developed in accordance with the policy development, approval and review process and with the procedure for the management and coordination of the policy process.

The school board's executive leadership is represented by the Executive Council, composed of the Director of Education, Superintendent of Business, Superintendent of Education - Learning Support, Superintendent of Education - Student Success, and Superintendent of Education - Human Resources.

The Board has had several organizational restructurings over the past few years. During this time, the organizational structure of the school board administration has undergone frequent and significant changes. Senior administration is now focused on achieving a stable organizational structure.

The current school board's organizational chart identifies only key reporting relationships within the senior management team. The organizational chart is published on the school board's web site.

The school board recognizes the need to plan for pending retirements at the senior management level in the near to medium term. However, the school board has not developed a formal succession plan for its senior management positions. Management has created positions of assistant superintendents, to ensure uninterrupted management of the school board. Management also provides leadership development programs for the school board's staff.

### Recommendations

- The school board should finalize its governance model by clearly delineating the division of duties between the board of trustees and the Director of Education. The governance process, including clearly defined duties and responsibilities, should be documented in the Board's policies.

- The Board should ensure that priorities, particularly in the area of governance, are established for the development of the Board's policies and that all policies are reviewed according to the policy review cycle.

- The school board has informal planning processes and employee development programs to ensure leadership continuity and support succession planning at all levels of administration. However, the school board should develop a formal succession plan to manage departures of key staff.

## Human Resources Management and School Staffing/Allocation

The Human Resources (HR) department has implemented a number of the leading practices:

- As part of the annual operational planning process, the Superintendent of HR identifies goals for the HR department under each strategic priority of the school board. The planning document indicates implementation strategies, timelines, and broad indicators of success.

- The department's structure and lines of reporting are provided in the HR department's organizational chart. The school board's web site includes an organizational chart, and provides contact information for key staff of the HR department.

- The school board has policies and administrative procedures for the hiring of teachers and administration and support staff.

- To address collective bargaining issues, the school board has set up labour management committees to liaise with all staff groups.

- The Board has established a policy with guiding principles for the performance management process. Management, through the HR department, has established formal administrative procedures for performance appraisals of all school board staff.

- The school board has completed pay equity reviews for all staff.

- The school board has automated and synchronized data transfer among benefits, payroll and external carriers (i.e. OMERS) using "e-access". Data between the school board and OTTP is synchronized using the Teacher Information Management (TIM) system.

- The school board has a system (accessible by HR and Finance staff) to establish and track an approved level of staff.

Management does not have formal disciplinary procedures beyond the performance appraisal process.

The school board has formal procedures for reporting absences. Management presented proposals for an attendance support program to the Board, which was deferred due to pending negotiations with unions. Management intends to re-submit the proposal to the Board.

The school board contracts external benefits consultants to regularly review the existing benefit plan and negotiate new plans. The school board performs compliance audits of the retirement benefits plan every two years. Management does not undertake complete compliance audits of its benefit carriers.

Management has not conducted confidential staff satisfaction surveys for feedback on the priorities of the school board or on general attitudes. The HR department does not conduct formal, confidential exit interviews for staff who transfer or leave for unanticipated reasons.

As part of the staff allocation process, the Executive Council ensures compliance with key Ministry and school board policies, such as class size, prep time, collective agreement requirements, and other school board directions. The school board has not compared average compensation costs with other school boards.

**Recommendations:**

- Management should establish formal disciplinary procedures for all teaching and non-teaching staff. Existing progressive discipline practices should be formalized and communicated to all staff.

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

- The HR department should periodically report on the effectiveness of the attendance management process/programs to senior management and the Board.

- Management should conduct independent compliance audits of the school board's insurance carrier, to ensure adherence to the benefit plan's terms and conditions.

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

- Management should conduct exit interviews. These interviews would provide input for HR policy, as well as process and program improvement.

- Management should compare its staffing costs and funding model with similar school boards to ensure efficient use of resources.

## Financial Management

The business department has implemented many of the leading practices:

- As part of the annual operational planning process, the Superintendent of Business identifies goals or achievement expectations for the business department under each strategic priority. This plan indicates implementation strategies, timelines, and broad indicators of success.

- Management has established a formal budget development process which is clearly communicated to the Board and other stakeholders.

- The school board's enrollment forecasting process supports the development of the staffing plan and the annual budget.

- The business department works closely with the HR department to guide the staff allocation process.

- The business department recognizes key budget risks, and takes them into account when developing the budget. Management noted that interim financial reports provided to senior administration and the Board contain mitigating actions in areas of significant variance.

- 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.

- The school board has developed a formal policy and procedures for the community use of schools, including a standard application form, booking protocol and fees schedule.

- Management has established procedures to record and track the various EPO grants received.

- The school board has established formal policy and procedures for purchasing and disposal of assets.

- The school board's purchasing policy states that the overall cost may include consideration of non-monetary costs, such as environmental impact, energy efficiency, and labour practices.

- The school board participates in electricity and gas purchasing consortia.

- Purchasing cards are used for most small value purchases. The school board has established policies and procedures on purchasing cards. These are posted on the school board's web site.

- Finance staff have implemented an automated three-way matching between purchase orders and invoice.

The finance staff prepares quarterly financial reports for the Executive Council and the board of trustees. Quarterly financial reports provide detailed explanation of variances. However, there is no written explanation of whether the percentage spent to date is what would be expected for the period.

The school board has established an audit committee, which includes three trustees. There are no external members in the audit committee.

Management recognizes that an internal audit function would enhance the school board's internal controls. The school board has had preliminary discussions with the co-terminus board regarding potential joint procurement of internal audit services.

External auditors provide an audit report, with the general auditors' opinion regarding the school board's financial statements. The school board does not receive a management letter from the auditors, which would contain specific recommendations.

There are no formal treasury management procedures, since the school board has not had idle cash over the past several years. The school board has one current operating account, and one bursary account with different financial institutions.

Management has not conducted comparisons of the school board's banking terms and conditions with those of other school boards. Management intends to issue a new tender for banking services, with the view to consolidating the school board's bank accounts.

The school board does not use EFT for vendor payment. Management has not implemented an electronic supplier's interface for ordering, processing, and payment.

**Recommendations:**

- Interim financial reports should be enhanced by providing explanations of variances and a forecast of expenditures for each category, based on historical data, or (for salaries and benefits) the number of staff and pays processed to date.

- Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost of each option.

- As part of the internal auditor's mandate, the school board should establish and document audit plans. Management should follow up and act upon internal audit report recommendations.

- The audit committee should be expanded to include at least two external members, with appropriate professional backgrounds and designations to act as advisors and contribute to the committee's effectiveness.

- Management should ensure that all financial reports are completed and filed in accordance with established timelines.

- The school board should ensure that the external auditors provide a report with audit findings, and that any recommendations are acted upon by management.

- While the school board currently does not have investments, management should consider establishing an investment policy and periodically reporting to the Board on the performance of the investment activity

- The school board should compare its banking terms and conditions to those of similar school boards.

- Management should tender its banking services with the view to consolidating all cash management activities with a single financial institution.

- Management should consider implementing an electronic payment and registration system for permitting of facilities and continuing education. In doing so, management should continue reviewing the existing solutions in place at the local municipality and other school boards.

- Management should consider implementing the electronic supplier interface for ordering, processing, and payment.

- Management should implement electronic funds transfers (EFT) for vendor payments. The use of EFT would build efficiency by simplifying and automating the payment process.

## School Operations and Facilities Management

The facilities department has implemented many of the leading practices in its operations. The following leading practices are noted:

- The school board developed a custodial manual in consultation with labour unions, and with input from school principals and school board management.

- Using stakeholder input, management develops an annual/multi-year maintenance plan.

- The facilities services department develops an annual training plan for custodial staff. The plan includes mandatory and voluntary training on legislated requirements and cleaning standards.

- Management uses a tracking system for existing pieces of equipment and a fleet of maintenance trucks.

- Monitoring of budget expenditure for custodial supplies is centralized in the school board's office. Schools use dispensers for all custodial supplies.

- The school board has implemented centralized technology that allows staff to monitor and regulate energy consumption at most schools.

- The maintenance of health, safety, and security policies and the development of appropriate plans ensure compliance with statutory requirements.

- The school board has an approved annual and multi-year capital program that includes the related funding plan.

The school board's custodial staffing model is based on area/workload in accordance with collective agreements. The school board has not compared its custodial staff allocation model with other school boards.

The facilities services department does not use formal work orders. Management plans to install a web-based computerized maintenance management system (CMMS) which would automatically generate track and log facility work orders.

Management recognizes the importance of promoting energy conservation, and initiated an energy conservation program several years ago. As part of the plan, management has focused on several projects, including further implementation of building automation systems, upgrades of interior and exterior lighting, replacement of boilers, replacement of windows and doors, and procurement of energy efficient appliances.

Management acknowledges that the school board should conduct monthly tracking of utilities consumption. Currently, most of the consumption data is obtained from utility bills and entered manually. The school board does not receive consolidated billing from the utilities.

Management noted that the School Facilities Inventory System ("SFIS") is up to date. However, management acknowledges that data in ReCAPP is not updated on a regular basis. As a first step, management has assigned designated personnel to ensure regular updates and accuracy of data in ReCAPP and SFIS.

The school board had a number of challenges in undertaking construction projects before the new capital plan was submitted in 2008. The lack of both standard policies and procedures and cost effective construction practices resulted in budget overruns and project management issues.

The school board does not maintain an approved list of contractors, architects, and related professionals. As a first step in improving the school board's construction practices, management has established procedures for purchasing of professional services.

**Recommendation:**

- Facilities management should develop an annual departmental plan that aligns with the objectives of the school board's annual operational plan. The 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 school board should consider enhancing its custodial staffing model by including additional factors such as the use of portable classrooms and facilities with the view to further streamlining custodial staffing. Management should also consider placing employees on modified work schedules. As a starting point, the school board should consider conducting a comparison of its staff allocation model with other school boards.

- Management should ensure implementation of a web-based computerized maintenance system which would enable management, among other functions, to automatically generate track and log facility work orders. The school board should also maintain accurate and timely information within the ReCAPP database.

- The school board should establish a multi-year energy management plan that incorporates quantifiable measures and is aligned with its strategic direction.

- Management should track energy consumption/expenditure data at the facility level. The tracking and analysis of energy consumption data provided by its utility companies will enable management to better track and monitor energy consumption patterns by facility. It will also contribute to further development of the energy management plan, and enable formal annual reporting on the conservation savings.

- Management should consider obtaining consolidated billing for all school board facilities from each utility.

- Management should maintain accurate up-to-date data within ReCAPP to support capital planning.

- Management should establish cost-effective practices in the design and construction of facilities including cost-effective designs, standard footprints, and energy conservation.

- As part of establishing standard policy and procedures to rationalize construction projects, the school board should consider construction costs and design standards adopted by other school boards.

- Management should establish a project management process to allow monitoring and controlling construction projects and their costs.

- Management should maintain an approved list of contractors, architects, and related professionals. The list should be evaluated and updated in five-year cycles.

# 1. Background and Overview

## 1.1 School Board Profile and Structure

Windsor-Essex Catholic District School Board provides educational services to over 23,000 students in 41 elementary and 9 secondary schools. The school board maintains its main corporate office in the City of Windsor.

The school board's enrolment decreased by about 3,000 students from 2002-03 to the 2008-09 fiscal year, or about 11 per cent overall. This trend is expected to continue over the next several years.

