Ministry of Education

Operational Review Report

Northeastern Catholic District School Board

July 2010

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1. Executive Summary

This report details the findings and recommendations of the Operational Review of the Northeastern Catholic District School Board (the school board) conducted by the Operational Review Team composed of external consultants from Deloitte and Ministry of Education staff. The Operational Review was conducted over three days beginning April 6, 2010.

Introduction

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

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

The review team found that the school board has implemented many leading practices. Noted strengths include the school board's stakeholder engagement, staff allocation processes (in particular educational assistant and custodial/maintenance staff allocation), financial reporting, and the use of green cleaning products. A summary of the findings and recommendations identified in each of the functional areas reviewed follows. Details can be found in subsequent sections of the report.

Governance and School Board Administration

The school board has adopted many leading practices in governance and school board administration, including:
- Appropriate processes for decision making to address student achievement targets and operational performance.
- An organizational structure that clearly defines organizational units, delineates roles and responsibilities, minimizes administrative costs, and ensures effective and efficient operation.
- The board of trustees and senior administration proactively engage internal and external stakeholders on a regular basis, and through a variety of communications vehicles.

While the school board has delineated the roles and responsibilities between the Board of Trustees (the Board) and senior administration, in some of its terms of reference for

committees, it has not formally adopted an overarching governance model. The school board is encouraged to create an overarching governance policy that clearly delineates these roles and responsibilities.

The school board is encouraged to develop a formal multi-year strategic plan, as well as an annual operating plan. This will further enhance operational effectiveness by demonstrating the alignment of the plan to the multi-year strategic plan. The operating plan would cover all operations, including program areas, human resources, financial management, and facilities management. As the strategic and operational plans are developed, senior administration should report annually to the Board on their status and outcomes.

While the Board encourages reviews of its policies, it does not provide clear indication of what triggers a review of a policy. The Board should implement a formal review process and refresh cycle for all of its policies. The review cycle or schedule should be managed centrally, and made available to all internal stakeholders.

The school board is encouraged to develop a formal succession and talent plan for both academic and non-academic staff. This will help build and sustain leadership capacity across all aspects and departments of the school board.

Recommendations:

- The school board should develop a formal policy that clearly delineates the division of duties and responsibilities between the board of trustees and the director of education, including the development of a code of conduct for trustees. This will ensure roles and responsibilities are clearly articulated and delineated and will help to support an effective working relationship.

- The school board, using a consultative process, should develop and communicate a multi-year strategic plan that provides a framework for annual planning.

- Once this overarching strategic plan is developed, the school board should develop a formal annual operational plan aligned with the Board's multi-year strategic goals. This annual operating plan should cover all aspects of its non-academic operations, including human resources, financial management, and facilities management. This will also enable all departments to track and report progress on their defined priorities and goals throughout the year.

- Senior administration should report to the Board of Trustees annually on the status and outcomes of the school board's strategic plan and annual operating plan, once they are developed.

- The school board should consider establishing a formal refresh cycle for its policies, to ensure periodic review of all policies across functional areas. This could include forming a policy committee to consider policies for review or development.

- The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators. This should

include senior staff in both academic and non-academic functions and would help build and sustain leadership capacity.

Human Resources Management and School Staffing/Allocation

The Human Resources (HR) department at the school board has implemented many of the leading practices, including:

- A clearly defined organizational unit, with delineated respective roles and responsibilities.
- Processes to monitor compliance of HR policies and procedures.
- Standardized hiring policies.
- Effective labour relations, including established policies and procedures to minimize grievances.
- Policies and procedures for employee evaluation, professional development, and discipline are in place for all staff.
- Management of HR and payroll data is adequately controlled, tracked, and reviewed.
- Plans and processes for the monitoring and reporting of staff allocation are maintained and accessed by both HR and Finance.
- Independent compliance audits of the board's insurance carrier ensure adherence to the benefit plans terms and conditions.

The HR department currently pursues objectives in the school board-wide goals document and a department goals document, but does not develop an annual department plan. The department is encouraged to expand on the department goals document, and to consider developing an annual department plan, complete with measurable targets, designated accountabilities, and target timelines.

Although significant and detailed processes regarding absence reporting are in place (and updates to the process are being approved), the school board should continue to consolidate its procedures in one attendance management document. An effective attendance management program combines polices/procedures, information systems to record and analyze trends in absenteeism, and dedicated resources to develop a cohesive and consistent strategy. The strategy is reported to the Board and senior administration.

HR does not formally survey staff for feedback or measurement of general attitudes. Management does not formally conduct exit interviews in any department for departing staff. Although the school board has a low staff turnover rate, practices such as exit interviews and staff surveys can provide management with valuable input, for both professional development and policies impacting future employee relations.

Recommendations:

- The HR department should consider developing an annual department plan aligned with the school board's operating plan and overall strategic direction.

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

- Management should continue to develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance across all employee groups.

- Management should periodically report to the Board and senior management on the effectiveness of its attendance management program, once it is in place.

- Management should consider developing staff satisfaction surveys, which should include all employee groups. This would improve communication with staff, and provide input for professional development plans and HR policy.

- Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy as well as process and program improvement.

Financial Management

The Financial Services department (the finance department) has implemented several leading practices:

- A clearly defined organizational unit with job descriptions that delineate the respective roles and responsibilities of its staff.
- Ongoing education regarding financial policy is supported by monitoring the compliance of these policies.
- Annual budget development process is transparent and clearly communicated, incorporating input from key stakeholders including staff, management, trustees, and the community.
- The school board's integrated financial information system provides useful, timely, and accurate information for management and stakeholders.
- Controls are used to safeguard school-based funds, while ensuring the reporting of revenues and expenditures from schools and school councils.

The department has developed an annual goals document, but it has not developed a formalized annual department plan. Management should consider developing an annual department plan, complete with measurable targets, designated accountabilities, and target timelines.

The department does not document all significant risks associated with budget planning, nor does it develop strategies to mitigate these risks. Although there are a number of processes in place to mitigate budgetary risks, they are not formalized in a risk management policy or document. The department should consider consolidating key risks and mitigation strategies into a single risk plan.

The school board does not currently have an internal auditor. It reported that it will follow the Ministry directive once the new guidelines are established. Developing a mandate for the internal audit function would assist the senior administrative team and the Board in

their overall governance and accountability roles. The internal audit function can also help develop performance measures and indicators for programs and services.

The school board has not consolidated school bank accounts in one institution, primarily because of geographic limitations. Schools should be encouraged to use the school board's bank where feasible. There is no investment policy in place at the school board but a draft policy is presently undergoing initial review by the Director. The school board is encouraged to implement an investment policy and report regularly on investments to the Board in accordance with the *Education Act.*

The school board has not consolidated school bank accounts in one institution, primarily because of geographic limitations and a number of remote locations that only have reasonable access to one community bank. Often these banks are not the same financial institution used by the school board. Notwithstanding these challenges the school board should consider consolidating cash management activities with a single institution, where feasible.

Management is encouraged to develop processes or policies that ensure controls are in place to safeguard non-grant revenue and coordinate the annual reporting of revenues and expenditures from all sources.

The school board does not currently maintain approved procurement policies or procedures that are aligned with the Supply Chain Secretariat's Supply Chain Guideline (SCG) Version 1.0. The school board is encouraged to develop a procurement policy that is aligned with the SCG and which also outlines circumstances where it should use either competitive or non-competitive procurement methods. The policy should also be approved by the Board, communicated to staff with purchasing authority, and periodically reviewed and updated.

Management does not actively pursue strategies to increase purchasing power or minimize the costs of goods and services procured through active participation in purchasing consortia. The school board is encouraged to expand and develop its strategies to increase purchasing power, including expanding its involvement in group buying initiatives.

The school board is currently reviewing its policy (E-3) that identifies levels of purchasing authority. The policy does not indicate the workflow of purchasing approval, nor does it specifically reference purchasing by dollar threshold or role. The school board is encouraged to build this detail into the policy through the review process.

The school board does not currently have a PCard program for small dollar purchases. The school board should perform an analysis of low dollar spending, to determine whether the cost of adopting PCards would be justified. PCards can reduce administration cost and risk associated with manual invoices and petty cash for high volume, low value purchases.

Management is encouraged to implement an electronic supplier interface for ordering, processing and payment. This could present opportunities for the school board to increase process efficiencies.

The school board uses Electronic Funds Transfer (EFT) payments for employee payroll, but does not use EFT to pay most of its suppliers. The school board is encouraged to expand the use of EFT in the purchasing payment cycle, to maximize efficiency within the Accounts Payable department.

Recommendations:

- The finance department should consider developing an annual department plan aligned with the school board's annual operating plan and overall strategic direction. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.

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

- Management should consider establishing an internal audit function giving consideration to the emerging Ministry direction on internal audit across the school board sector.

- When the school board establishes an internal audit function, it should ensure any internal audit plans are clearly documented and that internal audit report recommendations are followed up and acted upon by management.

- Management should periodically report to the Board on the performance of the school board's investment activity and develop an investment policy in accordance with the Education Act.

- The school board should consolidate cash management activities with a single institution, where feasible.

- Management should ensure adequate controls are in place to safeguard non-grant revenue and coordinate the annual reporting of revenues and expenditures from all sources.

- The school board should review and update its supply chain and procurement policies, ensuring that they are aligned to the Supply Chain Guidelines Version 1.0, communicated to staff with purchasing authority and periodically reviewed and updated.

- Management is encouraged to develop procurement policies that clearly outline circumstances under which the school board will use competitive versus non-competitive procurement methods.

- Management should pursue opportunities for joint purchasing to increase purchasing power and minimize the cost of goods and services procured.

- Management is encouraged to develop guidelines that ensure purchasing authorization levels are commensurate with job roles and responsibilities and that such levels are monitored for compliance by a supervisor or department head.

- The school board should consider implementing the use of PCards for appropriate school staff. PCard use can reduce the volume of supplier invoices to be processed and can be a more efficient means of local purchasing. Appropriate control procedures and guidelines should be put in place to support the use of PCards.

- Management is encouraged to implement an electronic supplier interface for ordering, processing, and payment. This is an opportunity for increased process efficiencies.

- Management should continue to explore additional Electronic Fund Transfers (EFT) opportunities to maximize efficiencies, where feasible.

School Operations and Facilities Management

The department has adopted several of the leading practices in operations and facilities management, including:

- The development of processes to monitor school operations and facilities management policy compliance by all staff and management.
- The implementation of a green cleaning program.
- Developing and communicating a multi-year plan for major maintenance and renewal projects as well as multi-year capital plans.
- Annual training plans for staff that addresses ongoing skills development and emerging regulatory issues.
- On-going monitoring and maintenance of data supporting capital planning, including using SFIS and ReCAPP methodology.
- Cost effective practices in the design and use of facilities, project management controls, and maintaining and updating lists of contractors and service providers.

The plant department goals document does not incorporate measurable targets, specific timeline or responsibilities. Management should consider developing an annual department plan, complete with measurable targets, designated accountabilities, and deadlines that are aligned with the annual operating plan. This in turn would roll up to support the overall school board strategic plan, once these documents are developed.