The school board's Executive Council is as follows:
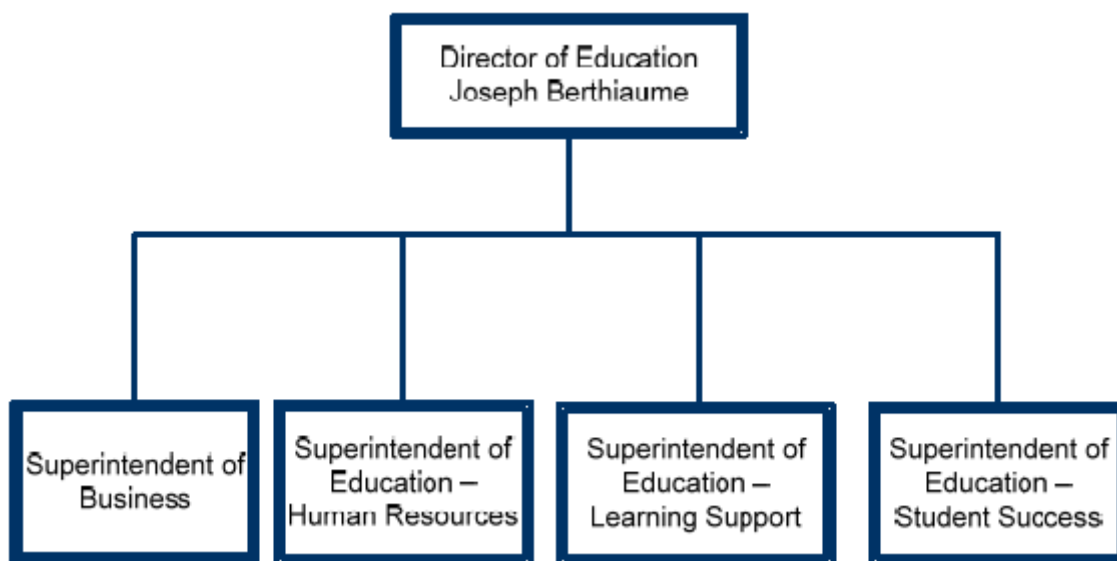


It should be noted that responsibility for the Board's school operations and facilities management function is shared between the Superintendent of Business and Superintendent of Education - Human Resources. The Superintendent of Business is responsible for maintenance services, while the Superintendent of Education - Human Resources oversees operations services.

## 1.2 Key Priorities of the School Board

The school board's mission statement is:

*"We will strive, as a partnership of school, family, and parish, to provide our students with a quality Catholic education rooted in Gospel teachings, enabling all to grow to their potential."*

At the beginning of the 2008-2009 school year, the school board reviewed the Board's System Priorities. A Working Group was brought together to suggest possible refinements to the Board's Strategic Priorities, to reflect the present and future needs of the school board and its students. The school board identified Faith Development and Student Achievement as its priorities.

The following are the goals identified within the two foundations of Faith Development and Student Achievement:

**Faith Development**

- We seek to make Catholic faith integral to all aspects of our lives and learning.

- We provide meaningful and ongoing Catholic faith formation for all students and employees.

- We foster, through Our Journey to Holiness*, a spirit of kindness, compassion and service to the community.

- We create, in all our places of learning and labour, welcoming, inclusive and safe environments in which the dignity and worth of each individual is valued as being in the image and likeness of Christ.

- We embrace the Ontario Catholic School Graduate Expectations as the desired outcomes for all our students as they pursue educational excellence.

**Student Achievement**

- We challenge all our students to become critical thinkers, effective communicators and problem-solvers through the development of literacy and numeracy skills.

- We nurture well-rounded, faith-filled and contributing citizens by developing knowledge, understanding and proficiencies in sciences, arts, humanities, languages and technologies.

- We enhance intellectual, physical, emotional and spiritual well-being through Healthy Active Living Education.

- We encourage effective communication among all partners in Catholic education to promote students' achievement and spiritual growth.

- We support the professional development of all employees through training, mentoring and sharing best practices, to enrich the educational experiences of our students.

## 1.3    Student Achievement

Since 2002-2003, the school board has shown an improvement in most of the areas assessed through the EQAO process. Although 2007-08 EQAO results showed a decline in Grade 3 math, other results demonstrate the school board's continuous improvement.

The following charts illustrate the school board's EQAO results over the last five years.
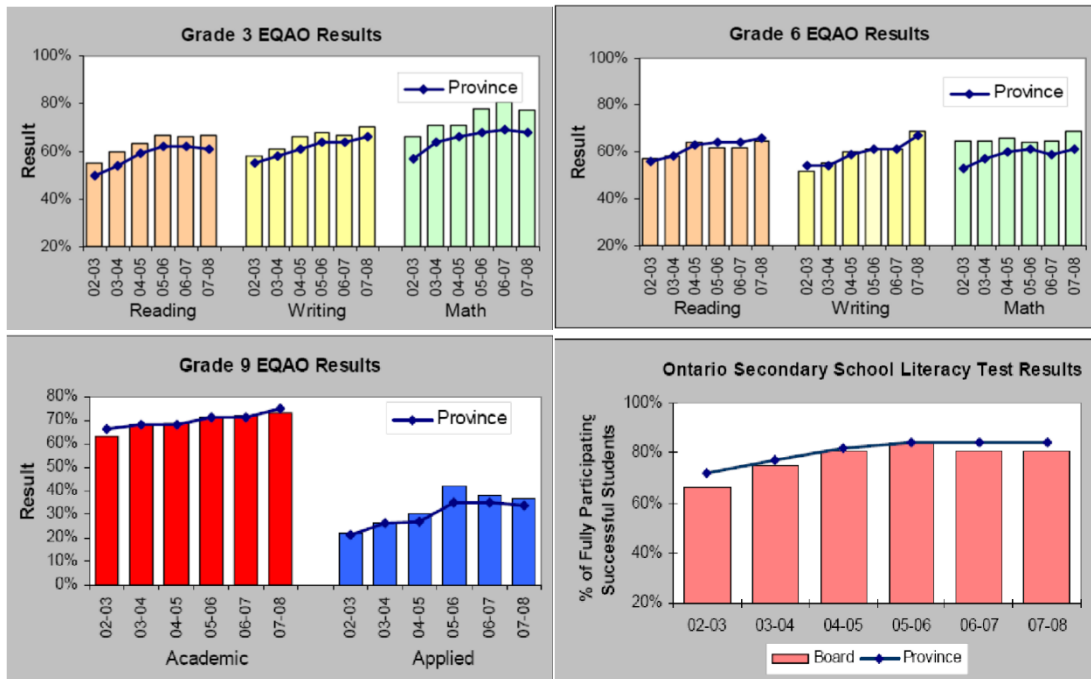


## 1.4    Fiscal Overview

The following table provides a fiscal overview of the school board.

### Summary Financial Data (Revenues)

| Revenues | 2007-08 Financial Statements | 2008-09 Financial Statements | 2009-10 Revised Estimates |
|---|---|---|---|
| Legislative Grants | $164,966,021 | $175,517,422 | $180,537,417 |
| Local taxation | $57,652,921 | $54,436,638 | $53,784,844 |
| Board Revenues | $2,071,580 | $1,670,160 | $939,293 |
| Other Operating & capital Grants | $2,831,615 | $3,986,610 | $3,078,660 |
| **Total Revenues (Schedule 9)** | **$227,522,137** | **$235,610,830** | **$238,340,214** |

## Summary Financial Data (Expenditure)

| Expenditures: | 2007-08 Financial Statements | 2008-09 Financial Statements | 2009-10 Revised Estimates |
|---|---|---|---|
| Operating expenditures | $212,406,400 | $218,578,717 | $220,528,722 |
| Capital expenditures - Before transfers from reserves | $14,654,284 | $16,074,836 | $17,811,492 |
| Transfer to (from) Reserves | $0 | -$1 | -$4 |
| **Total Expenditures** | **$227,060,684** | **$234,653,552** | **$238,340,210** |
| **In-year Surplus (Deficit)** | **$461,453** | **$957,278** | **$0** |

## School Board Reserves and Deferred Revenues

| School Board Reserve and Deferred Revenues: | 2007-08 Financial Statements | 2008-09 Financial Statements | 2009-10 Revised Estimates |
|---|---|---|---|
| **Total Reserve Funds (Schedule 5)** | **$0** | **$0** | **$0** |
| Special Education Reserve | $862,331 | $688,075 | $0 |
| Proceeds of Dispositions Reserve- School Buildings | $9,241,304 | $9,241,343 | $9,241,343 |
| Energy Efficient School - Operating | $0 | $254,072 | $0 |
| Energry Efficient School - Capital | $0 | $0 | $0 |
| **Total Deferred Revenues (Schedule5.1)** | **$10,103,635** | **$10,183,490** | **$9,241,343** |
| **Total Board Reserves and Deferred Revenues** | **$10,103,635** | **$10,183,490** | **$9,241,343** |

## 1.5    Key Statistics: Windsor-Essex Catholic District School Board

The following table highlights key statistics for the school board.

### Day School Enrolment

| Day School Enrolment | 2002-03 Actual | 2009-10 Revised Estimates |
|---|---|---|
| Elementary Day School ADE | 16,847 | 14,469 |
| Secondary Day School ADE | 9,514 | 8,688 |
| **Total Day School Enrolment** | **26,361** | **23,156** |

## Primary Class Size

| Primary Class Size | 2003-04 | 2007-08 |
|---|---|---|
| % of Classes Less Than 20 | 42% | 91% |
| % of Classes Less Than 23 | 64% | 100% |
| Average Class Size - Jr/Inter | 26.05 | 25.02 |
| % of 3/4 Classes 23 & Under | 20% | 100% |
| % of Combined Classes | 12% | 25% |

## Staffing

| Staffing | 2003-04 | 2007-08 |
|---|---|---|
| School Based Teachers | 1,450 | 1,483 |
| Teacher Assistants | 207 | 254 |
| Other Student Support | 107 | 114 |
| School Administration | 79 | 80 |
| School Clerical | 96 | 99 |
| School Operations | 188 | 224 |
| Other Non-Classroom | 61 | 77 |
| **Total Staffing** | **2,188** | **2,331** |
| **Teacher - Pupil Ratio** | **1:18** | **1:16** |
| **FTE Staff per 1,000 Pupils (ADE)[1]** | **83.0** | **100.7** |
| **Total Salary & Benefits as % of Net Operating Expenditures** | **77.3%** | **84.3%** |

## Special Education

| Special Education | 2003-04 | 2007-08 |
|---|---|---|
| Special Education Incremental Expenditures | $18,276,031 | $26,557,506 |
| Special Education Allocation | $21,232,137 | $25,823,912 |
| **Spending above Allocation (Reserve)** | **-$2,956,106** | **$733,594** |

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

**School Utilization**

| School Utilization | 2003-04 | 2007-08 |
|---|---|---|
| Number of schools | 55 | 51 |
| Total Enrolment (ADE) | 26,361 | 23,156 |
| School Capacity (Spaces) | 25,410 | 25,682 |
| **School Utilization** | **103.7%** | **90.2%** |
| **Board Area (Km$^2$)** | **1,887** | **1,887** |
| **Number of Trustees** | **9** | **8** |

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

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

Governance and school board administration processes are reviewed to:

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

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

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

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

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

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

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

### Establishment of an Effective Governance Model

| Leading Practices – Governance and School Board Administration | Evidence of Adoption? |
|---|---|
| The school board's governance model clearly delineates the division of duties between the board of trustees and the director of education. The | No |

| Leading Practices – Governance and School Board Administration | Evidence of Adoption? |
|---|---|
| Board has established clearly defined duties and responsibilities to support on effective working relationship. | |

## Development of the 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 school board's multi-year strategic plan and has goals that are specific, measurable, achievable, relevant and timely. | Yes |
| Senior management periodically/annually report to the 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 establish processes to facilitate decision making that 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. | No |

## Organizational Structure and Accountability

| Leading Practices – Governance and School Board Administration | Evidence of Adoption? |
|---|---|
| The organizational structure has clearly defined organizational units that delineate roles and responsibilities, minimize administrative costs and ensure effective and efficient operation. | Yes |
| The director has established a formal succession plan to manage retirements and resignations of key managers/administrators. | No |

| Leading Practices – Governance and School Board Administration | Evidence of Adoption? |
|---|---|
| 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., web sites, email, memos, town halls, etc.). | Yes |
| Key senior staffs, of all functional areas, are members and participants in sector committees of provincial associations and/or Ministry workgroups. | Yes |

## Establishment of an Effective Governance Model

The current governance model for the Board is under review, and progress is being made in adopting a policy model. The Board's nine trustees are responsible for setting broad polices that reflect the school board's values, vision and strategic direction. Senior administration is responsible for implementing the Board's policies and managing the operations of the school board.

The Board's commitment to policy governance and its effort to continuously monitor its practices is leading to an effective governance structure. There are positive relationships among the Executive Council, Director, and the board of trustees. However, it is noted that the detailed roles and responsibilities of trustees and senior administration have not been clearly delineated in any formal documentation. The Board and Director of Education are currently discussing the respective roles and responsibilities. It is expected that formal changes in the school board's governance process will be finalized using recommendations from the *Governance Review Committee's* report.

The Board comprises experienced trustees who are continually enhancing their knowledge of trustees' and board administration roles and functions through informal discussions. However, the school board does not have formal, documented, and easily accessible policies for governance. These policies should be available on the school board's web site. The school board administration and the board of trustees are currently working to finalize and document the school board's governance process.

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

In 2008-2009, the Board re-visited the original strategic plan, *Blueprint for the Future*: System Priorities 2001-2006. An extensive consultation process was established that involved input from school board employees, school councils and parishes. The process resulted in a report to the Board called *System Priorities 2009-2014*. It identifies the system priorities for the next five years.

The new system priorities are focused on two foundations: faith development and student achievement. As part of faith development ,the Board has identified goals for Catholic faith formation for all students and employees, fostering a spirit of kindness, compassion and service to the community, creating welcoming, inclusive and safe learning and working environments and striving to achieve the Ontario Catholic School Graduate Expectations. The goals for student achievement include developing critical thinking and effective communication skills, nurturing wellrounded, faith-filled and contributing citizens, promoting healthy active living education, and supporting the professional development of the school board's employees.

Each year, school board administration develops an operational plan to implement the Board's strategic priorities. The annual operational plan, the Strategic Plan Priorities for Senior Administration, includes assigned departmental responsibilities with respect to; achievement expectations, strategies, timelines and success indicators.

The Strategic Plan Priorities for Senior Administration is provided to principals to assist them in the development of their School Improvement Plans to support improved student learning.

In addition, management develops a Board Improvement Plan for improving instruction in literacy and numeracy, as part of the school board's overall Student Success initiatives. The plan includes a comprehensive needs assessment based on school self-assessment and school data. Each specific goal established by the plan is accompanied by implementation strategies, resources required, measure of success, timelines, and responsibility. The Board Improvement Plan is developed using input from a variety of stakeholders including superintendents, board consultants, board literacy teachers, OFIP/CODE specialty teachers, principals, and teachers.

The Director of Education provides an Annual Report on the school board's achievements related to the Board's strategic plan and the current year operational plan. Members of Executive Council also provide annual reports on academic achievement related to specific programs and initiatives.

## Decision-Making Process

Management has a positive working relationship with the Board. The decision making process addresses student achievement targets and operational performance.

There is an established process and a formal protocol to set the agenda for Board meetings. The Executive Council develops potential agenda items for Board meetings based on input from several sources. The Director of Education meets with the Chair and Vice Chair of the Board prior to the Board meeting to review the draft agenda. The Director also briefs the Chair and Vice Chair on complex items, ensuring both the Board and management are fully informed prior to items being presented to the Board for discussion. Senior administration prepares reports with clear recommendations for Board consideration, background information, financial impact, and timeline. The reports are reviewed and approved for submission to the Board by Executive Council. The trustees receive the agenda and supporting documentation at least three days before the meeting. The Board has two meetings per month.

The school board has established a comprehensive policy development and review process. The process is directed according to the needs of the Board, and coordinated by a Coordinator of Policy Development, who reports to the Director of Education.

New policies or recommendations to review existing policies may be brought forward by the Board, individual trustees, or members of the school community, including students, parents, and staff. A policy working committee, chaired by the Coordinator of Policy Development, works with the appropriate departments to propose a draft policy. The draft policy is submitted to Executive Council. Every draft policy requires a public consultation plan. If the draft policy is approved, it is circulated in accordance with the consultation plan and posted to the Board web site for one month. This step allows for input from both internal and external stakeholders.

The draft policy is then introduced to the full Board at a public meeting for review, comment, and approval-in-principle. Final approval of the board policy is provided at the next public Board meeting. Senior administration ensures appropriate communication of policies by issuing policy memoranda, publishing the policy on the school board's web site, and providing awareness/training to the school board's staff.

Management develops operational procedures for implementation of policies which are presented as information to the board of trustees. The operational procedures are communicated to the school board's staff and are published on the school board's web site.

Management recognizes that the process described above is relatively new, and it is being assessed for its effectiveness on an ongoing basis. As part of the implementation of the new process, older policies with past review dates are being tracked and review

as planned on a priority basis. The 2008-09 plan for policy reviews is available on the school board's web site and identifies the comprehensive agenda for policy revision and development.

## Organizational Structure and Accountability

Since 2006-07, the school board has undergone several organizational/departmental changes. Senior administration acknowledges that the frequent restructuring has affected the school board's ability to provide a stable operating environment for its staff. Senior administration is committed to establishing a stable and effective organizational structure.

The Director of Education is focused on system issues and working with the board of trustees. The school board's administrative leadership is represented by the Executive Council, which is composed of the Director of Education, Superintendent of Business, Superintendent of Education - Learning Support, Superintendent of Education - Student Success, and Superintendent of Education - Human Resources.

Responsibility for the Board's school operations and facilities management function is shared between the Superintendent of Business and Superintendent of Education - Human Resources. The Superintendent of Business is responsible for maintenance services, while the Superintendent of Education - Human Resources oversees operations services. This structure is not common among school boards, and is designed primarily to reflect the respective experience and expertise of the Board's senior administrative staff.

Another notable attribute of the Board's organizational structure is the role of the Academic Supervisor of Facility Services. This role reflects management's belief in maintaining a strong link between the academic function and the facilities management function. The Academic Supervisor of Facilities Services reports to the Superintendent of Business and Superintendent of Education - Human Resources, and is responsible for supervising operations services, maintenance services, and special projects.

The school board's organizational chart identifies only key reporting relationships within the senior management team. The delineation of roles and responsibilities could be enhanced by demonstrating the reporting relationships between senior administration and other school board's staff. The organizational chart is published on the school board's web site, which also provides contact information for key staff of the school board's administration.

The Board's bylaw on committees includes statutory committees, standing committee, special committees, and ad hoc committees. The Board's statutory committees include Special Education Advisory Committee and two Student Discipline Committees for county and city schools.

The school board recognizes the need to plan for pending retirements at the senior management level in the near to medium term. However, the school board has not developed a formal succession plan for its senior management positions. Management has created positions of assistant superintendents to ensure uninterrupted management of the school board. Management also offers leadership development programs for the school board's staff.

## Stakeholder Engagement

The school board consistently administers its responsibilities (both directly and through its committees) in an open and transparent manner. Various communication channels (emails, surveys, newsletters and web site postings) keep key stakeholders engaged throughout the year. The Board conducted an extensive community consultation to develop the strategic plan. Management also publishes draft policies for community input.

Senior administration actively participates in various committees across the sector and locally. The school board's senior administration team is also extensively involved in community initiatives and partnerships.

## Recommendations:

- The school board should finalize its governance model by clearly delineating the division of duties between the board of trustees and the Director of Education. The governance process, including clearly defined duties and responsibilities, should be documented in Board's policies.

- The Board should ensure that priorities, particularly in the area of governance, are established for the development of the Board's policies and that all policies are reviewed according to the policy refresh cycle.

- The school board has informal planning processes and employee development programs to ensure leadership continuity and support succession planning at all levels of administration. However, the school board should develop a formal succession plan to manage departures of key staff.

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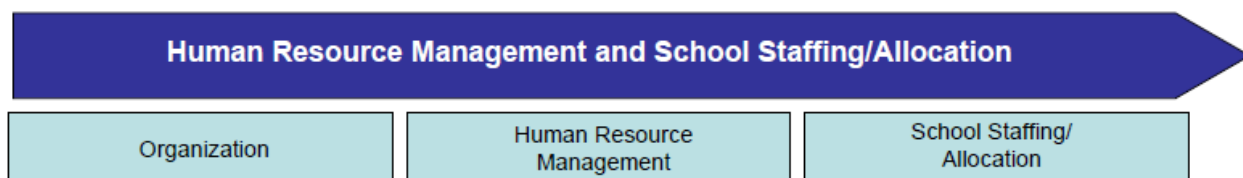


Effective management of human resources ensures an adequate number of qualified staff throughout the organization can perform their prescribed duties. Policies and procedures to develop staff are in place, through performance appraisals, professional development and support services. Staff allocations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

The review of the organization of the HR department assesses:

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

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

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

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

The following table summarizes the leading practices defined for HR organizations, and identifies where evidence was found to indicate that the practice was adopted in full.

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

## Development and Reporting of Annual Goals and Priorities

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

## Organizational Structure and Accountability

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

## Monitoring and Communication of Policy

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

## Development and Reporting of Annual Goals and Priorities

As part of the annual operational planning process, the Superintendent of HR identifies goals for the HR department under each strategic priority of the school board. The planning document indicates implementation strategies, timelines, and broad indicators of success. The plan can be enhanced by setting specific and measurable targets and indicators, and assigning responsibilities for key activities. This would enable management to track and report progress throughout the year.

The current priorities of HR include improving the effectiveness of the HR department and strengthening the approach to collective bargaining. At the time of the operational

review, the HR department was reviewing its structure, to improve effectiveness and efficiency of the HR, business, and facilities departments.

**Organizational Structure and Accountability**

The senior management of the HR department includes the Superintendant of Education Human Resources, Assistant Superintendent of Education responsible for academic staff, Manager of Human Resources responsible for support staff and the Risk Assessment Manager. The position of the Risk Assessment Manager was created to ensure the school board's compliance with policy, collective agreements, and legislation. The Risk Assessment Manager is also responsible for monitoring, identifying, and addressing areas of potential risk, and managing the school board's building safety, emergency response and occupational health and safety. At the time of the operational review, the school board was proposing enhancements to the role of the Risk Assessment Manager, to include management of regulatory compliance for the facilities department.

The department's structure and lines of reporting are provided in the HR department organizational chart. The school board's web site includes an organizational chart, and provides contact information for key staff of the HR department.

The HR department maintains formal job descriptions which were recently updated. Several HR staff members hold a Certified Human Resources Professional (CHRP) or appropriate equivalent qualifications.

**Monitoring and Communication of Policy**

The HR department's administrative procedures are published on the school board's web site, with appropriate revision dates noted. The HR department took a leading role in developing new policies on behalf of the Board. The Coordinator of Policy Development was directly involved in negotiating collective agreements, to acquire understanding of the school board's regulatory environment.