There is no annual report developed on cleaning standards, since there is no approved standard. The school board is encouraged to develop and enforce cleaning standards, to maintain consistency of site cleanliness across the school board.

The school board does not have an inventory system to track major custodial or maintenance equipment. The school board should develop an inventory system to track and control major cleaning equipment, as well as to ensure that appropriate maintenance is provided for each piece of equipment.

The department tracks and records its work orders manually. Work orders are approved by management and batched according to project. Management is encouraged to perform a cost/benefit analysis of whether an automated work-order system would enhance capacity and efficiency.

The school board should expand its energy conservation procedures and related procurement practices. The department should combine its multiple existing practices while establishing a multi-year energy management plan that incorporates measures to be implemented, and the tools to monitor and manage the plan. The multi-year plan should include a procurement policy that supports and references energy efficient products, including (where feasible) a requirement that all new equipment have an appropriate energy efficiency rating. Once a formal plan is in place, the school board is encouraged to communicate successful conservation initiatives across all schools and with other school boards.

The school board has no formal energy conservation plan and as such has no annual reporting of conservation measures. There is currently no comprehensive system in place to budget expenditures, track and regulate consumption, or identify opportunities for future savings. The school board is encouraged to develop, track and formally report on energy conservation goals.

The school board does not have an environmental policy. Such a policy would support more efficient monitoring and forecasting of energy consumption. The school board is encouraged to develop an overarching environmental policy that addresses both environmental education and responsible management. Management should ask utility companies to provide consolidated billing in an electronic format, where possible, which would support more efficient monitoring and forecasting of energy consumption. In addition, the school board should use the tools and references available through the Ministry's Utility Consumption Database, created to help school boards consolidate their billing and track energy consumption.

The school board maintains some aspects of detailed safety and fire procedures. It is encouraged to adopt its lockdown procedure and consolidate all existing emergency plans into one policy document, including a detailed emergency and crisis response plan. Management is also encouraged to develop a health plan reflecting school board health policies and procedures.

The school board is not aware of the principles outlined in the *Ontario Green Energy Act*. It should consider them to enhance the construction, acquisition, operation and management of school facilities.

Recommendations:

- The plant department should consider developing an annual department plan aligned with the school board's operating plan and overall strategic directions. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.

- The school board should implement cleaning standards for schools and develop a standard process to monitor, manage and report on results. Once this in place,

management should also report to senior administration on the results of the compliance reviews.

- The plant department should develop and maintain an inventory for its major cleaning and maintenance equipment.

- Management should investigate the cost-benefit of implementing a new work order system to streamline the management, dispatch, tracking and reporting of facility renewal and general maintenance work orders.

- The school board is encouraged to establish a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.

- The school board should enhance its procurement policy to promote the procurement of energy efficient goods and services where feasible and support energy management goals.

- Successful conservation techniques currently used by the school board should be communicated across all schools and with other school boards, to enhance recognition of energy management across the system.

- Management should provide formal annual reporting to the Board on the energy conservation savings achieved against the plan once it has been developed.

- The school board should develop a system to track consumption, budget expenditures, and identify opportunities for further energy management savings.

- The plant department should work with its major utility providers to consolidate billings for schools to one periodic invoice per utility and use the Ministry's Utility Consumption Database to help consolidate their billing and track energy consumption.

- The school board is encouraged to develop an overarching environmental policy that addresses both environmental education and responsible management.

- The school board should develop a security strategy reflecting the security and student safety policies and ensuring compliance with associated statutory security requirements.

- The school board should develop, implement and monitor a health strategy that reflects the board's health policies and procedures and ensures the school board is in compliance with statutory health requirements.

- In constructing, acquiring, operating and managing school facilities, the school board is encouraged to be guided by the principles outlined in the *Ontario Green Energy Act, 2009*.

Background and Overview

1.1 School Board Profile and Structure

The Northeastern Catholic District School Board is committed to one common goal: success for every student. The collective goal of parents, teachers, support staff, administration, and trustees is to support, challenge, and inspire every student to achieve their full potential. Responsible for providing public education to 2,378 students, the school board offers a diverse range of programs in its 15 schools.

Enrolment has declined by approximately 846 students or 3.7 per cent since 2002-03. The school board's enrolment continues to decline.

The Senior Administration Team at the school board is composed of the Director of Education, supported by senior staff as follows:
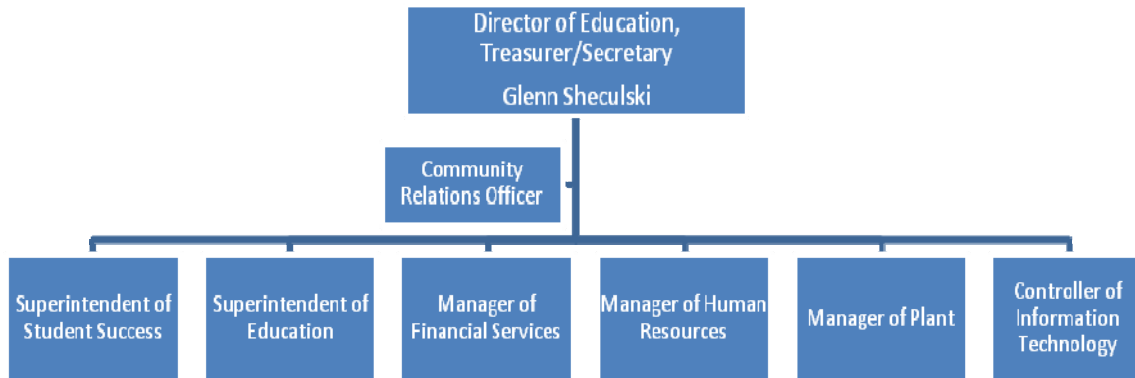
1.2 Key Priorities of the School Board

The Northeastern Catholic District School Board developed the following mission statement:

"The Mission of the Northeastern Catholic District School Board, as a Catholic Community of learners, is to ensure that all students develop the knowledge, skills and values to reach their full potential, with Christ as the Way, the Truth and the Light."

The school board currently identifies its priorities through a 2009/2010 strategic goals plan. Identified in this plan are four pillars which help guide the school board: "Our Catholic Identity", student achievement and system alignment: JK – 12 continuum, financial accountability and Safe schools and Parental Engagement.

1.3 Student Achievement

The EQAO results for the school board show that students' reading, writing and math scores for both Grade 3 and 6 are below the provincial average.

At the secondary level, Grade 9 EQAO results are consistently below the provincial average. Grade 10 Ontario Secondary School Literacy Test (OSSLT) results are also generally above or equal to the provincial average. The following charts show the school board's EQAO and OSSLT results over the last seven years.
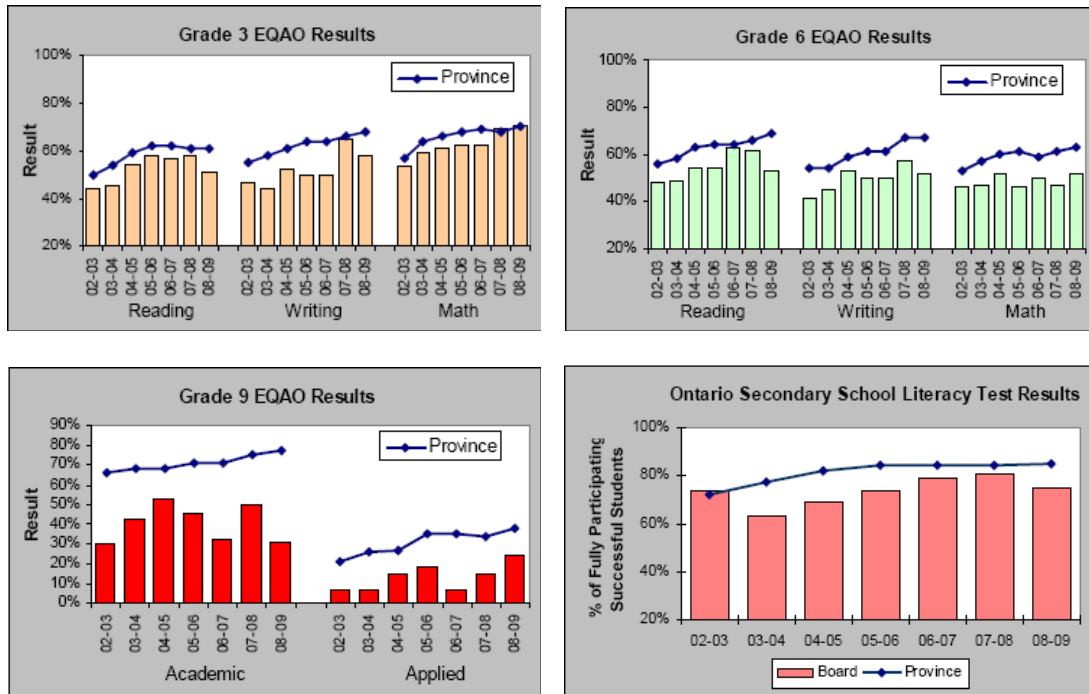
1.4 Fiscal Overview

The school board has presented balanced budgets to the Ministry over the past two years.

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

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

FINANCIAL DATA	Northeastern Catholic DSB		
Summary Financial Data	**2007-08 Financial Statements**	**2008-09 Financial Statements**	**2009-10 Revised Estimates**
Revenues:			
Legislative Grants	$26,501,456	$27,805,084	$30,103,572
Local taxation	$5,320,029	$5,135,075	$5,232,912
Board Revenues	$654,923	$357,292	$833,676
Other Operating & capital Grants	$1,281,789	$1,616,908	$1,700,342
Total Revenues (Schedule 9)	$33,758,197	$34,914,359	$37,870,502
Expenditures:			
Operating expenditures	$33,130,075	$34,052,900	$36,533,948
Capital expenditures - Before transfers from reserves	$352,053	$540,817	$1,336,553
Transfer to (from) Reserves	$0	$313,747	$4
Total Expenditures	$33,482,128	$34,907,464	$37,870,505
In-year Surplus (Deficit)	$276,069	$6,894	$0
School Board Reserves and Deferred Revenues:			
Retirement Gratuities	$298,604	$302,609	$305,635
Reserve for Working Funds	$3,046,457	$3,046,457	$3,076,922
School Activities	$3,070	$0	$0
WSIB	$104,748	$106,153	$107,215
Miscellaneous	$0	$3,111	$3,142
Pupil Accomodation Debt Reserve	$304,509	$622,344	$302,732
GPL Reserve	$76,757	$77,787	$95,561
Total Reserve Funds (Schedule 5)	$3,834,145	$4,158,461	$3,891,207
Reserve for Classroom Expenditures	$2,128,936	$1,359,798	$473,656
Special Education Reserve	$33,220	$33,666	$0
Distant School Reserves	$95,363	$96,642	$0
Other Operating Deferred Revenues	$689,400	$537,545	$269,389
Proceeds of Dispositions Reserve- School Buildings	$1,155,683	$0	$0
Proceeds of Dispositions Reserve- Other	$0	$1,171,183	$1,182,895
Energy Efficient School - Capital	$0	$93,796	$938
Total Deferred Revenues (Schedule5.1)	$4,102,602	$3,292,630	$1,926,878
Total Board Reserves and Deferred Revenues	$7,936,747	$7,451,091	$5,818,085

1.5 Key School Board Statistics

The following table highlights key statistics for the school board. There has been a decrease in enrolment since 2002-03.

Summary Board Statistics

		2002-03 Actual	2009-10 Revised Estimate
Day School Enrolment:			
Elementary Day School ADE		2,356	1,930
Secondary Day School ADE		407	448
	Total Day School Enrolment	2,763	2,378
Primary Class Size:		**2003-04**	**2009-10**
% of Classes Less Than 20		66%	90.4%
% of Classes Less Than 23		81%	100%
Average Class Size - Jr/Inter		22.04	19.24
% of 3/4 Classes 23 & Under		0%	100%
% of Combined Classes		18%	41%
Staffing:			
School Based Teachers		186	199
Teacher Assistants		48	50
Other Student Support		25	16
School Administration		17	14
School Clerical		15	15
School Operations		27	32
Other Non-Classroom		26	20
	Total Staffing	344	346
Teacher - Pupil Ratio		1 : 15	1 : 12
FTE Staff per 1,000 Pupils (ADE)		124.0	145.4
(Note: Impacted by Class Size and Special Education)			
Total Salary & Benefits as % of Net Operating Expenditures		74.4%	81.7%
Special Education:			
Special Education Incremental Expenditures		$3,408,245	$4,410,809
Special Education Allocation		$3,821,203	$4,410,809
	Spending above Allocation (Reserve)	-$412,958	$0
School Utilization:			
Number of schools		14	15
Total Enrolment (ADE)		2,763	2,378
School Capacity (Spaces)		3,757	3,632
	School Utilization	73.6%	65.5%
	Board Area (Km2)	24,630	24,630
	Number of Trustees	8	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 both student achievement and effective school board operations.

Governance and 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 governance and school board administration. Our findings are a result of our review of the data provided by the school board and our fieldwork, which included interviews with the Chair, the Director and senior staff of the school board.

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

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
Establishment of an Effective Governance Model	
The school board's governance model clearly delineates the division of duties and responsibilities between the board of trustees and the director of education to support an effective working relationship.	No
Development of the Board's Strategic Direction and the Annual Operating Plan	
The board of trustees, using a consultative process, develops and communicates a multi-year strategic plan that provides a framework for annual planning.	No

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The director of education and senior staff develop an annual operating 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.	No
The senior administration periodically/annually report to the board of trustees on the status and outcomes of the school board's strategic plan and annual operating plan.	No
Decision-Making Processes	
The board of trustees and senior administration have appropriate processes for decision making to address student achievement targets and operational performance.	Yes
The board of trustees and senior administration have appropriate processes for the establishment and regular maintenance of policies and administrative procedures for the efficient and effective operation of the school board.	No
Organizational Structure and Accountability	
The organizational structure has clearly defined organizational units that delineate roles and responsibilities, minimize administrative costs and ensure effective and efficient operation.	Yes
A departmental organization chart (supplemented with a directory of key staff contact information) is publicly available on the school board's website.	Yes
Succession and Talent Development	
As part of the Ministry's *Ontario Leadership Strategy*, the director of education, with support from HR, has established a formal Succession and Talent Development Plan to build and sustain leadership capacity.	No
Stakeholder Engagement	
The board of trustees and senior administration proactively engage internal and external stakeholders on a regular basis and through a variety of communications vehicles (e.g., websites, e-mail, memos, town halls, etc.).	Yes
Key senior staff from all functional areas are members and participants in sector committees of provincial associations and/or Ministry workgroups.	Yes

Establishment of an Effective Governance Model

The governance structure is supported by eight experienced trustees and one student trustee. The relationship between the Director and the Chair of the Board (the Chair) is reported as being collegial and collaborative. This is similar to the relationship between the Chair and other trustees.

While the school board has delineated the roles and responsibilities between the Board and senior administration in some of its terms of reference for committees, the school board has not formally adopted this as an overarching governance model. The school board reported that trustees often play a decision-making role in the operations of the school board, in addition to setting strategic direction and developing supporting policy.

In this regard, the school board is encouraged to create an overarching governance policy that delineates the division of duties and responsibilities between the Board of Trustees and the Director, and incorporates direction provided in: "An Act to amend the Education Act with respect to student achievement, school board governance and certain other matters" (Bill 177).

The Director of Education is supported by a team of six senior staff:
- Superintendent of Student Success
- Superintendent of Education
- Manager of Financial Services
- Manager of Human Resources
- Manager of Plant
- Manager of Information Technology

The Board works directly with the senior administration team through a committee structure. In addition to the Committee of the Whole, the school board has a number of committees as follows:

Standing Committees
- Executive Committee
- Budget Committee
- Suspension and Expulsion Committee
- Audit Committee
- Transportation Committee
- Catholic Faith Advisory Committee

Statutory Committees
- Special Education Advisory Committee (S.E.A.C.)
- Supervised Alternative Learning For Excused Pupils Committee (S.A.L.E.P.)
- Safe Schools Committee
- Animal Committee

Ad-hoc Committees
- Building Committee
- Aboriginal Education Committee
- Information Technology Committee
- Catholic Parent Involvement Committee

The school board policy B-2 (*Board Committees*) provides rules governing all committees, as well as detailed regulations of each of the standing, *ad hoc* or special committees. Additional policy documentation that details the purpose and scope of the committee has also been developed for several of the specific committees.

The Board uses a formal process to perform an annual performance appraisal of the school board's previous Director. This process involved receiving input from both principals and staff on the Director's performance. The Chair indicated there is interest this year to perform a formal evaluation of the current Director using an evaluation format provided by the Ministry. The Director does not have an up-to-date job description and the Chair indicated their intent to use the Ministry's evaluation tool to build the Director's job description in the future.

A written code of ethics is available to trustees via an online policy manual. There are informal mentoring opportunities, (including conversations with long standing trustees) which are available to new trustees, although no formal mentoring program exists. A formal trustee orientation program could include formalized peer mentorship relationships and trustee training sessions through organizations such as the Ontario Public School Boards' Association (OPSBA).

Development and Reporting of Annual Goals and Priorities

The school board does not have a formal multi-year strategic plan. It also does not have a process outlining steps and timelines for the creation of such a plan. The school board has developed a strategic priorities document for 2009-2010 in the absence of a multi-year strategic plan. This document outlines annual goals that were established by senior administration, using a bottom up approach that considered suggestions and ideas from all staff groups and the Board. This document includes academic and non-academic goals outlined for the human resources (HR), finance and business and plant departments.

While the strategic goals document and the Board Improvement Plan are key elements in strategic planning, the Board has not developed a multi-year strategic plan. The Board is encouraged to develop a multi-year strategic plan that incorporates both academic and non-academic goals, and provides a clear direction to all staff on long-term goals.

Once the multi-year strategic plan is developed, the school board is encouraged to develop a formal annual operating plan that will further enhance operational effectiveness by demonstrating the alignment of the plan to the Board's multi-year strategic plan. This plan would cover all operations, including human resources, financial management, and facilities management. This will also enable the departments to track and report progress of their defined priorities and goals throughout the year. This annual department operating plan will also assist departments in developing annual plans that can be refreshed regularly without altering the overall strategic plan. Once these plans have been developed, senior administration should report annually to the board of trustees on their status and outcomes.

Decision-Making Process

The process for agenda-setting and decision making for the Board is formalized, and addresses student achievement targets and operational performance. Board meeting agendas are set through the school board's Executive Committee, which is composed of the Director, the Chair and the Vice-Chair of the Board. Executive Committee meetings take place prior to monthly Board meetings. Standing items on monthly meetings include updates from the school board's two superintendents and three managers.

The Board makes decisions regarding new policies based on staff reports and Board discussion. Policies require a majority vote of members for approval. As outlined in policy B-6, (*Approval, Amendments and Exceptions to Policies*) voting requirements are different when making amendments or exceptions to existing policies. In order to pass an amendment or exception, two-thirds of Board members present must approve and vote in favour of the proposed amendments or exceptions. Topics with policy implications are presented for Board input. Issues of procedure or protocol in the application of policies do not need Board input, and are usually not presented. As the governance model is re-evaluated, consideration should be given to ensure a delineation of duties between topics with policy implications and those concerning procedures or protocols.

The school board maintains a list of policies available to all staff through a policy manual. Reviews of policies take place as mandated in policy B-6. However, this policy provides no clear indication of what will trigger the review of an existing policy. The Board should implement a formal process and refresh cycle for all of its policies. The policy review cycle or schedule should be managed centrally. It should also identify an established timeframe for policy review, and be made available to all internal stakeholders.

Organizational Structure and Accountability

The organizational structure and the roles and responsibilities of the school board's senior administration team has been formally defined and documented through HR job description documents. The Director of Education is supported by a team of six senior staff, as follows:
- The Superintendent of Education
- The Superintendent of Student Success
- Manager of Finance
- Manager of Human Resources
- Manager of Plant
- Manager of Information Technology

The school board also employs a Community Relations Officer (who reports directly to the Director) who is responsible for outreach, communications, and management of the communications calendar at the school board. The reporting structure of the school board, including contact information for all key staff, is available on the school board's website. The school board should publish a copy of its organizational chart on its website.

Succession and Talent Development

The school board does not have a formal plan for succession planning and talent development. It remains at the pre-implementation stage with respect to the Ontario Leadership Strategy, which has only been shared with school board principals to date. The school board reported that they are in the early stages of implementing these processes. In addition, the Director has identified leadership planning as a priority, and intends to model the school board's leadership and talent development program on similar programs used by other school boards.

The school board is encouraged to develop a formal succession and talent plan for both academic and non-academic staff. This will help build and sustain leadership capacity across all aspects and departments of the school board.

Stakeholder Engagement

Management actively consults with stakeholders. When considering new policies or amendments to existing policies, the school board posts draft policy documents on its website, to gather public feedback on potential changes. Once adopted, policy changes are communicated to parents via a postal letter. The school board reports that draft documents or policies posted to the school board's website have received little public comment or input.

The school board uses the school year calendar to plan communications efforts. Although school board communications requirements are outlined in the communications calendar, the school board lacks a formal communications strategy.

Members of the senior administrative team are actively involved at various provincial and national forums, including membership in the Ontario School Counselors' Association (OSCA), the Ontario Catholic School Trustees Association (OCSTA) and the Ontario Catholic School Business Officials Association (OCSBOA).

Recommendations:

- The school board should develop a formal policy that clearly delineates the division of duties and responsibilities between the board of trustees and the director of education, including the development of a code of conduct for trustees. This will ensure roles and responsibilities are clearly articulated and delineated and will help to support an effective working relationship.

- The school board, using a consultative process, should develop and communicate a multi-year strategic plan that provides a framework for annual planning.