The HR department provides regular updates and training to inform staff of new and revised policies and procedures. During regular principals' meetings the Coordinator of Policy Development or the Risk Assessment Manager present specific topics related to regulatory compliance and new policies and procedures.

## 3.2   Human Resource Management

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

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

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

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

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

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

**Staff Recruitment**

| Leading Practices – Human Resource Management | Evidence of Adoption? |
|---|---|
| Recruiting policies and practices are reviewed annually, and are aligned with staff planning in support of student achievement. | Yes |
| 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. | No |

## 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 School Board's Benefit Plans

| Leading Practices – Human Resource Management | Evidence of Adoption? |
|---|---|
| HR Management periodically conducts independent compliance audits of the school board's insurance carrier to ensure adherence to benefit plan's terms and conditions. | No |
| Employee data is automatically synchronized 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. | No |

| Leading Practices – Human Resource Management | Evidence of Adoption? |
|---|---|
| Confidential exit interviews are performed for all staff. | No |

## Staff Recruitment

The HR department uses Jobs in Education and Apply to Education web sites to recruit teaching and non-teaching staff. The school board also advertises new positions in the local newspapers, on the school board's web site and through the Ontario Association of School Business Officials (OASBO) and Ontario Catholic School Board Officials Association (OCSBOA). The school board conducts regular presentations for students at the University of Windsor's Faculty of Education.

Key elements of the hiring process are centralized through the HR department. The annual staff allocation process determines the hiring needs for the year.

The school board has policies and procedures for the hiring of teachers and administration and support staff. For new teachers, teams (superintendents, principals, a consultant, and an HR representative) conduct interviews to recommend candidates to a "highly desirable" pool of prospective teachers. When a vacancy occurs in a school and there is no successful internal candidate, the relevant superintendent and principal recommend a teacher from the pool. Superintendents authorize all new hiring to the school board through the Director of Education.

For new administrative and support staff, interviews are conducted by an administrative team (department supervisor and/or principal, HR representative). Management reports to the Board on all new hires.

The school board has formal procedures for selecting principals and vice-principals. The trustees are directly involved in selecting principals and vice-principals. The school board develops a roster of candidates for the positions of principal and viceprincipal for each of the elementary and secondary school panels. The interview team for each panel consists of two trustees and two superintendents. The board of trustees approves the appointment of candidates to the roster. The board of trustees receives formal reports for information on the appointment, by the Director, of principals and vice-principals in schools.

## Labour Relations

To address collective bargaining issues, the school board has labour management committees to liaise with all staff groups. Trustees are not directly involved in the negotiation of collective bargaining agreements, but may occasionally sit as observers during the process.

The school board maintains a timely and effective approach in response to issues. The open communication with the unions could be attributed to the school board's formal and informal practices. The school board has a significant number of outstanding grievances. Management aims to reduce the number of new grievances through relevant policies and procedures.

**Employee Performance Evaluation Processes**

The Board has established a policy on staff performance management, which provides guiding principles for the performance management process.

Management, through the HR department, has established formal procedures for performance appraisals of all school board staff.

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). Performance appraisals of new teachers are conducted by principals, vice-principals, or as required, the Superintendent of Schools.

Management appraises the performance of principals and vice-principals using the procedures in the school board's document *Professional Growth Model For Principals and Vice-Principals.* The model requires that appraisal of principals be conducted in a four year cycle. The first three years are dedicated to pre-evaluation and goal setting, with a formal evaluation in the fourth year. The school board has established a two-year mentorship program for all new principals and vice-principals. Management noted that the performance management process model for principals and vice-principals will be revised, in line with the Ministry's new provincial model.

The school board's procedures for performance management for superintendents provide that superintendents complete a Personal Achievement Plan prior to or early in each school year. The annual performance management review includes completion of a Superintendant Achievement Summation Form.

Management has established formal procedures for performance management of union and non-union staff. For union staff, appraisals are completed every two years, or in any other year at the request of the employee or as determined by the supervisor. For non-union staff, there is a similar appraisal cycle. The appraisal process includes completion of an Individual Achievement Plan by the employee and completion of an attribute chart by the supervisor.

The Board of Trustees conducts a formal evaluation of the Director of Education annually. The process includes consideration of performance appraisal questionnaires completed by a focus group of stakeholders.

HR staff track performance of performance appraisals manually. The school board should consider implementing an electronic system for tracking performance appraisals, to notify supervisors regarding outstanding appraisals.

Management does not have formal disciplinary procedures, beyond the performance appraisal process. The school board has formal procedures and detailed guidelines regarding harassment.

## Attendance Management Processes/Programs

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

The school board does not have a formal attendance management program. In the past, management presented proposals for an attendance support program to the Board. This was deferred due to pending negotiations with unions. Management intends to re-submit the proposal to the Board.

The school board has formal procedures for reporting absences. New employees are provided with hard copies of documents outlining these procedures. Management tracks attendance data using the HR information system.

The school board has a formal Employee Wellness Program. This includes an Employee Assistance Program provided by a third party organization, providing confidential, voluntary counseling to employees.

## Management of HR and Payroll Data

The finance function maintains responsibility for the payroll function. Management maintains appropriate control mechanisms (such as verification of information and payroll change notification sign-off) to ensure the segregation and integrity of personnel and payroll data. HR is responsible for entering and maintaining demographic data in the system, while finance is responsible for review and approval of the payroll data.

The HR information system enables management to systematically monitor teacher qualifications and experience data, so that HR records can be updated as new information is received. For all new teachers, the HR department confirms standing with the Ontario College of Teachers.

The school board has completed pay equity reviews for all staff.

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

The business department is responsible for managing the school board's benefits plan. The Manager of Payroll and Benefits reports directly to the Superintendant of Business.

The school board contracts external benefits consultants to regularly review the existing benefit plan, and negotiate new plans. The school board performs compliance audits of retirement benefits plan every two years.

The school board has established the Benefits Committee, comprising school board administration, three trustees, and union representatives. The school board's benefits consultants are also invited to Committee meetings. The Committee meets each year to discuss trends in benefit costs and employee feedback regarding benefit plans. The external benefit consultants have also compared benefit plans with other school boards.

Data transfer among benefits, payroll, and external carriers (i.e. OMERS) is automated and synchronized through "e-access". The school board has been among the first boards in Ontario to implement "e-access". The business department synchronizes data between the school board and OTTP using the Teacher Information Management (TIM) system.

**Monitoring Staff Satisfaction**

Management has not conducted confidential staff satisfaction surveys for feedback on the priorities of the school board or on general attitudes. The HR department does not conduct formal, confidential exit interviews for staff who transfer or leave for unanticipated reasons.

**Recommendations:**

- Management should establish formal disciplinary procedures for all teaching and non-teaching staff. Existing progressive discipline practices should be formalized and communicated to all staff.

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

- The HR department should periodically report on the effectiveness of the attendance management process/programs to senior management and the Board.

- Management should conduct independent compliance audits of the school board's insurance carrier, to ensure adherence to the benefit plan's terms and conditions.

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

- Management should conduct 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 Staffing and 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 |

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

## Benchmarking Costs with Other Boards and Funding

| Leading Practices – School Staffing/Allocation | Evidence of Adoption? |
|---|---|
| Staffing costs are compared with similar school boards and the funding model to ensure efficient use of resources. | No |

## Planning and Processes for Annual Staffing and Allocation

The staff allocation process is driven by enrolment forecasting, student need, class size requirements, and alignment to collective agreements (including preparationtime allocations). The enrolment forecast is developed using various sources of data, including school-by-school projections, historical trend analyses, demographic trend analysis, and school board information.

The HR department works closely with the business services department to determine the appropriate staffing allocation for the school board.

The school board has formal procedures on staff allocation. However, there is no policy governing the staff allocation process.

Staffing allocation for elementary teachers is conducted by a team which consists of the Superintendent of Education Human Resources, Assistant Superintendant Human Resources, and Executive Assistant Human Resources. The school board's staffing software enables the central administrative team to work with school principals to undertake staff allocation in real time. This process is completed each April for the upcoming school year. Once the allocations are generated by the software, the Superintendant of HR has control over any changes.

Staffing allocation for secondary teachers is conducted by a team of the Superintendent of Education Human Resources, Assistant Superintendant Human Resources, Manager of Student Information Systems, and a designated lead scheduler from each school. The school board has contracted a retired school principal to coordinate the process. Management uses weighted option sheets for secondary staff allocation process.

In February each year, school principals submit option sheets and the HR department completes data entry and the review of option sheets. In April, the HR department finalizes school-by-school enrollment estimates, using the initial weighted option sheets submitted by school principals. The HR department determines the system-wide secondary staffing ceiling, in consultation with the business department. In May, the HR department conducts individual meetings with principals to finalize school enrollment estimates, discuss staffing ceilings for individual schools, and review any staffing complement surplus and lay-offs. From June through August, staffing committees at the school board and individual school level review staffing arrangements and the resulting transfers, redundancies and hiring.

The school board's collective bargaining agreements allow the school board to manage reserves of staff through a process known as "supernumeration". The process provides reserves of long-term and occasional teachers to draw upon. Management reported that this arrangement provides additional flexibility in the staff allocation process.

The HR department allocates school secretaries using a formula based on enrollment.

The school board has established the Educational Assistant Allocation Committee. The committee determines the staffing complement, based on the identified needs within the school, additional student needs as reported to the Special Education Coordinator, and the number of students with special needs leaving the school.

The allocation of custodial and maintenance staff is based on workloads, as set out in the collective agreement.

**Monitoring and Reporting on Staff Allocation**

As part of the staff allocation process, the Executive Council ensures compliance with key Ministry and school board policy on class size, prep time, collective agreement requirements, and other school board directions. The board of trustees is not directly involved in the development or monitoring of staff allocations.

During the school year, management monitors staff allocation with the staff allocation software. The HR department maintains central responsibility for monitoring school staffing and organization.

**Benchmarking Costs with Other Boards and Funding**

The school board has not compared average compensation costs with other school boards. Management makes comparisons for individual positions when necessary.

**Recommendations:**

- Management should compare staffing costs and funding models with similar school boards to ensure efficient use of resources.

# 4.     Financial Management – Findings and Recommendations
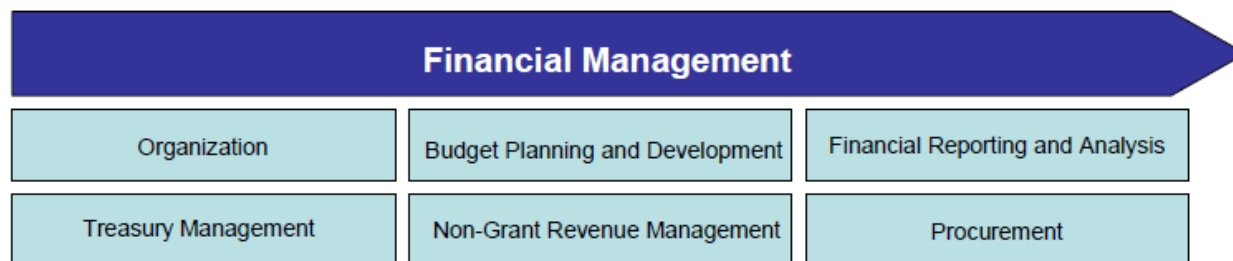


The financial management of the school board ensures the efficient and effective use of fiscal resources. Financial management ensures that the annual budget is developed within the Ministry's allocation and aligned with student achievement targets. It also ensures that appropriate financial policies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

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

## 4.1    Finance Organization

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

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

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

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

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

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

## Development and Reporting of Annual Goals and Priorities

| Leading Practices – Finance Organization | Evidence of Adoption? |
|---|---|
| The finance department's goals and priorities are documented in an annual 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. | Yes |

## Organization Structure and Accountability

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

## Monitoring and Communication of 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

As part of the annual operational planning process, the Superintendent of Business identifies goals for the business department under each strategic priority. This plan indicates implementation strategies, timelines, and broad indicators of success. The current priorities of the business department include:

- Finalize implementation of the 2007 Business Practices Review

- Develop departmental vision and mission

- Finalize organizational structure of the department

- Develop policies and procedures for all departmental work areas

- Upgrade financial monitoring and reporting to the Board, user departments and other stakeholders

- Continue implementation of "cashless" schools, including training for school staff.