- Once this overarching strategic plan is developed, the school board should develop a formal annual operational plan aligned with the Board's multi-year strategic goals. This annual operating plan should cover all aspects of its non-academic operations, including human resources, financial management, and facilities management. This will also enable all departments to track and report progress on their defined priorities and goals throughout the year.

- Senior administration should report to the Board of Trustees annually on the status and outcomes of the school board's strategic plan and annual operating plan, once they are developed.

- The school board should consider establishing a formal refresh cycle for its policies, to ensure periodic review of all policies across functional areas. This could include forming a policy committee to consider policies for review or development.

- The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators. This should include senior staff in both academic and non-academic functions and would help build and sustain leadership capacity.

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

Human Resource Management and School Staffing/Allocation

Organization	Human Resource Management	School Staffing/ Allocation
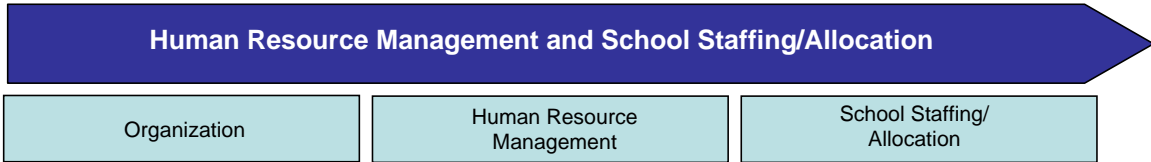
Effective management of human resources ensures an adequate number of qualified staff throughout the organization can perform their prescribed duties. Policies and procedures to develop staff are in place, through performance appraisals, professional development and support services. Staff allocations 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 following is a summary of our assessment of the school board's adoption of the leading practices under the processes identified above. All findings are a result of a review of the data provided by the school board and on-site fieldwork, which included interviews with all key HR staff, as well as follow-up and confirmation of information.

3.1 Human Resources 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 department plan setting out the goals and priorities and their alignment to the school board's strategic directions has been established;
- Whether the roles and responsibilities of staff support the key functions, activities and practices of HR;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Leading Practices – Human Resource Organization	Evidence of Adoption?
Development and Reporting of Annual Goals and Priorities	
The HR department's goals and priorities are documented in an annual department plan. They are aligned to the annual board operating plan, accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified responsibilities.	No
Organizational Structure and Accountability	
The HR department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organizational chart is available to the public.	Yes
Senior HR staff has appropriate designations (e.g., Certified Human Resource Professional, etc.).	Yes
Monitoring and Communication of Policies	
HR management has processes in place to monitor HR policy compliance by all staff and management.	Yes
HR management builds staff capacity in understanding of HR policies and administrative procedures.	Yes

Development and Reporting of Annual Goals and Priorities

The Human Resources department currently pursues the objectives set jointly by the department and the senior administrative team in the school board-wide goals document and in their departmental goals document. They do not have a formal annual department plan. The goals referred to in the department goals are strategic in nature, focusing on recruitment, attendance management, stakeholder partnerships, and policy and procedure review.

Department activities are monitored and vetted through senior administration meetings, as well as monthly reports to the Board. Through HR management's involvement in provincial committees, the department actively compares department programs and costs with other school boards. Comparisons against other school boards allow the school board to benchmark best practices and improve internal procedures. The department does not conduct surveys to measure or gauge feedback regarding the level of satisfaction with the services of the HR department. They do, however, review the supplies management results from the Ontario English Catholic Teachers Association (OECTA) employee surveys.

The department is encouraged to expand on the departmental goals document and consider developing an annual department plan, complete with measurable targets, designated accountabilities, and target timelines. A departmental plan would link department priorities with unit and individual performance measures and accountabilities, facilitate clear definition of roles, enable collaboration among team members, and provide a roadmap for the department. The plan should be aligned with the school board's strategic plan and the operating plan once they are developed.

Organizational Structure and Accountability

HR operations are distributed between the central HR office at the school board in Timmins and a payroll office in Kirkland Lake. Although the school board reports few challenges related to the physical segregation and separation between the payroll function and the HR central office, it is encouraged to continue review of the efficiencies and effectiveness of this model.

The department's organizational chart is current. Department staff are qualified through a combination of work experience and degrees. The manager of HR holds a Master of Public Administration and is completing the Canadian Human Resources Professional (CHRP) designation. The school board should examine the current organizational structure and staffing model to ensure there is sufficient capacity to meet its current and future needs.

Monitoring and Communication of Policies

HR has responsibility over a number of policies, including long-term leave, health and safety, temporary employees, recruitment and selection, and workplace harassment. Compliance with HR policies, including those in collective agreements, is managed through superintendents and HR staff. HR management is held accountable to department goals and priorities through monthly reporting to the Board.

Management ensures that staff are kept aware of policy changes and updates to administrative procedures. Issues arising from new legislation or Ministry requirements are circulated to staff via memos, and are raised at staff meetings or professional development sessions. Annual reminders are sent to staff regarding any reoccurring issues relating to health and safety.

Recommendation:

- The HR department should consider developing an annual department plan aligned with the school board's operating plan and overall strategic direction. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.

3.2 Human Resource Management

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

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

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

Leading Practices – Human Resource Management	Evidence of Adoption?
Staff Recruitment/Hiring	
Recruitment policies and administrative procedures are reviewed annually, and are aligned with staff planning in support of student achievement.	Yes
The hiring policies and administrative procedures are standardized into one package for the respective staff groups.	Yes
Labour Relations	
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	
HR management has policies and procedures for an employee evaluation/performance system for all staff.	Yes
HR management maintains and communicates formal disciplinary policies and procedures for all staff.	Yes
The HR department actively supports the professional development activities of the school board.	Yes
Attendance Management Processes/Programs	
The school board maintains appropriate processes and systems to monitor staff attendance on a timely basis.	Yes
Attendance management processes/programs exist that include employee supportive policies and procedures to minimize the cost of absenteeism.	No
Management periodically reports on the effectiveness of the attendance management processes/programs to senior management and the board of trustees.	No

Leading Practices – Human Resource Management	Evidence of Adoption?
Management of HR and Payroll Data	
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 Employee Benefit Plans	
HR management periodically conducts independent compliance audits of the school board's insurance carrier to ensure adherence to the benefit plans terms and conditions.	Yes
Employee data is automatically synchronized between the school board and the external carriers (i.e. OTPP, OMERS and the school board's benefit provider).	Yes
Policies and/or procedures ensure the school board's benefit plans are managed appropriately.	Yes
Monitoring Staff Satisfaction	
Confidential staff satisfaction surveys are performed periodically.	No
Confidential exit interviews are performed for all staff who resign, take early retirement or transfer.	No

Staff Recruitment/Hiring

The school board has developed procedures for academic and non-academic staff recruitment, mainly driven by the employee group's collective agreements. Recruitment processes have been catalogued in the school board's recruitment and selection policy statement B-13 (*Recruitment and Selection*). They provide direction to the recruiting process. The school board's recruiting procedures include targeted recruitment efforts and the use of electronic forums and internet postings as the preferred method of recruitment. The HR department examines recruiting needs annually, adjusting recruitment processes appropriately to address staffing challenges.

The school board reports that established, on-going recruiting practices generate enough qualified candidates. However, there are certain positions with a smaller pool of qualified candidates (such as principals and vice principals) that cause additional staffing pressures. The school board has addressed these shortages by creating an internal candidate pool, which tracks school board employees who could potentially be eligible for these positions.

Employee interview processes have been standardized for academic staff. This includes a standardized list of questions, from which interview questions for all academic candidates are drawn. Students graduating from education faculties are interviewed

during the school year prior to graduation. If successful, they are added to the temporary unqualified teacher list. This practice allows these teachers to enter the temporary teaching pool as soon as they complete their education.

To ensure that the school board attracts candidates who support its priorities, recruitment processes emphasize Catholicity and the northern location of the school board. The school board ensures new teachers are highly compatible with this culture, in order to maintain a high retention rate. As a result, the school board does not necessarily give preference to experienced academic staff, although experience is given due consideration. While videoconferencing is at times used for preliminary interviews, all hiring requires a face-to-face meeting between the candidate and a member of HR, the senior administrative team, or a principal. School principals generally take part in the interview process, to ensure that the interviewee's compatibility with the particular school's culture is given full consideration.

Labour Relations

HR management and the Board have established a number of labour- management committees that meet regularly as outlined in collective agreements. These committees are composed of members of HR management, the Board, and the associated unions. The labour-management committees represent the four collective bargaining units of the school board. They are:

OECTA – Northeastern unit
- Joint Professional Development Committee
- Joint Elementary Staffing Committee
- Joint Secondary Staffing Committee
- Bargaining Committee

OECTA – Moosonee
- Housing Advisory Committee
- Joint Committee
- Negotiating Committee
- Professional Development Committee
- Liaison Committee

Canadian Union of Public employees (CUPE)
- Joint Consultation Committee
- Ad Hoc Professional Development Committee
- Bargaining Committee
- Group Benefits and Other Working Conditions Committee

Ontario Public Service Employees Union (OPSEU)
- Bargaining Committee
- Joint Health and Safety Committee

The HR manager and legal counsel negotiate all collective agreements and all employee grievances are managed through HR. A strong working relationship between senior administration and union management has helped decrease the total number of grievances from a recent high of more than 20. There are currently two pending

grievances. As part of ongoing manager and supervisor training, the superintendants and HR department coach principals to be proactive in addressing concerns that could result in grievances.

Employee Performance Evaluation Processes

The school board maintains employee performance and evaluation procedures for all employee groups. All evaluations are stored centrally with the HR department. Performance evaluations for academic personnel are tracked and monitored by the Superintendent of Education's office, with storage processes maintained by the HR department. Academic staff evaluations are carried out by principals, a process that is triggered by the Superintendent of Education's office when it delivers notices reminding school principals of staff evaluation deadlines. For the new hire of academic staff, the New Teacher Induction Program (NTIP) is used for training and evaluations. Information is sent to the Ontario College of Teachers when new teachers complete the NTIP. The latter procedures are maintained via the Superintendent's office.

The school board maintains a detailed HR performance evaluation policy (D-2) for non-academic staff. This document lays out the regulations and procedures governing the performance evaluation process, and also clearly distinguishes procedures and individuals responsible for each step in the performance evaluation procedure. Non-academic staff are measured by supervisors against 11 distinctive headings, including: knowledge, organization, cooperation, communication, interpersonal skills, initiative, quality of work, judgment, attendance, supervisory abilities (if applicable) and the achievement of objectives. Coaching and training for managers and supervisors regarding staff evaluations is done on an *ad-hoc* basis.

Progressive discipline processes are used by the school board and are detailed in policy B-23 (*Progressive Discipline of Employees*). Policy B-23 details procedures, rights and responsibilities for all staff groups, including applying the progressive discipline principles. Where progressive discipline has escalated to a decision to terminate an employee for behavioural reasons, senior administration is informed. In cases where senior administration has recommended a dismissal, the employee is provided with the opportunity to present their case directly before the Board, who can either accept or decline the senior administration's recommendation for termination.