The plan can be enhanced by setting specific and measurable targets and indicators, and assigning responsibilities for key activities. This would enable management to track and report the progress of its defined priorities and goals throughout the year.

## Organizational Structure and Accountability

The business department is responsible for the financial management function of the school board. The department's management includes a superintendent of business, manager of finance, manager of payroll/purchasing, and a manager of transportation.

The school board's organizational chart shows the structure of the business department and lines of reporting. The school board's web site provides contact information for key staff of the business services department, and includes an organizational chart that demonstrates reporting relationships. Senior financial management staff have appropriate professional designations and experience.

It should be noted that the Superintendent of Business has responsibility over the maintenance services function of the facilities services department. The business department also works closely with the HR department to drive the staff allocation process. Business services determine the overall staff component level through the budget process, and the HR department allocates staffing to individual schools and departments. At the time of the operational review, management reviewed the school board's organizational structure, including organization and lines of reporting in the HR, business and facilities services department. The proposed changes will finalize the organizational structure of the school board, and improve the school board's operational efficiency and effectiveness.

## Monitoring and Communication of Policy

The business department has established formal policies and procedures for purchasing, staff and trustee expenses, transportation and pupil accommodation review. These policies and procedures are published on the school board's web site. The business department has developed procedure manuals for a number of roles in the department. Management intends to develop similar procedure manuals for all roles in

the business department. Policies and procedures related to business operation services are developed and reviewed, based on the established review cycle.

The business department communicates revisions to policies and procedures to school principals during monthly principals' meetings. The school board also provides training on financial policies and procedures as part of its leadership program. The business department does not organize regular scheduled staff training sessions on finance policies and administrative procedures.

## 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 (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 all significant risks during budget planning, and develops strategies to mitigate the risk of spending beyond authorized/budgeted levels. | Yes |

## Annual Budget Development Process

The school board has a formal budget development process, which is clearly communicated to the Board and other stakeholders. The budget development document highlights the core objective of the budget process, which is to match the school board's strategic operational priorities with available resources. The budget development process starts in January/February, with presentation of a report to the Board outlining the proposed budget process and timelines.

In February, following approval by the Board of the budget development report, the finance function, in consultation with the HR department, starts developing the salary budget, based on the proposed staff allocation. The business department consults with key stakeholders including senior administration, assistant superintendents, departmental managers, and principals as part of the budget development process. The draft budget is prepared based on review and consideration of prior year's results and historical trends, and known recurring cost drivers, for example, negotiated salary and wage increases and growing utility costs.

Senior administration provides proposed changes to the draft budget, based on new initiatives and departmental goals and priorities.

In March, these priority budget issues are presented to the Executive Council for discussion. Once the Executive Council reviews the draft budget, the business department prepares it for presentation to trustees. The draft budget contains major cost drivers and priority budget issues. The trustees provide their comments directly to the audit committee, which reviews the draft budget and trustees' comments during a formal audit committee meeting. The audit committee approves the draft budget with amendments that can be issued for public consultation.

In May, management seeks stakeholder input by providing the draft budget to schools, school councils, and the special education advisory committee. The school board posts a notice in the local newspaper regarding publication of the draft budget on the school board's web site. The budget is finalized and approved by the board of trustees in June.

The business department uses a standard spreadsheet tool, which is provided to the school board's departments along with detailed guidance and instructions. This template ensures a high degree of transparency in the budget development process, since every proposed change is recorded and annotated. The business department has control over the budget development template. Only the final version is posted on the school board's shared data drive.

Throughout the budget development process, the Superintendent of Business provides weekly written or oral status reports to the Executive Council.

The annual budget presented for approval demonstrates that it is linked to the Board's strategic priorities and operational plan, including student achievement targets.

Management provides a detailed budget presentation document to the Board, highlighting all key changes from the previous fiscal year, anticipated issues, and their impact. The board of trustees has sufficient time to review the proposed budget and request additional information.

## Enrolment Forecasting Linked to Budget Development

The HR department and the business department are responsible for enrolment forecasting. The enrolment forecasting process begins early in the budget development cycle. This enables management to develop preliminary high-level expectations of the anticipated change in enrolment revenue, compared to the previous year.

Once the JK/SK initial registrations are completed in late February, the HR department starts the process to determine grade-by-grade and school-by-school enrolment. The HR department works with school principals to develop enrollment projections. In mid-March, the HR department reviews and estimates staffing requirements for inclusion in the preliminary budget. By the end of March, management completes the preliminary enrollment projections prior to submission in June. Final enrolment and staffing projections are approved by the Superintendent of Business and the Superintendent of Human Resources.

Management noted that the school board staff's enrollment forecasting has proven to be accurate and reliable. The school board contracted third party consultants to undertake fifteen-year enrolment projections, as part of the development of options to address accommodation issues.

**Identification of Risks and Mitigation Strategies**

The business department recognizes and accounts for key budget risks when developing the budget. Management noted that interim financial reports provided to senior administration and the Board contain mitigating actions in areas of significant variance.

## 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 Financial Reporting Accountability**

| 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. | No |

**Audit**

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

## Integrated System for Variance Analysis and Financial Reporting

Although management acknowledges that the existing financial system has limited capacity for analysis and reporting, it continues to provide useful, timely and accurate information for management and stakeholders. Management has also recently established a number of new controls to ensure appropriate access restrictions and authorizations.

## Interim Financial Reporting Accountability

The finance staff prepares quarterly financial reports for the Executive Council and the board of trustees. Management has established formal procedures for variance reporting which outlines roles and responsibilities of the Superintendent of Business, Manager of Finance and other superintendents, departments and schools. Financial information is presented by expenditure categories. The reports include a comparison of the revised estimates, projected year end expenditure, and projected year-end variance.

Quarterly financial reports provide detailed explanation of variances. However, there is no explanation of whether the percentage spent to date is what would be expected for the period. Finance staff noted that the frequency of interim financial reports meets trustees' requirements for information on financial performance of the school board.

To enhance interim financial reporting to senior administration and the Board of Trustees, finance staff prepares quarterly variance reports for each school. These reports include overall school budget, commitments, year-to-date expenditure, year to-date variance, and projected year end surplus or deficit. The school-by-school budget variance report provides comments regarding significant variance and mitigating actions.

The format of monthly or quarterly financial reporting varies significantly among school boards. An enhanced format would include:

- A comparative percentage for each major expenditure/revenue category, to reflect expected spending to date, relative to historical averages, prior year's experience or, (in the case of salaries and benefits) the number of staff and pays processed to date.

This information would give reviewers an enhanced understanding of the year-todate results. Finance management uses this format for internal reporting, and acknowledges the benefits of providing enhanced interim financial reports to the board of trustees.

There is formal sign-off of quarterly interim financial reports by the Superintendent of Business and the Director of Education.

It is noted that during the past reporting cycle, management did not meet the established timelines for reporting required by the Ministry. It is recognized that ongoing changes in the organizational structure of the school board has impacted the ability of management to meet the reporting timelines.

**Audit**

The Board's audit committee includes three trustees. There are no external members in the audit committee. The school board has established terms of reference for the audit committee, which include providing assistance to the board of trustees in fulfilling its oversight responsibilities with respect to:

- The quality, performance and independence of the school board's external auditors

- The quality, integrity and performance of the school board internal controls regarding finance and accounting

- The quality, integrity and appropriateness of the school board's financial reporting

- The school board compliance with regulatory requirements as it relates to financial reporting.

Although the terms of reference for the audit committee have been formally documented, the Board should ensure that audit committee members clearly understand their roles and responsibilities. The addition of external members will enhance the audit committee's focus on matters related to the board's audit functions.

The audit committee conducts *in-camera* meetings with external auditors and reviews auditor's reports. The school board's external auditors provide an audit report which provides the general auditors' opinion regarding the school board's financial statements.

The school board does not receive a management letter from the auditors that would contain specific recommendations to be responded to and acted upon by management. This is not a common practice. Management noted its intention to issue a new tender for external audit services and provide formal response to auditors' findings in the future.

Management recognizes that an internal audit function would enhance the school board's internal controls. It has initiated preliminary discussions with the co-terminus board regarding potential joint procurement of internal audit services.

**Recommendations:**

- Interim financial reports should be enhanced by providing explanations of variances and a forecast of expenditures for each category, based on historical data, or (for salaries and benefits) the number of staff and pays processed to date.

- Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost of each option.

- As part of the internal auditor's mandate, the school board should establish and document audit plans. Management should follow up and act upon internal audit report recommendations.

- The audit committee should be expanded to include at least two external members with appropriate professional backgrounds and designations to act as advisors and contribute to the committee's effectiveness.

- Management should ensure that all financial reports are completed and filed in accordance with established timelines.

- The school board should ensure that the external auditors provide a report with audit findings, and that any recommendations are acted upon by management.

## 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. | No |
| Cash management activities consolidated with a single financial institution. | No |
| 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*. | No |
| Management periodically compare the school board's banking terms and conditions to those of similar school boards. | No |
| Management monitors financial risk related to cash/investment management, and has a plan to mitigate associated risks. | No |
| 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 finance staff indicated that there are no formal treasury management procedures as the school board has not had idle cash over the past several years. The school board has one current operating account and one bursary account with various financial institutions.

Management has not conducted comparisons of the school board's banking terms and conditions with those of other school boards. In addition, the school board last tendered

its banking services more than five years ago. However, management indicated its intention to issue a new tender for the banking services with the view to consolidating the school board's bank accounts.

The school board carries a significant load of stranded debt. Management indicated that the school board's sinking fund is currently running at a loss, and noted that this may create a funding shortfall at the time of the sinking fund's balloon payment. In response to this situation management had discussions with the Ministry regarding funding of past capital projects. The school board's capital liquidity template clearly indicates past projects eligible for debt commitment support. The Province will issue new debentures on behalf of the school board for the entire amount of stranded debt. The school board intends to pay off debentures using the renewal funding, Ministry funding, and capital reserves. In 2008, the school board developed a new capital plan, which includes new construction projects to be funded with new debentures.

**Management of School-Based Funds**

Management has established a formal policy and procedures regarding fundraising at schools which includes annual summary record of all school generated funds. School principals are responsible for ensuring that procedures are followed for all groups. School bank accounts are reconciled monthly and verified by principals. School principals provide formal sign off of monthly reconciliation reports, bank statement and a monthly transaction report. Year-end reports for school generated funds and school council funds are submitted to the business department.

The majority of schools use a school banking software. Two schools are currently implementing "cashless schools" pilot projects. Finance staff provide regular training to treasurers of school councils on fundraising policies and procedures and use of the school banking software.

**Recommendations:**

- While the school board currently does not have investments, management should consider establishing an investment policy and periodically reporting to the board on the performance of the investment activity

- The school board should compare its banking terms and conditions to those of similar school boards.