The school board provides professional development (PD) for teaching and non-academic staff. PD is not centralized in one department, but is managed between HR, the superintendents, and the plant department. PD for teachers is driven by PD committees and strategies within the Board Improvement Plan, and managed through the Superintendent of Education's office. PD for educational assistants is generally organized by the program team consisting of the Superintendent of Education and the Special Assignment Teacher responsible for Special Education, with some training needs addressed by HR. Training for non-unionized support staff is managed through HR, while the plant department manages all PD for custodial employees.

PD needs are determined in accordance with collective agreements, Ministry guidelines, Annual Learning Plans, and through feedback to managers and independent PD committees. Surveys of academic employee needs are obtained by the superintendent, and used as part of the annual PD and improvement plan process. Mechanisms are in place to provide teachers/principals with the opportunity to offer feedback for future

decision making matters relating to PD. Board support staff needs are identified through direct feedback to their supervisors. This is an effective method, given the limited number of school board office personnel.

The school board does not have a mandatory number of hours set aside for PD, but is responsive to the needs of employees by allocating job-embedded learning opportunities as needed. The school board helps to ensure ongoing staff learning, through its partnerships with local colleges, the use of special assignment teachers, and alternating PD days in different regions. Most PD takes place within the school board jurisdiction, or through learning opportunities available within the province. Travel outside the country requires special approval.

Attendance Management Processes/Programs

The school board maintains appropriate processes and systems to monitor staff attendance on a timely basis. Call-outs for replacement academic staff are done personally by principals, as required by the collective agreements. Similarly, employees are required to call their supervisor when sick. HR is informed after an employee has been absent for more than three days, and will advise school administration regarding appropriate steps.

The school board is currently drafting an attendance support policy and procedure on confidentiality of medical records. These procedures are being developed by considering input from employee groups and in consultation with SBCI.

Although significant and detailed processes regarding absence reporting are in place and additional processes in the process of being approved, the school board should continue to consolidate its procedures in one attendance management document. An effective attendance management system combines policies/procedures, information systems to record and analyze trends in absenteeism, and dedicated resources to develop a cohesive and consistent strategy. These elements, combined with employee wellness programs and return-to-work initiatives, form the basis of a comprehensive attendance management program.

Management periodically reports on the effectiveness of its existing attendance management processes. Using the school board attendance management system, data is interpreted and synthesized to produce trend analysis reports. Collaboration with the payroll department allows HR to fully interpret attendance data and identify discrepancies in employee attendance.

While the department reports attendance trends, these reports are not tied to targets or initiatives that are driven by a formal attendance support program or strategy. In this regard, the school board is encouraged to formalize the program, and then report on employee attendance in comparison with set targets and in relation to the effectiveness of key attendance support initiatives. It is also recommended that the school board explore efficiencies in its attendance management systems, which could include an automated call-out process.

Management of HR and Payroll Data

The school board's payroll function reports to the finance department, while HR is responsible for the management of all updates to personnel files through the Human Resources Information System (HRIS). This ensures segregation of duties, and each department keeps their own employee records. All payroll functions are provided in-house, and all staff are enrolled in direct payroll deposit.

The HR department is responsible for ensuring employee records are current, including the formal tracking of teacher qualifications and experience through HRIS. The department synchronizes teacher qualifications with the Ontario College of Teachers database twice a year. The manager of HR administers a formal pay equity policy for both CUPE and non-unionized employees.

Management of School Board's Employee Benefit Plans

In September of 2009, management engaged a third party consultant to conduct an audit of the school board's insurance carrier. This investigation determined numerous inconsistencies in payment, and further identified an error by a third party provider of the insurance carrier. These findings resulted in more accurate reimbursement of claims to eliminate any over/under payments. The consultant also completed a market study, enabling the school board to compare its existing insurance costs with those of other comparable organizations, as well as a pharmalogical review allowing detailed breakdowns of the school board's insurance drug claims.

The school board's medical and dental benefit plans are managed in partnership with its third party benefits consultant. Workers Safety and Insurance Board claims (WSIB) and return-to-work claims are monitored by SBCI. The Board is informed of benefit plan cost changes through its provider's renewal reports. The third party consultant has provided demographic reports that include results from the pharmalogical review to the school board. In the past, the school board has encouraged cost containment by providing staff with information on dispensing fees, though there is no policy that actively encourages benefit plan cost containment. Employee input is considered in benefits plan decisions. Currently, various groups are providing input on benefit enhancements provided for by the Provincial Development Team (PDT) funding for September 2010.

HR manually enters and transmits data regarding employee contributions to the Ontario Teachers' Pension Plan (OTPP) every pay period. Data on employee and employer contributions to the Ontario Municipal Employees Retirement System (OMERS) is manually entered once a year through the "e-access" system.

Monitoring Staff Satisfaction

HR does not formally survey staff for feedback, or measurement of general attitudes, or regarding the level of satisfaction with the services of the HR department. However, they do review the results from Ontario English Catholic Teachers Association (OECTA) employee surveys. Management does not formally conduct exit interviews in any department for departing staff. While the school board experiences a low turnover rate, practices such as staff surveys and exit interviews can provide management with valuable input for PD and policies that impact future employee relations.

Recommendations:

- Management should continue to develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance across all employee groups.

- Management should periodically report to the Board and senior management on the effectiveness of its attendance management program, once it is in place.

- Management should consider developing staff satisfaction surveys, which should include all employee groups. This would improve communication with staff, and provide input for professional development plans and HR policy.

- Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy as well as process and program improvement.

3.3 School Staffing/Allocation

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

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

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

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Processes for Annual Staff Planning and Allocation	
The school board's policies and procedures govern the development of an annual staffing plan and allocation process that reflects the priorities of the board of trustees and Ministry initiatives.	Yes
The staff allocation process monitors adherence to key Ministry and board of trustee policy parameters, such as: class size, prep time, collective agreement requirements and other board directions.	Yes

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

Processes for Annual Staff Planning and Allocation

The school board's staff allocation is governed by collective agreements and relevant provincial legislation. The process is based on a number of factors, including enrolment projections, student need, class size maximums, preparation time, alignment to collective agreements, and resource and program needs. Administrative procedures for academic and educational assistant staffing allocations can be found in administrative procedures APP019 (*Academic Staffing Allocation Timeline*) and APP020 (*Educational Assistant Allocation*) respectively.

The HR department coordinates the staffing process centrally. The school board has been facing decreasing enrolment, which has increased the need for collaboration among principals, superintendents, HR, and finance during the staff planning and allocation process.

The academic staffing process begins in February, when staffing requests are prepared by principals for the upcoming year, based on enrolment projections and current student numbers. Requests are considered by the superintendent of education and the manager of HR, and are examined for particular efficiencies, such as combining classes. Special needs enrolment projections are considered and then added to the overall projections. During March and April, the superintendent and the manager of HR meet individually with school principals, reviewing and adjusting staffing submissions. Final staffing allocations are released in early June.

The Superintendent of Education approves final allocation of educational assistants after recommendations are made by the special assignment teacher of special education. HR closely monitors the allocation process for non-academic staff, which is managed internally by specific departments. The school board experiences a very low employee turnover rate in both academic and non-academic staff.

The school board uses customized software that helps calculate allocation against deployments for the staffing allocation of teaching staff and teaching assistants. The following details specific staff allocation processes for particular staff groups:

Academic Staff
Classroom teacher requirements are forecast based on a model that incorporates enrolment, primary class size measures, and collective agreement parameters (e.g. prep time). Additional non-classroom teachers attached to programs are added to the allocation after the number of classroom teachers is established.

Educational Support Staff
Educational Assistants (EAs) are funded out of the Special Education envelope, and are allocated centrally in collaboration with principals and superintendents. The prior year's need is used as a starting point, and allocations are made for transfers in and out of the school. Principals who request additional staffing support must complete a "request for additional staffing" form. In the form, principals must indicate the challenge requiring the additional staffing request, and what the school has done to mitigate the challenge. After receipt of the request, the superintendent will personally visit the school to explore the details of the request, and examine options for potential efficiencies within the school before providing approval for the request.

Professional Student Services Personnel
Professionals and paraprofessionals are allocated centrally, based on the directions in the collective agreements and input from principals.

Secretarial and Clerical Staff
Secretarial and clerical staff are allocated centrally based on the directions in the collective agreements and need. There is little yearly variation.
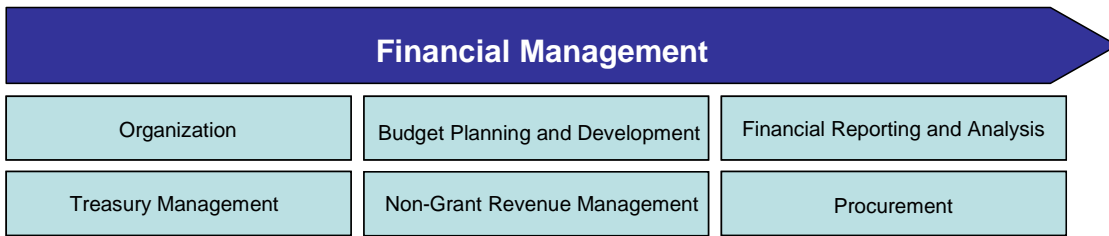
Custodial Staff
Custodial staff are allocated centrally by the plant department. Calculations are based on square footage calculations. There is little yearly variation.

Monitoring and Reporting on Staff Allocation

Staffing levels are consistently monitored by the school board's HR department in conjunction with principals, using a spreadsheet tracking system. The Board receives periodic updates on actual allocation of staff compared to the initial Board approved allocation. All changes in staffing allocations must be approved by the Board, but the Board is not required to reopen the budget to change staffing allocations during the school year.

Management's plan for providing student support services and staffing is based on a detailed student and school needs analysis, as detailed above in the description of EA allocation.

4. Financial Management – Findings and Recommendations

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

The financial management of the school board ensures the efficient and effective use of fiscal resources. Financial management ensures that the annual budget is developed within the Ministry's allocation and is 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 by the various departments. They also ensure that the reporting of results to the board of trustees and other school board stakeholders reflects the approved goals/priorities relating to student achievement.

The following is a summary of our assessment of the school board's adoption of the leading practices under the processes identified above. All findings are a result of a review of the data provided by the school board and on-site fieldwork, 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;
- Financial department support of the overall goals/priorities and accountability measures established by the school board;
- The efficiency and effectiveness of department structure and support of the roles and responsibilities for the key functions, activities and practices;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Leading Practices – Finance Organization	Evidence of Adoption?
Development and Reporting of Annual Goals and Priorities	
The finance department's goals and priorities are documented in an annual department plan that is aligned to the annual school board operating plan accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified accountability.	No
Organizational Structure and Accountability	
The finance department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available.	Yes
Finance department staff have the appropriate finance/accounting designations and experience.	Yes
Monitoring and Communication of Policies	
Finance management has processes in place to monitor finance policy compliance by all staff and management.	Yes
Management provides scheduled finance policy and procedures awareness, training and skills development sessions.	Yes

Development and Reporting of Annual Goals and Priorities

The department has developed an annual goals document, but it has not developed a formalized annual department plan. The annual goals document focuses on areas that are of high departmental priority. It was developed by the manager of the finance department (SBO) in lieu of a department plan.