- Management should tender its banking services with the view to consolidating all cash management activities with a single financial institution.

## 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.

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

The following table summarizes the leading practices defined for 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 and Procedures and Planning to Support Non Grant Revenues**

| Leading Practices – Non-Grant Revenue Management | Evidence of Adoption? |
|---|---|
| The school board has established policies and 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 system are used where appropriate (e.g., ConEd, permitting of facilities, leasing, etc.). | No |
| 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 |
| School board budget identifies revenue and expenditure for each EPO program. Management monitors activity to ensure compliance with terms and conditions. | Yes |

**Policies and Procedures and Planning to Support Non Grant Revenues**

The school board has developed a formal policy and procedure for the community use of schools, including a standard application form, booking protocol and fees schedule.The procedures provide a detailed fee structure. Each year, as part of the budget development process, management completes projections of community use of facilities, including revenues and custodial overtime. The school board establishes rates for community use of schools, based on comparison with other school boards. While cost recovery is the key consideration for the fee structure, management takes into account feedback from various community groups regarding the affordability of rates.

The other key sources of non-grant revenue for the school board are EPO grants and the continuing education program.

Management completes projections of all sources of non-grant revenue as part of the budget development process.

**Procedures for all Non-Grant Revenues**

Management is considering options for electronic registration and payment for the community use of facilities, including the electronic system used by the City of Windsor.

Management has established procedures to record and track the various EPO grants received. Once a signed contract is received, the education department staff responsible for a particular grant complete the EPO/Ministry Grants Information Sheet. The finance department is notified about the new agreement and which accounts need to be created in the financial system. Finance staff use the EPO/Ministry Grants information sheet to indicate the new accounts. The completed EPO/Ministry Grants information sheet is posted on the school board's shared data drive.

**Recommendations:**

- Management should consider implementing an electronic payment and registration system for permitting of facilities and continuing education. In doing so, management should continue reviewing the existing solutions in place at the local municipality and other school boards.

## 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 practices are clearly communicated to staff with purchasing authority, and are periodically reviewed and updated. | Yes |
| Vendor selection criteria include elements other than lowest cost, such as total cost of ownership, value, and quality and competitive procurement (including the use of public advertising for RFPs and tenders over a defined level). | Yes |
| Purchasing managers monitor and ensure compliance with the 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. | Yes |
| 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. | No |

## Use of Electronic Funds Transfer for Greater Efficiency

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

### Procurement Policies and Procedures

The school board's formal policies and procedures for purchasing and disposal of assets are available on its web site.

The purchasing procedure addresses a number of key elements, including:

- Purchasing authorization levels

- Procedure for various purchase thresholds

- Procedures for procurement of professional services

- Procedures for sole source purchasing

- Procedures for disposal of assets

The purchasing policy notes that the school board strives to purchase goods and services that meet its requirements at the lowest overall cost from approved vendors. In its policy, the Board also recognizes that the overall cost may include consideration of non-monetary costs, such as environmental impact, energy efficiency, and labour practices.

**Participation in Buying Consortia to Reduce Acquisition Costs**

The purchasing policy provides that the school board will support and participate in cooperative purchasing with other school boards and governmental agencies, whenever it is in its best interests.

The school board participates in electricity and gas purchasing consortia.

**Purchasing Levels of Authority**

The purchasing procedure establishes the following purchasing levels of authority:

- Except for emergency purchases as set out in the procedures, purchases over $100,000 require an approval of the board of trustees.

- The Director of Education is authorized to approve purchase requisitions up to $100,000.

- Superintendents are authorized to approve purchase requisitions up to $50,000. Superintendents may delegate their authority for approving requisitions to other management staff with the written approval of the Director of Education. The Superintendent of Business is responsible for maintaining a list of approved signatories for each area, with the corresponding expenditure levels for which they are authorized to sign.

Superintendents are responsible for ensuring that all purchases for their respective areas are in compliance with the purchasing policy and procedures, and that there are sufficient funds in the Board-approved budget for which they are accountable. The Superintendent of Business, or designate, is responsible for ensuring that the requirements of the purchasing policy and procedure have been satisfied before authorizing the issuance of any purchase order, or the execution of any contract or other agreement.

Purchasing cards are used for many small value purchases. The purchasing procedure provides that superintendents, or their designates, may use petty cash for purchases up to $300, only in those instances when it is not feasible to use a purchasing card. For purchases up to $3,000, superintendents, or designates, are required to use purchasing cards, or by purchase order issued by the Superintendent of Business, or designate.

The purchasing procedure establishes the following limits for securing supplier quotations:

- Over $3,000 - up to $10,000: superintendents, or designates, are required to solicit written quotations of at least three, but preferably more, with the lowest cost bid meeting specifications to be awarded the work. Quotations must be solicited from vendors on the school board's vendors list. Where it is not possible to obtain three quotations, the purchase is subject to the Director's approval. Superintendents or designates submit a requisition to the business department, so that a purchase order can be issued.

- Up to $50,000: superintendents, or designates, submit a business case to the business department detailing the rationale for specific goods or services to be purchased. The business department reviews the request and solicits written quotations from vendors on the school board's vendors list. A minimum of three (preferably more) written quotations are required, with the lowest cost quotation that meets the specifications to be awarded the work. Where it is not possible to obtain three quotations, the purchase is subject to the Director's approval. The requisition is submitted to the business department for the issuance of a purchase order.

- Over $50,000: a formal tender call is required. The purchasing procedure provides a standard request for proposal/tender call form which is completed and signed by the applicable Superintendent and submitted to the Superintendent of Business for his signed authorization to proceed with the tender call. The Superintendent of Business, or designate, administers the tender call process.

The procedure requires that all tender calls (at a minimum) are posted on the Board's web site and advertised in the local newspaper.

The procedure notes several cases when discretionary purchases can be made:

- Emergency purchase: a purchase made in the case of emergency involving the safety of persons, protection of property or a spill of a material requiring attention under the provisions of the Environmental Protection Act.

- Sole source purchases: sole source purchases are made only when price of items is less than $3,000, for emergency purchases and when items are unique and possess specific characteristics that can be filled by only one source

- Blanket purchases may be utilized in cases where the repetitive acquisition of specific goods or services is anticipated in advance of a certain time period, where the actual demand is unknown at the outset, and where the specific goods or services are to be acquired as the need arises.

The school board acquires all professional services using the two envelope system. Each vendor is required to submit technical and qualitative information in one sealed envelope, and pricing information in a second sealed envelope. The bid review process commences with the first envelope being opened and the technical and qualitative information being evaluated. The second envelope is opened only for those submissions deemed capable of performing the service. The final selection of the vendor is based on the lowest price meeting specifications.

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

The school board has established policies and administrative procedures on purchasing cards, which are posted on the school board's web site. The Board's policy states that purchasing cards are to be used for small dollar transactions and only for expenses incurred in relation to the cardholder's duties. The procedure notes that management has set authorization controls that include restriction on the purchases of alcohol, cash advances, monthly credit limits for individual cardholders, dollar limit per transaction, and types of authorized merchants.

### Accounting for Completeness of Purchase/Payment Cycle

The school board has a commitment accounting process, where the purchase is encumbered to the general ledger after the purchase order is issued.

Finance staff have implemented an automated three-way matching between purchase orders and invoice.

Management has not implemented an electronic supplier's interface for ordering, processing, and payment.

### Use of Electronic Funds Transfer for Greater Efficiency

The school board does not use EFT for vendor payment.

**Recommendations:**

- Management should consider implementing the electronic supplier interface for ordering, processing, and payment.

- Management should implement electronic funds transfers (EFT) for vendor payments. The use of EFT would build efficiency by simplifying and automating the payment process.

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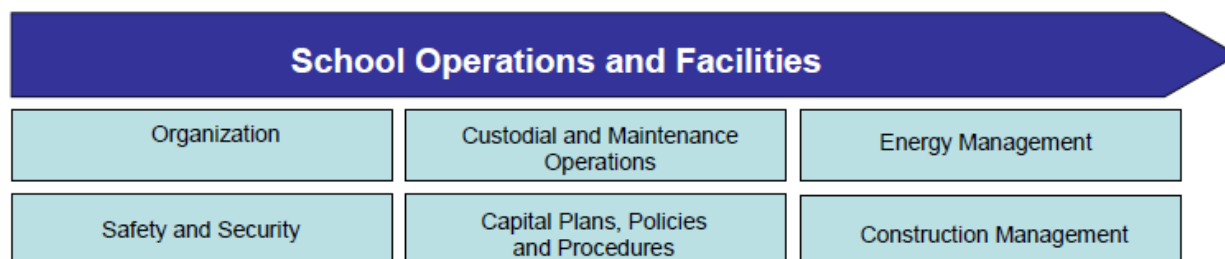


Efficient and effective management of the school board's facilities (particularly schools) is an important factor in student achievement. Along with providing a positive learning environment for students, this function sets and meets standards of cleanliness and maintenance, examines opportunities to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

The following is a summary of the assessment of the school board's adoption of leading practices under the processes identified above. All findings are a result of the review of data provided by the school board and on-site 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     Operations and Facilities Organization

The purpose of reviewingthe 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 organization 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 Policy

| 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 and procedure 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 is responsible for the maintenance, operations, and construction of all facilities at the school board. The department does not currently have a formal annual business plan setting out its specific goals and priorities.

The development of an annual plan would enable management to better assign responsibilities, establish performance measures, and track and report the progress of its defined priorities and goals throughout the year.

**Organizational Structure and Accountability**

The facilities department is co-led by the Superintendant of Business and Superintendent of Education Human Resources. The Superintendant of Business is responsible for maintenance services, and the Superintendent of Education Human Resources oversees operations services. Management recognizes the importance of the link between the academic function of the school board and facilities management. As a result, management has appointed the Academic Supervisor Facility Services to supervise operations service, maintenance services, and special projects. The Academic Supervisor Facility Services reports to the Superintendant of Business and the Superintendent of Education Human Resources. At the time of the operational review, management submitted proposals to the Board regarding changes in the organizational structure of the facilities department, which aim to improve effectiveness and efficiency of its operations.

The facilities department also includes the Manager, Operations Services, Manager Maintenance Services, and Manager, Special Projects. Within the new organizational structure, the Risk Assessment Manager will be part of the facilities department responsible for legislative and regulatory compliance.

The roles and responsibilities of facilities staff are clearly outlined in their respective job descriptions. The department's organizational chart indicates the structure of the facilities department and the lines of reporting. The organizational chart is posted on the school board's web site. Senior facilities management staff have appropriate professional designations and experience.

**Monitoring and Communication of Policy**

The facilities department maintains a set of administrative procedures covering pertinent aspects of facilities and operations management. These procedures are published on the school board's web site. Policies are reviewed and updated according to the schedule established by the school board.

The facilities department periodically sends memoranda to staff regarding specific aspects of facilities procedures. Appropriate training is provided to custodial and

maintenance staff to address policy issues, and the need for compliance with the various regulatory requirements. Examples of this include changes in building codes, mold, and asbestos management.

**Recommendation:**

- Facilities management should develop an annual departmental plan that aligns with the objectives of the school board's annual operational plan. The 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.

**The Board's Staffing Model Supports the Board's 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 use of staff. | No |

## Development of Annual/Multi-Year Maintenance Plan

| Leading Practices – Custodial and Maintenance Operations | Evidence of Adoption? |
|---|---|
| Using stakeholder input, management develops an annual/multiyear maintenance plan for deferred maintenance priorities and maintenance standards. Outcomes improve the learning environment. The plan optimizes the use of available funding (Annual Renewal Grant and Good Places to Learn funding) and is approved by the 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 to address 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 that records, monitors, and evaluates projects ensuring the effective use of resources. | No |
| Management regularly evaluates the overall effectiveness and efficiency of its maintenance and custodial service practices. | Yes |

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

The custodial staffing model is based on area/workload, in accordance with collective agreements. The school board and labour unions monitor custodial staffing levels to ensure compliance with collective agreements. The school board has not compared its custodial staff allocation model with those of other school boards.

The school board developed a custodial manual in consultation with labour unions and with input from school principals and school board management. The school board is implementing the green cleaning approach to custodial operations. School principals monitor custodial standards at the school level. Management utilizes a standard inspection checklist to monitor compliance with custodial standards.

## Development of Annual and Multi-Year Maintenance plan

Management develops an annual maintenance plan based on consultations with principals and annual school visits by teams comprised of facilities staff. Management has also developed a 10-year maintenance plan based on a survey of school principals. Each year, a team of facilities staff visits all schools to identify maintenance priorities. Management updates the initial multi-year plan based on the school visits and input from principals.

The list of proposed maintenance projects for the year is submitted to the Superintendent of Business for review. The Superintendent of Business presents the plan to the Executive Council, followed by approvals by the Board of Trustees.

Management indicated that the ReCAPP database is not updated on a regular basis. The school board has recently appointed an accounting supervisor in the facilities service department who will be responsible for updating ReCAPP. The school board does not have a system for planning and tracking preventative maintenance activities. Management recently purchased a computerized maintenance system which will support planning and tracking of maintenance activities.

## Training to Support Skills Development and Safety

The facilities services department develops an annual training plan for custodial staff. The plan includes mandatory and voluntary training on legislated requirements and cleaning standards.

All newly-hired custodial staff receives a two-week orientation training, followed by a period of job shadowing. Additional training has also been provided to custodians on the use of new equipment by vendors. The school board's maintenance staff receive regular training in their respective fields, including mandatory training.

## Standardization of Cleaning and Maintenance Supplies

Management uses a tracking system for existing pieces of equipment and a fleet of maintenance trucks. The facilities department staff uses standard log sheets for regular inspections of the maintenance trucks. The facilities department also tracks major pieces of equipment using a spreadsheet. The spreadsheet is updated once in several

years through manual checks of equipment. Management is currently moving to the annual update of the spreadsheet as part of the budget development process.

Monitoring of budget expenditure for custodial supplies is implemented centrally in the school board's office. The school board has established the Product Evaluation Committee (comprising school board management and labour unions) which meets annually. Schools use dispensers for all custodial supplies.

**Project Management, Monitoring and Supporting Systems**

The facilities services department does not use formal work orders. Management acknowledges that the lack of a work order system and a process that records, monitors and evaluates projects is inhibiting the school board's ability to ensure optimal use of resources. As a result, management has purchased a web based computerized maintenance management system (CMMS) which enables them to automatically generate, track, and log facility work orders, send alerts for maintenance and inspection requirements, track the school board's physical assets, and compile historical data for budget planning purposes.

**Recommendations:**

- The school board should consider enhancing its custodial staffing model by including additional factors such as the use of portable classrooms and facilities with the view to further streamlining custodial staffing. Management should also consider placing employees on modified work schedules. As a starting point, the school board should consider conducting a comparison of its staff allocation model with other school boards.

- Management should ensure implementation of a web based computerized maintenance system which would enable management, among other functions, to automatically generate track and log facility work orders. The school board should also maintain accurate and up-to-date information within the ReCAPP database.

## 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. | No |
| 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 the plan. | No |
| A comprehensive system exists to budget expenditures, track consumption and identify opportunities for further savings. | No |
| Billing for all school board facilities is consolidated from each utility. | No |
| Centralized technology that automates energy regulation and conservation (e.g. light control, desktop power) is used wherever practical. | Yes |

**Energy Management Plan**

Management recognizes the importance of promoting energy conservation, and initiated an energy conservation program several years ago. The program was based on the results of a system-wide energy audit conducted by external consultants. In 2004, management presented an Energy Conservation Plan to the Board, and requested funding from the Capital Renewal Budget. Additional funding was provided by Natural Resources Canada. In 2008, the facilities department revised and updated the Energy

Conservation Plan, based on the status of the initial plan and the future needs of the school board. The initial program included the following elements: building automation system, energy efficient lighting, door and window seals, window replacement, and boiler replacement. Following the update of the Energy Conservation Plan, management has focused on projects including further implementation of building automation systems, upgrades of interior and exterior lighting, replacement of boilers, replacement of windows and doors, and procurement of energy efficient appliances.

The school board has implemented energy conservation projects at schools by sending out educational kits to students and their families. Two schools have received national awards recognizing their energy efficient design. In addition, the school board has implemented electrical blackouts during weekends and public holidays.

**Tracking and Reporting Energy Conservation**

Management acknowledges that the school board needs to conduct monthly tracking of utilities consumption. Currently, most of the consumption data is obtained from utility bills and entered manually.

The school board has implemented centralized technology that allows staff to monitor and regulate energy consumption at most schools.

The school board does not receive consolidated billing from the utilities.

**Recommendations:**

- The school board should establish a multi-year energy management plan that incorporates quantifiable measures and is aligned with its strategic direction.

- Management should track energy consumption/expenditure data at the facility level. The tracking and analysis of energy consumption data provided by its utility companies will enable management to better track and monitor energy consumption patterns by facility. It will also contribute to further development of the energy management plan and enable formal annual reporting on the conservation savings.

- Management should consider obtaining consolidated billing for all school board facilities from each utility.

## 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 human resources department is responsible for the school board's occupational health and safety program. The school board has established health and safety policy

and procedures which are updated annually. The health and safety procedures establish the relevant roles and responsibilities of various school board staff.

The school board has also developed policy and administrative procedures for workplace safety and violence prevention in the workplace.

The programs department of the school board is responsible for implementing Ministry guidelines, policy, and legislation on healthy schools. Management has also established administrative procedures detailing how staff are to deal with cases of anaphylaxis. All of the school board's health policies and procedures are available on the web site.

The school board's safe schools procedures and programs are coordinated and monitored by the programs department.

The Risk Assessment Manager, who reports to the Senior Manager of Facilities and Support Services under the revised organizational structure, is responsible for coordinating and monitoring the school board's security procedures. The school board has policies and procedures regarding trespassing and video security surveillance. Management has also established an Emergency Response Program, including related policy and procedures. There is an information booklet with an emergency code system which is distributed among staff and students of the school board.

Management tracks vandalism incidents and associated costs.

The HR department monitors air quality standards as part of its occupational health and safety management. The facilities services department is responsible for monitoring water quality standards. Custodial staff receive regular mandatory training on flushing procedures.

## 5.5    Capital Plans, Policies and Procedures

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

- Assess whether school capital assets are being utilized effectively and efficiently;

- Assess how well management is planning for future capital requirements, based on enrolment forecasts and the capacity/maintenance issues of the existing asset base, relative to the funding available from the Ministry (i.e. NPP funding);

- Assess whether management is appropriately prioritizing the maintenance and renewal expenditures in light of the available Ministry funding and multiyear capital programs;

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

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

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

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

| Leading Practices – Capital Plans, Policies and Procedures | Evidence of Adoption? |
|---|---|
| The school board has an approved annual and multi-year capital 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 up-to-date assessment of facility conditions is maintained, based on industry standards (using RECAPP methodology). | No |

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

The school board has developed and submitted its five-year capital plan to the Ministry through the Ministry's SFIS web site. The plan was established when the school board had discussions with the Ministry regarding significant stranded debt and funding of past capital projects. New capital projects included in the current Capital Plan will be funded with new debentures, prohibitive to repair funding. The school board is also currently completing two accommodation reviews.

The school board considered a range of factors as part of the development of the plan, including enrollment forecasts, and accommodation review process. The capital plan is reviewed and updated annually. Annual adjustments in the capital plan are reported to the Board.

The school board's Capital Plan has been approved by the Board.

The Ministry requires that the plan include both projects with identified funding and those where the funding is unknown. This data is required by the Ministry to provide an understanding of the potential needs of all school boards over that time period. The school board submits the capital liquidity template to the Ministry.

Management established policy and administrative procedures for a pupil accommodation review in 2007. Policy and procedures are available on the school board's web site. The review involves extensive public consultation.

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

Management reported that all modules with the SFIS database have been updated. However, management acknowledges that data in ReCAPP is not updated on a regular basis, and has recently appointed an accounting supervisor in the facilities service department who will be responsible for updating ReCAPP.

**Recommendations:**

- Management should maintain accurate and up-to-date data within the ReCAPP database to support capital planning.

## 5.6 Construction Management

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

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

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

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

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

| Leading Practices – Construction Management | Evidence of Adoption? |
|---|---|
| Management uses cost-effective designs, standard footprints, energy conservation and economical construction practices to minimize construction, maintenance and operation costs. | No |
| Management maintains standard policy and procedures to rationalize construction projects, including benchmarking against other school board construction costs and design standards (including coterminous boards). | No |

## 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. | No |

## 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 five-year cycles. | No |

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

The school board had a number of challenges in undertaking construction projects before the new capital plan was submitted in 2008. The lack of both standard policies and procedures and cost effective construction practices resulted in budget overruns and project management issues.

For new construction projects included in the current capital plan, management intends to minimize expenditures on construction, renovation and operation costs, with cost-effective designs and economical construction practices.

## Monitoring and Reporting of Progress on Construction Projects

Management acknowledges that, in the past, project management of construction projects was not effective. The latest construction of a new school was completed in 2006. There were a number of challenges in the management of this construction

project, including the lack of monitoring and reporting to management and the board of trustees. As a result, the project was not completed within the established timeline.

Management intends to establish a project management process which would allow it to monitor and control construction projects and their costs.

**Maintaining Current Approved Professional Service Providers**

The school board does not maintain an approved list of contractors, architects, and related professionals. As a first step in improving the school board's construction practices, management has established procedures for the purchase of professional services. The procedure states that professional services will be subject to a tender call or a request for proposal process at least once every five years. The school board uses a two-envelope system to ensure that the evaluation is not influenced by prior knowledge of the price submission.

**Recommendations:**

- Management should establish cost-effective practices in the design and construction of facilities, including standard footprints, economical construction practices, and energy conservation.

- As part of establishing standard policy and procedures to rationalize construction projects, the school board should consider construction costs and design standards adopted by other school boards.

- Management should establish a project management process to monitor and control construction projects and their costs.

- Management should maintain an approved list of contractors, architects, and related professionals. The list should be evaluated and updated in five-year cycles.