The 2009-2010 department goals include a tangible capital asset project, cash management review, policies and procedures for school generated funds, cross-training of department staff, and the operational review. The department is accountable to meet its goals through regular updates by the SBO to the school board's finance committee and to the Board. Quarterly budget reports are provided to the Board, along with line-by-line analysis.

Management should consider developing an annual department plan, complete with measurable targets, designated accountabilities, and target timelines. This plan should be aligned with the school board's annual operating plan, and in turn guided by the overall strategic plan. This would help link department priorities with performance measures and accountabilities, facilitate clear definition of roles, enable collaboration among the team members, and provide a roadmap for the department.

Organizational Structure and Accountability

The finance department reports to the SBO. The department has clearly defined job descriptions, delineating roles and responsibilities. Up-to-date contact information for key finance staff is posted on the school board's website, and the department's organization chart is current. Department staff have the appropriate experience and financial designations to perform their duties.

Monitoring and Communication of Policies

The department is responsible for developing finance and administrative policies, including:

- Petty cash

- Purchasing

- Budget estimates

- Use of vehicles for school board business

- Advertising

- Administrative expenses

- Use of corporate credit cards

The department monitors compliance of policies and procedures with the help of superintendents and principals. The department is working to update and define processes and procedures to provide clearer direction to staff regarding finance policy. Updates to current policies or the development of new finance policies or procedures are sent by the SBO to staff directly through email. The SBO will also deliver messages through the Director depending on the issue or topic.

The department builds staff capacity in the understanding of finance policies and procedures at the time of hire. It provides specific training regarding payroll and finance policies on the school board's website, with a link to school board policies and forms.

Recommendation:

- The finance department should consider developing an annual department plan aligned with the school board's annual operating plan and overall strategic direction. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.

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.

Leading Practices – Budget Planning and Development	Evidence of Adoption?
Annual Budget Development Process	
The annual budget development process is transparent, clearly communicated and incorporates input from all key stakeholders including management (with principals), board of trustees and the community.	Yes
Management has adopted an integrated (at school board and school levels) approach to enrolment forecasting that drives the budget process.	Yes
Budget development processes account for all required cost and revenue changes.	Yes
Staffing costs are compared with similar school boards and the funding model to ensure efficient use of resources.	Yes
Risk Mitigation and Board Approval	
Management identifies and documents all significant risks during the budget planning process and develops strategies to mitigate the risks of spending beyond authorized/budgeted levels.	No
The annual budget presented for approval demonstrates that it is linked to the board of trustee-approved goals and priorities including student achievement targets. It provides useful and understandable information for all stakeholders.	Yes

Annual Budget Development Process

The school board has developed an annual budget development process, outlined in administrative procedure APB001 (Budget Timelines), which is transparent and clearly communicated, and incorporates input from key stakeholders. The annual budget

document demonstrates that it is linked to school board priorities, including student achievement targets. In addition, it provides useful and understandable information, with notations regarding budget variances written in plain language.

The budget development process begins in January of each year, when the Superintendent of Education receives enrolment projections from principals for their schools. These projections take into account actual current enrolment numbers and estimates for the coming year's junior kindergarten and kindergarten classes. The superintendent reviews estimates with each principal to ensure they fall within an acceptable margin of error.

Once school enrolment projections are approved by the superintendent, they are sent to the finance department, which then reviews and adjusts projections and information. Allocation budgets based on enrolment projections are released in February. Information available through the Ontario Catholic School Trustees' Association (OCSTA) allows the school board to compare teacher-to-pupil ratios of other school boards and inform their staffing budgeting decisions.

School board senior administration meetings are conducted to determine budget priorities for the coming year. To ensure transparency between departments, the SBO will develop a draft budget once priorities and enrolment projections are set, which is then scrutinized line-by-line by the senior administration through team meetings.

Union input into the budget is communicated through the HR manager, who is informed of union priorities through PD committees. In addition, principals and school board staff can provide input into the budgeting process through the Director and senior administrative staff. The budget planning process, including draft budget documents, is managed though spreadsheets, similar to an Education Finance Information System (EFIS). Once the approval process is complete, budget spreadsheets are entered manually into EFIS.

Zero-based budgeting is used for expenditure planning. New budget expenditure requests must be supported by a business case. To provide consistency in budget planning, variances from current and past years are used in the calculation of expenditure forecasts. The budgeting process is organized early, before the Grants for Student Needs (GSN) funding announcement is made, in order to prepare for academic and non-academic staffing.

Risk Mitigation and Board Approval

The department is aware of some key risks faced by the school board. Among others, these include costs for replacement teachers and casual custodial staff, declining enrolment, and high legal fees. The school board has also recognized and taken steps to minimize costs and manage risks by decreasing travel and employing video conferencing, as well as by curtailing maintenance spending at year-end.

The department does not document all significant risks associated with budget planning, nor does it develop strategies to mitigate these risks. The key opportunities for risk identification and mitigation occur throughout the year at periodic reporting stages, where senior administration and trustees review any variances on accounts.

Board members are well informed of the budget development cycle, receiving monthly updates throughout the process. The budget development process culminates in a Board budget planning meeting in June, where trustees are given line-by-line descriptions of the draft budget. The Board is also kept apprised of the budget throughout the year as they receive detailed monthly reports from the SBO. Changes to the budget within the year require approval of the Board.

Although there are a number of processes in place to mitigate budgetary risks, they are not formalized in a risk management policy or document. The department should consider consolidating key risks and mitigation strategies into a single risk plan. This risk plan would be documented, and presented to senior management and the Board as part of the budget development process.

Suggested enhancements to the budget risks reporting process:

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

At the beginning of the budget cycle:

- Identification of significant expenditures not explicitly included in the budget, but which may arise due to unforeseen circumstances.

- Assessment of the probability of occurrence for each budget risk, as well as a quantification of the impact to the budget, should the risk materialize.

- Proposed mitigation strategies to minimize the probability of occurrence for each risk, as well as contingency measures should the risk materialize.

Throughout the budget cycle:

- Periodic reporting of material budget variances that may negatively impact the financial outcome of the board (this may be communicated through the interim financial reports).

- An update on the probability of occurrence, quantification, and impact of each budget risk, identified formally at the beginning of the budget cycle.

- Any new budget risks.

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

Recommendation:

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

4.3 Financial Reporting and Analysis

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

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

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

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Integrated System for Variance Analysis and Financial Reporting	
The school board's integrated financial information system provides useful, timely and accurate information for management and stakeholders.	Yes
Interim and Annual Financial Reporting	
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.	Yes
Senior management is held accountable for the integrity of financial reporting through formal sign-off and approval procedures.	Yes
Management completes and files all financial reports in accordance with established timelines.	Yes
Audit	
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.	Yes
The external auditor's planning and annual reports are presented to the board's audit committee and any recommendations are acted upon by management.	Yes

Integrated System for Variance Analysis and Financial Reporting

The school board uses an integrated financial system to record, track, and report financial data. The customized system was created in collaboration with a third party provider. General ledger, procurement, accounts payable and payroll functions are part of an overall financial management system that is managed and serviced internally. The responsibility to create new accounts in the system is managed collectively by the finance department. Presently, the department is reducing and consolidating the number of accounts to facilitate financial management.

Interim and Annual Financial Reporting

A number of factors (including variances in actual enrolment versus projected enrolment, contract negotiations, macro-economic trends, and Ministry directives) can produce in-year percentage variances between budget estimates and actual costs. Interim financial reporting by the department allows management to track these variances and communicate them to the Board and senior administration. To that end, finance staff are required to manually prepare quarterly statements of revenue and expenditures to be presented to the Board and to senior administration. These quarterly statements document and explain all variances of current accounts over account estimates. To ensure the reporting process is optimal, the department is encouraged to examine whether the manual process of variance analysis could be better employed by using the department's financial management system. The school board is also encouraged to use the reporting templates that were developed by the Interim Financial Reporting Committee (IFRC).

Senior management is held accountable for the integrity of financial reporting through formal authorization of quarterly reports. Staff are made aware of Ministry deadlines for accounts payable as well as related closing procedures. All financial reports are completed and filed in accordance with established Ministry timelines.

Audit

The school board currently does not have an internal auditor, nor does it maintain the capacity to delegate such responsibilities. An auditor would provide added assurance that the internal controls established by management are operating effectively, and are in compliance with policies and procedures. Developing a mandate for the internal audit function would assist the executive leadership team and the Board in their overall governance and accountability roles. The internal audit function could also help develop performance measures and indicators for programs and services. The proposed auditor should report to the Board's audit committee. Annual audit plans should be clearly documented and audit report recommendations should be implemented by management. Audit plans should also be approved by the audit committee.

The Ministry's direction on internal auditing in school boards continues to evolve, with a regional model emerging as the preferred option. The school board should further enhance its internal audit capabilities, once there is a clear boundary on the scope of the function and the associated delivery/funding model.

The school board does have an audit committee and is currently in the final stages of external member selection. The school board's external auditor presents audit findings

to the SBO, and sends copies of the annual management letter to the Director and Board.

Recommendations:

- Management should consider establishing an internal audit function giving consideration to the emerging Ministry direction on internal audit across the school board sector.
- When the school board establishes an internal audit function, it should ensure any internal audit plans are clearly documented and that internal audit report recommendations are followed up and 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 the school board;
- Whether sufficient internal controls exist to support cash management, investments and borrowings;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

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

Cash and Investment Management

The school board's cash management process is efficient, minimizing idle cash by monitoring daily cash flows against forecasts. The department holds the majority of its cash in multiple designated reserve accounts, with each accruing the same level of interest. The school board's current account, which earns the same level of interest as reserve accounts, is also monitored regularly. The school board does not have an investment policy in place, but a draft policy is presently undergoing first review by the Director. The school board is encouraged to implement its investment policy, and report regularly on investments to the Board in accordance with the *Education Act*.

Bank reconciliations are performed weekly by department staff, and are approved by the department's manager. The school board makes minimal use of manual cheques, and reports no cash management problems. Cheques are kept in a central, locked location, and the electronic signature required to certify cheques is held separately by the SBO. The department does its own reconciliation of municipal taxes, and compares them against the quarterly municipal distribution of taxes when the annual reconciliation is received from the municipality. Tax accounts are reviewed and adjusted in March and August to coincide with financial reporting periods.

All of the central school board's banking is done with one financial institution. This includes banking services for the newly amalgamated school in Moosonee. Management has not, however, consolidated cash management activities for all schools with this financial institution. This is due to the geographical size of the school board, and the number of remote locations which only have access to one bank. Schools are encouraged to use the school board's bank where practical. Management last compared banking costs through an RFP process for banking services in January 2008.

Annual third party audits are used to identify and monitor financial risk faced by the school board in its cash and investment management systems. Auditor reports, financial agreements, and contracts are electronically recorded using a document sharing system. The school board does use of wire transfers. All cheque authorizations require two signatures. There are currently no sinking funds and the use of reserves requires Board approval.

Recommendations:

- Management should periodically report to the Board on the performance of the school board's investment activity and develop an investment policy in accordance with the Education Act

- The school board should consolidate cash management activities with a single institution, where feasible.

4.5 School-Based Funds and Non-Grant Revenue Management

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

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

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

Leading Practices – School-Based Funds and Non-Grant Revenue Management	Evidence of Adoption?
Management of School-Based Funds	
Management ensures adequate controls are in place to safeguard school-based funds and coordinate the annual reporting of revenues and expenditures from schools and school councils.	Yes
Management of Non-Grant Revenue	
Management ensures adequate controls are in place to safeguard non-grant revenue and coordinate the annual reporting of revenues and expenditures from all sources.	No
Board budget identifies revenue and expenditure for each EPO program. Management monitors activity to ensure compliance with terms and conditions.	Yes

Management of School-Based Funds

Management ensures adequate controls are in place to safeguard school-based funds, and coordinates the annual reporting of revenues and expenditures from schools and school councils. Principals are accountable for the petty cash, school activity funds, and fundraising funds at their schools. The school board has used OSABO guidelines to develop procedures regarding the oversight of school bank accounts, and maintains access to monitor up-to-date account information of each school. Recently, finance staff visited a number of schools to train staff on the school board's cash management processes.

Individual schools submit petty cash receipts to the school board and cash is reimbursed by the principal. All school-based funds are kept by school secretarial staff in locked

safes or lock boxes, and the department is considering expanding their use to other schools.

The Superintendent of Education is ultimately responsible to ensure that funds raised are used for their intended purposes. Fundraising for capital projects is permitted. A fundraising policy outlining regulations regarding fundraising activities for students is being implemented. The school board is encouraged to move forward with the implementation of the new policy.

Management of Non-Grant Revenue

The school board collects very little non-grant revenue. It does not have formal controls in place to safeguard non-grant revenue or to coordinate the annual reporting of revenues and expenditures from all sources. The school board reported that non-grant revenue is received through interest payments, tuition fees, and revenue from teacherages (staff accommodations in Moosonee).

No revenues are received from community use of the schools. Management is encouraged to develop processes or policies that ensure controls are in place to safeguard non-grant revenue and coordinate the annual reporting of revenues and expenditures from all sources. This recommendation is timely, as the school board is now advertising its facilities for community use, and may charge for them in the future.

EPO grant information is received by the Superintendent of Education, who delegates responsibility for the funds. The superintendent identifies staff who will be held accountable for funds and have access to them. All EPO funds are tracked on a central spreadsheet through the finance department. Finance staff create an account for each EPO grant and have the ability to monitor them. As funds are used, purchase orders are made against the EPO account.

Recommendation:

- Management should ensure adequate controls are in place to safeguard non-grant revenue and coordinate the annual reporting of revenues and expenditures from all sources.

4.6 Supply Chain/Procurement

The purpose of reviewing supply chain/procurement processes is to assess:
- Whether supply chain/procurement policies and practices are in place to ensure that the school board acquires goods and services through an open, fair and transparent process;
- Whether appropriate internal controls support the procurement and related payment process;
- Whether school board processes ensure value for money from all acquired goods and services;

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

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

Leading Practices – Supply Chain	Evidence of Adoption?
Policies and Procedures	
Approved supply chain/procurement policies and procedures are clearly communicated to staff with purchasing authority and are periodically reviewed and updated.	No
Approved procurement policies clearly outline circumstances under which the board will use competitive versus non-competitive procurement methods.	No
Contract award criteria include elements other than the lowest cost, such as total cost of ownership, value, quality, vendor performance, etc.	Yes
Purchasing managers monitor purchasing activities for compliance with the Board's procurement policies and procedures.	Yes
Participation in Group Purchasing Initiatives	
Management evaluate and develop strategies to increase purchasing power and minimize the cost of goods and services procured.	No
The school board actively participates in purchasing consortia/ cooperatives and/or group buying initiatives.	Yes
Purchasing Levels of Authority	
Purchasing authorization levels are commensurate to job roles and responsibilities and are monitored for compliance by a supervisor or department head.	No
Policies and Procedures for PCard and Corporate Card Use	
Policies and procedures for the use of PCards and corporate credit cards are documented and communicated to users through regular training and monitoring.	No
Accounting for Completeness of Purchase/Payment Cycle	
The school board's finance department performs three-way matching (purchase order, receipt/invoice and inspection) before invoices are paid.	Yes
Commitment accounting is in place to monitor budget utilization.	Yes

Leading Practices – Supply Chain	Evidence of Adoption?
Management has implemented electronic supplier interface for ordering, processing and payment.	No
Use of Electronic Funds Transfer	
Management maximizes its use of electronic funds transfer (EFT) for vendor payments.	No

Policies and Procedures

The school board does not currently maintain approved procurement policies or procedures that are aligned with the Supply Chain Secretariat's Supply Chain Guideline 1.0. However, a draft code of ethics has been created using this guideline, which is in the process of being reviewed by senior administration, and will be applicable to all school board employees. Once in place, staff will be trained on the code of ethics, and the document will be available on the school board's website. The school board is encouraged to develop a procurement policy that also includes circumstances where it should use competitive versus non-competitive procurement methods. This update in policy should be communicated to staff with purchasing authority, and periodically reviewed and updated.

Travel expense guidelines apply to all school board staff and the Board. School board staff travel expenses are approved by the immediate supervisor. Senior administration use corporate credit cards to charge travel costs, which are then approved by the Director. The Director's travel costs are approved by the Chair. All expense reimbursements are processed by finance and require itemized receipts. Reimbursements for alcohol are not permitted.

Contract award criteria include elements other than lowest cost. In circumstances where service and price are equal, a local supplier is given preference. The school board has developed standard tendering and contract documents in-house, and has used industry best practices to develop particular contract criteria. For example, contract criteria for car rentals were developed using criteria employed for a similar contract from the Sudbury Catholic School Board.

Management monitors purchasing activities through purchase order (PO) review and approval by individual department managers. Secretaries create POs which are then signed off by principals. POs from the IT department are approved by the Manager of Information Technology or the Director of Education and facilities/plant operations POs are approved by the plant manager.

Participation in Group Purchasing Initiatives

Management does not actively pursue strategies to increase purchasing power or minimize the costs of goods and services procured through active participation in purchasing consortia. The school board does, however, participate in a shared transportation consortium with its coterminous board. Involvement with the Catholic School Board's Services Association (CSBSA) has permitted the school board to lower electricity and long distance phone charges. The school board is encouraged to expand

its current strategies and develop additional strategies to increase purchasing power, including expanding its involvement in group buying initiatives.

Purchasing Levels of Authority

The school board is currently reviewing its E-3 policy, which identifies levels of purchasing authority. The policy identifies the SBO as the central purchasing supervisor, and gives the Director power only to delegate purchasing authority to staff. However, the policy does not indicate the workflow of purchasing approval, nor does it specifically reference purchasing by dollar threshold or role. The school board is encouraged to build this detail into the policy through the review process, and update these changes in its procurement policy/procedure.

General guidelines for purchasing thresholds have been provided in the E-3 policy document, which outlines the following:
- $1,500 and under - discretion of the purchaser
- $1,500.01 to $10,000 - written quotation on vendor's letterhead
- $10,000.01 to $20,000 - formal quotation to the Director of Education or designate and submitted to the Board for approval
- All major capital purchases or construction projects exceeding $20,000.01 are to be publicly advertised and tendered in writing and submitted, sealed, to the Board office, pending Board approval.

To supplement its budget controls within the financial system and guidelines for purchasing managers, the school board should formalize a policy that includes approval levels commensurate with all job titles/roles with authority to create or approve purchases. In this regard, the school board should consider reviewing thresholds to ensure that current procurement needs can be efficiently met within an appropriate control environment.

Policies and Procedures for PCard and Corporate Card Use

The school board does not currently have a PCard program, but management noted it plans to evaluate a potential PCard program in the near future. The school board currently uses a petty cash system for small dollar purchases. Five senior administrative staff have corporate credit cards.

A preferred practice used extensively across the school board sector is to target low dollar value transactions through a PCard program. The use of petty cash creates additional labor-intensive work for all staff, and also exposes the school board to increased risk. The school board should perform an analysis of low dollar spending, to determine whether the cost of adopting PCards would be justified in the reduction of administration, and risk for both high-volume, low-value invoice transactions and petty cash purchases.

Accounting for Completeness of Purchase/Payment Cycle

POs are used for the majority of purchases, and three-way matching is performed by the finance department through a combination of the finance system and a manual colour coded paper system. POs are created in the finance system by the purchaser, who then prints them on a white page. POs entered in the financial system create budget

encumbrances against specific cost centers when created. The white page is approved and signed by the purchaser's supervisor. Once an encumbrance has been indicated in the finance system, the finance department is notified electronically and prints the PO on yellow paper, representing a central department record of the PO. The purchaser is responsible to fax approved orders to the vendor and photo copy the white PO to a pink paper to be matched against the packing slip upon receipt of the order.

Orders are typically drop shipped to schools by the vendor. Once received, orders are manually confirmed by the purchaser, matching the packing slip to the pink paper PO form completed at the school. The purchaser must indicate that the order has been received through the financial system. The packing slip and the pink PO are then submitted to finance. Once the packing slip and the pink sheet are received by finance, department staff match the pink PO form and the packing slip against the yellow sheet on file to received invoices. If there is a reasonable match, payments are processed and sent to the vendor by manually mailing cheques. If there is a material discrepancy, finance contacts the purchasing approver to clarify.

Although the school board performs three-way matching, it is encouraged to explore more automation using the financial system, to eliminate the manual colour coded system. In addition, management is encouraged to implement an electronic supplier interface for ordering, processing and payment. These are both opportunities for the school board to increase process efficiencies.

Use of Electronic Funds Transfer

The school board uses Electronic Fund Transfer (EFT) payments for employee payroll. However, it does not use EFT to pay the majority of its suppliers. The school board is encouraged to expand the use of EFT in the purchasing payment cycle to maximize efficiency within the finance department.
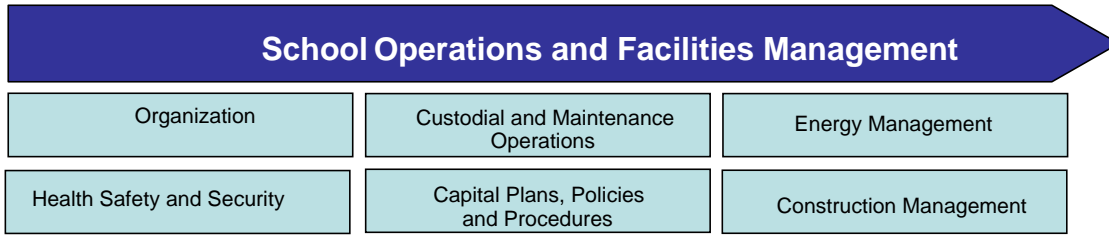
Recommendations:

- The school board should review and update its supply chain and procurement policies, ensuring that they are aligned to the Supply Chain Guidelines Version 1.0, communicated to staff with purchasing authority and periodically reviewed and updated.