# Appendices

## Appendix A: Overview of the Operational Review

### Operational Review Objectives

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

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

- Strengthen management capacity in 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.
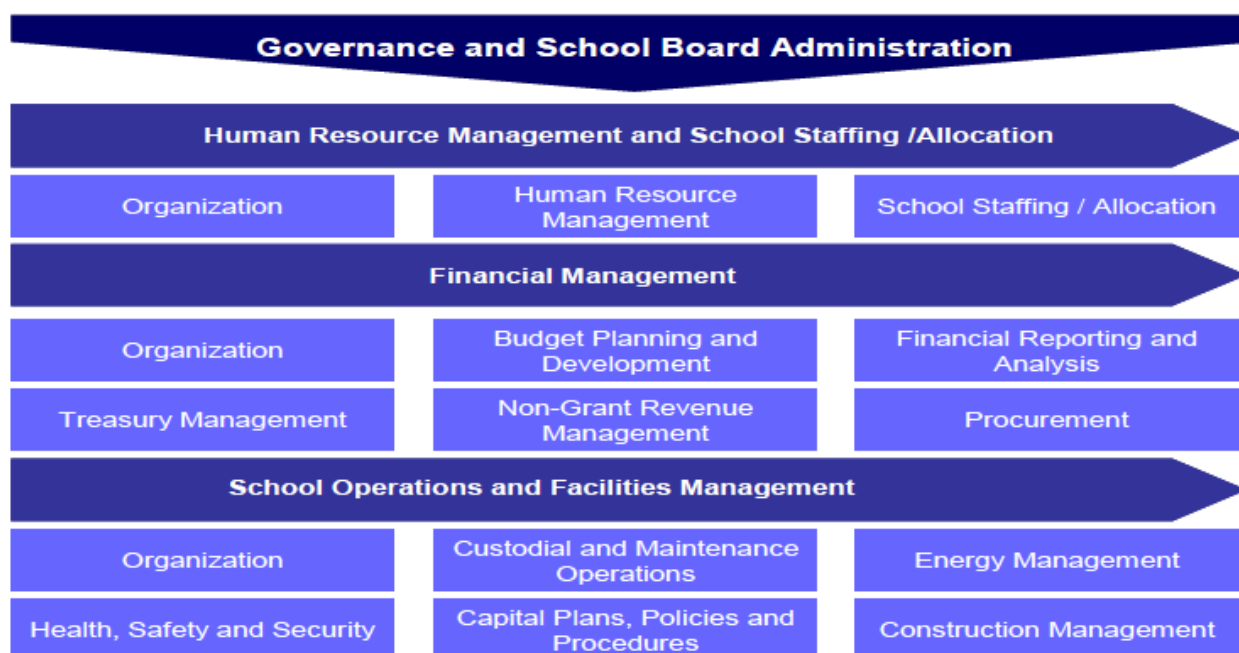
**Operational Review Summary Approach**

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

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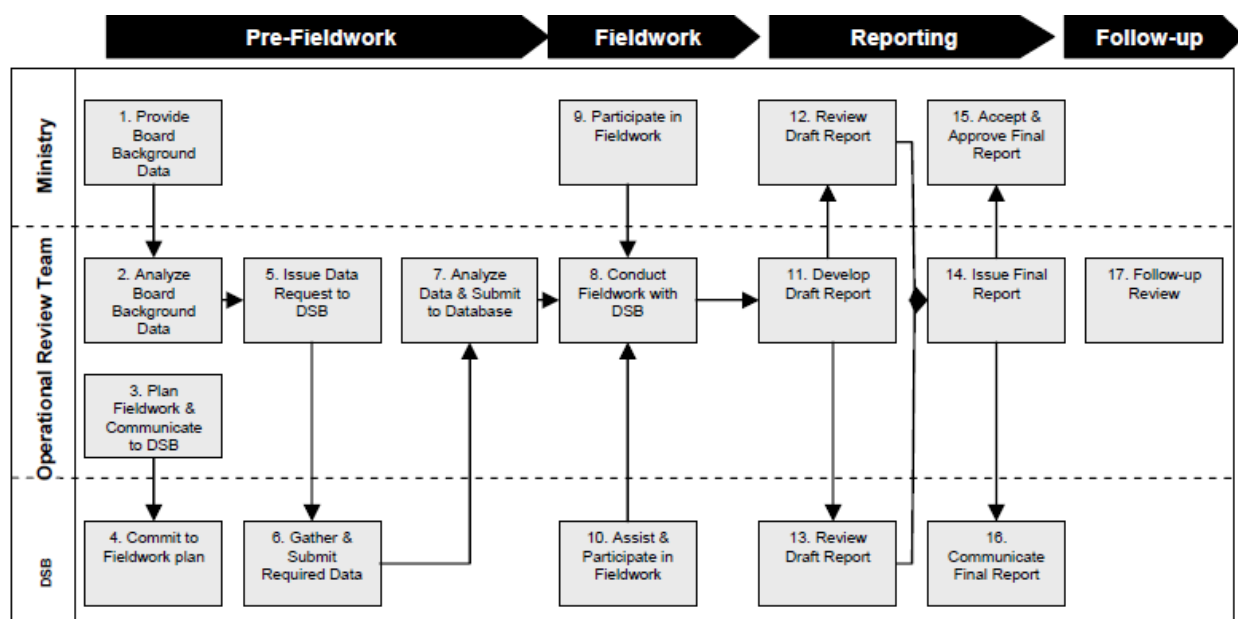
The Table below defines the key phases and activities which comprise the Operational review Methodology.

## Phase: Pre-Field Work

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

| Key Activity | Description |
|---|---|
| Gather and Submit Required Documentation | Upon receipt of the request for supporting documentation, each school board compiles the requested data. School boards have at least three weeks to complete this process prior to the start of the fieldwork. |
| Analyze Data and Submit to Database | The review team analyzes the data provided by each school board and adds the results to a sector-wide database to compare the results for each school board. |

## Phase: Field Work

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

## Phase: Reporting

| Key Activity | Description |
|---|---|
| Develop Draft Report | Based on the results of the fieldwork and data analysis, the operational review team writes a draft report. The draft report contains a synopsis of findings and, where appropriate, recommendations for improvement. |
| Review Draft Report (Ministry) | The Ministry reviews the draft report and provides feedback to the review team. |
| Review Draft Report (school board) | The review team meets with school 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.
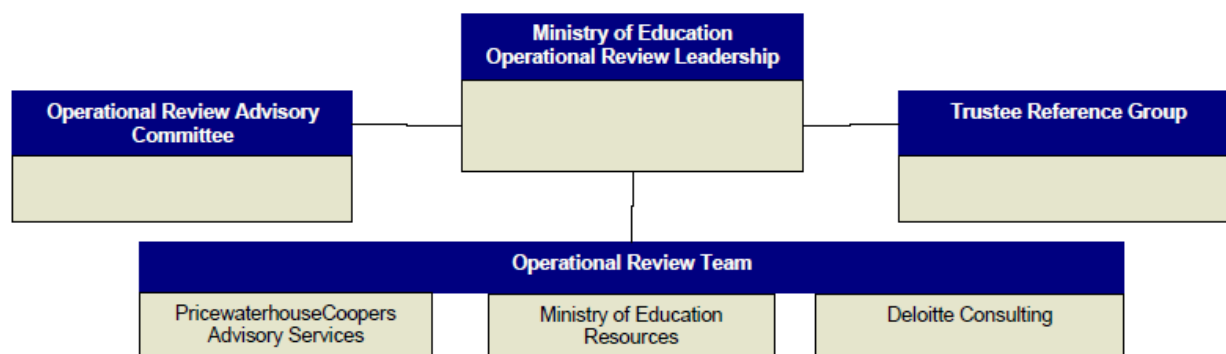


**Limitations of this Review**

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

## Appendix B: Summary of Recommendations

### Governance and School Board Administration

| No. | Recommendation |
|---|---|
| 1. | The school board should finalize its governance model by clearly delineating the division of duties between the board of trustees and the Director of Education. The governance process including clearly defined duties and responsibilities should be documented in Board's policies. |
| 2. | The Board should ensure that priorities, particularly in the area of governance, are established for the development of the Board's policies and that all policies are reviewed according to the policy review cycle. |
| 3. | The school board has informal planning processes and employee development programs to ensure leadership continuity and support succession planning at all levels of administration. However, the school board should develop a formal succession plan to manage departures of key staff. |

### Human Resources Management and School Staffing/Allocation

| No. | Recommendation |
|---|---|
| 4. | Management should establish formal disciplinary procedures for all teaching and non-teaching staff. Existing progressive discipline practices should be formalized and communicated to all staff. |
| 5. | The HR department should develop a comprehensive attendance management program, with policies and procedures for specific categories of absenteeism. This would provide a consistent and structured approach to improving attendance, including positive reinforcement for employees and standardized practices across all employee groups. |
| 6. | The HR department should periodically report on the effectiveness of the attendance management process/programs to senior management and the Board. |
| 7. | Management should conduct independent compliance audits of the school board's insurance carrier, to ensure adherence to the benefit plan's terms and conditions. |
| 8. | Management should conduct periodic and confidential staff surveys, to improve communication with staff and provide input for professional development plans and HR policy. |
| 9. | Management should conduct exit interviews. These interviews would provide input for HR policy, as well as process and program improvement. |
| 10. | Management should compare its staffing costs and funding models with similar school boards to ensure efficient use of resources. |

## Financial Management

| No. | Recommendation |
|---|---|
| 11. | Interim financial reports should be enhanced by providing explanations of variances and a forecast of expenditures for each category, based on historical data, or (for salaries and benefits) the number of staff and pays processed to date. |
| 12. | Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost of each option. |
| 13. | As part of the internal auditor's mandate, the school board should establish and document audit plans. Management should follow up and act upon internal audit report recommendations. |
| 14. | The audit committee should be expanded to include at least two external members with appropriate professional backgrounds and designations to act as advisors and contribute to the committee's effectiveness. |
| 15. | Management should ensure that all financial reports are completed and filed in accordance with established timelines. |
| 16. | The school board should ensure that the external auditors provide a report with audit findings, and that any recommendations are acted upon by management. |
| 17. | While the school board currently does not have investments, management should consider establishing an investment policy and periodically reporting to the board on the performance of the investment activity |
| 18. | The school board should compare its banking terms and conditions to those of similar school boards. |
| 19. | Management should tender its banking services with the view to consolidating all cash management activities with a single financial institution. |
| 20. | Management should consider implementing an electronic payment and registration system for permitting of facilities and continuing education. In doing so, management should continue reviewing the existing solutions in place at the local municipality and other school boards. |
| 21. | Management should consider implementing the electronic supplier interface for ordering, processing and payment. |
| 22. | Management should implement electronic funds transfers (EFT) for vendor payments. The use of EFT would build efficiency by simplifying and automating the payment process. |

## School Operations and Facilities Management

| No. | Recommendation |
|---|---|
| 23. | Facilities management should develop an annual departmental plan that aligns with the objectives of the school board's annual operational plan. The 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. |
| 24. | The school board should consider enhancing its custodial staffing model by including additional factors such as the use of portable classrooms and facilities with the view to further streamlining custodial staffing. Management should also consider placing employees on |

| No. | Recommendation |
|---|---|
| | modified work schedules. As a starting point, the school board should consider conducting a comparison of its staff allocation model with other school boards. |
| 25. | Management should ensure implementation of a web based computerized maintenance system which would enable management, among other functions, to automatically generate track and log facility work orders. The school board should also maintain accurate and up-to-date Information within the ReCAPP database. |
| 26. | The school board should establish a multi-year energy management plan that incorporates quantifiable measures and is aligned with its strategic direction. |
| 27. | Management should track energy consumption/expenditure data at the facility level. The tracking and analysis of energy consumption data provided by its utility companies will enable management to better track and monitor energy consumption patterns by facility. It will also contribute to further development of the energy management plan and enable formal annual reporting on the conservation savings. |
| 28. | Management should consider obtaining consolidated billing for all school board facilities from each utility. |
| 29. | Management should maintain accurate up-to-date data within the ReCAPP database to support capital planning. |
| 30. | Management should establish cost-effective practices in the design and construction of facilities including cost-effective designs, standard footprints, and energy conservation. |
| 31. | As part of establishing standard policy and procedures to rationalize construction projects, the school board should consider construction costs and design standards adopted by other school boards. |
| 32. | Management should establish a project management process, to monitor and control construction projects and their costs. |
| 33. | Management should maintain an approved list of contractors, architects, and related professionals. The list should be evaluated and updated in five-year cycles. |