- Management is encouraged to develop procurement policies that clearly outline circumstances under which the school board will use competitive versus non-competitive procurement methods.

- Management should pursue opportunities for joint purchasing to increase purchasing power and minimize the cost of goods and services procured.

- Management is encouraged to develop guidelines that ensure purchasing authorization levels are commensurate with job roles and responsibilities and that such levels are monitored for compliance by a supervisor or department head.

- The school board should consider implementing the use of PCards for appropriate school staff. PCard use can reduce the volume of supplier invoices to be processed and can be a more efficient means of local purchasing. Appropriate

control procedures and guidelines should be put in place to support the use of PCards.

- Management is encouraged to implement an electronic supplier interface for ordering, processing, and payment. This is an opportunity for increased process efficiencies.

- Management should continue to explore additional Electronic Fund Transfers (EFT) opportunities to maximize efficiencies.

5. School Operations and Facilities Management – Findings and Recommendations

School Operations and Facilities Management

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

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

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

5.1 Operations and Facilities Organization

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

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

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

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

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

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

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
Development and Reporting of Annual goals and Priorities	
The School Operations and Facilities Management department's goals and priorities are documented in an annual department plan. They are aligned to the annual school board operating plan, accessible by key stakeholders. The plan incorporates measurable targets, specific timelines and identified responsibilities.	No
Organizational Structure and Accountability	
The School Operations and Facilities department has clearly defined organizational units and delineates the respective roles and responsibilities. A current organization chart is available to the public.	Yes
Senior operations and facilities staff have appropriate designations (e.g. P.Eng.) and qualifications.	Yes
Monitoring and Communication of Policies	
Management has processes in place to monitor school operations and facilities management policy compliance by all staff and management.	Yes
Management builds staff capacity in understanding of school operations and facilities policies and administrative procedures.	Yes
Processes exist to monitor new legislation and regulations and implement necessary changes.	Yes

Development and Reporting of Annual Goals and Priorities

The plant department currently develops a goals document that outlines priorities, new initiatives and challenges, as well as identifying specific areas of focus under each area. The department document does not, however, incorporate measurable targets, specific timelines, and identified responsibility for each.

Management should consider developing an annual department plan, complete with measurable targets, designated accountabilities, and deadlines that are aligned with the annual operating plan. This in turn would roll-up to the overall school board strategic plan, once these documents are developed. This would help link department priorities with performance measures and accountabilities, facilitate a clear definition of roles, enable collaboration among the team members, and provide a roadmap for the department. The manager of plant is held accountable to the department's goals through monthly reports to the Board.

Organizational Structure and Accountability

All staff within the department report directly to the manager of plant. The department's job descriptions and organization chart are maintained by HR and are up-to-date. Department staff are qualified through a combination of professional designations (including trades tickets) and work experience.

Full-time custodial staff are assigned to individual schools, and work on split shift schedules. The department maintains a list of casual custodial staff that are employed to cover sick days for full-time staff, and work on minor maintenance repair procedures. The school board does not employ maintenance staff, and all major maintenance and trades work is contracted out. However, the department has developed a system that allows senior custodial staff to perform minor maintenance and repair tasks. In such a case, the manager of plant will designate a full-time custodial staff person to perform maintenance duties for a specific period of time. During this time, the custodial staff person performing the maintenance tasks is paid a premium on top of their hourly rate, and a casual custodial staff person is brought in to cover the duties of the full-time custodian engaged in the maintenance duties.

Monitoring and Communication of Policies

The department has responsibility for a number of policies, including employee background checks, custodial / maintenance uniforms, accessibility, disposition of surplus realty property and non-realty assets, purchasing, playground equipment, emergency closing of schools, community use of schools, video surveillance, and bomb threat procedures. The department's policies and administrative procedures can be found on the school board's website. The manager receives all memos regarding newly legislated requirements and procedures directly from the Ministry, and disseminates the information to staff as required.

Recommendation:

- The plant department should consider developing an annual department plan aligned with the operating plan and overall strategic directions. This will enable the department to track and report the 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;
- Whether the department has the appropriate organizational structure to effectively manage service delivery;
- Whether appropriate internal controls effectively manage custodial and maintenance operations and expenditures;

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

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

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The Board's Staffing Model Supports Cleaning Standards and Maintenance Requirements	
The school board has adopted cleaning standards for schools and has developed a standard set of processes and tools to monitor, manage and report on results.	No
The school board has implemented a formal green clean program as part of its overarching Education Environmental Policy.	Yes
Management's custodial/maintenance allocation model optimizes the use of staff and considers various factors (e.g. square footage, portables, gyms, etc).	Yes
Development of Annual/Multi-Year Maintenance Plan	
Using a consultative process, senior administration develops and communicates a multi-year (three to five years) plan for major maintenance and renewal projects. The plan addresses the board's preventative and deferred maintenance priorities and optimizes the use of available funding (Annual Renewal Grant and Good Places to Learn funding) The plan is approved by the Board and accessible by the public.	Yes
Training to Support Skills Development and Safety	
A monitored annual training plan for staff addresses ongoing skill development and emerging regulatory issues.	Yes
Standardization of Cleaning and Maintenance Supplies	
Management uses an inventory system to track and control major cleaning and maintenance equipment.	No
Management has defined common standards to ensure efficient procurement of supplies in order to minimize costs, promote energy and operating efficiency, and environmental sustainability.	Yes
Project Management, Monitoring and Support Systems	
An automated (computerized) work-order system and process records, monitors and evaluates projects ensuring the effective use of resources.	No

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Senior administration regularly evaluates the overall effectiveness and efficiency of its maintenance and custodial service delivery model.	Yes

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

Principals are responsible for ensuring schools are maintained at an acceptable level of cleanliness. However, the department does not have a formalized and approved cleaning standard. While the department and school custodial staff do not use a checklist to enforce cleaning standards, checklists are used for specific daily inspections and work at school sites. Regular monitoring of playground equipment and salting and sanding is reported through formalized logbooks. Logbook records for playground equipment and salting and sanding are then sent to the central plant department office once a month, where they are inspected and kept as a record of maintenance.

There is no annual report developed on cleaning standards, since there is no approved standard. The school board is encouraged to develop and enforce cleaning standards in order to maintain consistency in site cleanliness across the school board. Measureable standards will also allow the school board to monitor, manage and report on results that would support custodial performance evaluation.

The school board has implemented a formal green clean program, independent of the Ministry's green clean pilot project. Green cleaning supplies were introduced by the manager of plant, recognizing the impending change in industry standards. The school board reported that cultural hesitancy to this change was addressed when the manager of plant chose to pilot green products at schools where the custodial staff had demonstrated the greatest hesitancy in changing to green products. Once products were proven at the piloted schools and it was demonstrated that green cleaning products could be used as an alternative to traditional cleaning supplies, the use of the green cleaning products was introduced at all other school board sites. The school board should continue with its program and examine the Ministry's Green Clean Program Resource Guide for potential program improvements.

Working with the community relations officer, the plant department intends to develop a communications strategy promoting the green clean program, as well as energy retrofit programs.

The school board's custodial staffing allocation model optimizes allocation of staff, and is based on a model of square footage per custodial staff. The school board uses split shifts for its custodial staff. The allocation model is not included in collective agreements, and is not approved by the Board. The manager of plant has compared the school board's allocation model to other school boards and reports that they apply similar standards.

Development of Annual and Multi-Year Maintenance Plan

Management develops a multi-year maintenance plan for maintenance and renewal projects. The school board's multi-year maintenance plan is developed through ReCAPP, with input from principals and custodial staff. Annually, principals submit requests for renewal and maintenance projects to the manager of plant. A scoring process helps the manager of plant (in consultation with principals) determine project priority.

The scoring guide is based on priority criteria set by the department. First priority is given to health and safety projects, followed by projects fulfilling a program need, and finally, projects addressing an aesthetic need. Projects that receive dedicated Ministry funding (e.g. solar panel installation) move to the top of the list, as funding is dependent of the completion of the projects.

Maintenance projects are not incorporated in the plant budget process. Maintenance projects, unless urgent, are completed during the summer months, and are completed based on department surplus funds at the end of the school year. Surplus funds are accumulated through excess funds from projects that come in below budget

Maintenance projects that are not completed during a given year are included in the maintenance plans of the next year. The project tracking system is not formalized. Management should consider developing processes that allow for consistent year-over-year tracking of projects. This system would help track projects within the department, as well as provide greater transparency when reporting on a regular basis to senior administration.

Training to Support Skills Development and Safety

The school board has training programs in place for all custodial staff. Full-time and casual staff are provided new hire training immediately upon joining the school board staff. Further training is provided to casual staff prior to working without supervision.

Casual custodial staff receive mentorship by senior custodial staff by being place at a number of schools prior to being staffed independently. This mentoring process provides casual staff exposure to multiple schools and processes. Conversely, full-time staff training is site-specific, and employs mentoring relationships between new and experienced staff. Mandatory and legislated training, such as safety training, takes place when required.

When developing professional development (PD), the plant department consults unions and considers the geographic distances of the school board. PD sessions are often organized in two separate sessions, in both the northern and southern regions of the school board. Mandatory PD includes Workplace Hazardous Materials Information System (WHMIS) and fall arrest training. The department partners with suppliers regarding specialized training on specific systems, equipment, and cleaning products.

Standardization of Cleaning and Maintenance Supplies

The school board does not have an inventory system to track major cleaning or maintenance equipment. Rather, *ad-hoc* inventories of equipment are completed when

required. The manager reports that he is aware of the location of all major department equipment pieces (e.g. hallway scrubbers). The manager ensures that reminder calls are made to custodians regarding repair and maintenance of major equipment, but no formal schedule is maintained. The school board should develop an inventory system to track and control major cleaning equipment, as well as to ensure that appropriate maintenance is provided for each piece of equipment.

Management has defined common standards to ensure efficient procurement of supplies and equipment, since all purchases must first be approved by the manager of plant. Purchasing of custodial supplies is done using a regional model, where separate suppliers may be used depending on the location of the school site. Supplies are ordered by custodians, who submit their request on vendor-specific forms to the manager for approval. Once approved, orders are transmitted by fax to the vendor by the plant secretary. Orders are usually batched and sent monthly. All orders are drop-shipped, since the school board does not maintain a warehouse.

Project Management, Monitoring and Supporting Systems

The department tracks and records its work orders manually. Work orders are approved by management and batched according to project. Management is encouraged to perform a cost benefit analysis of whether the implementation of an automated work-order system would provide a benefit for the school board in terms of adding capacity and efficiency.

Maintenance staff are contracted for all major projects, while minor projects are completed using full-time and casual custodial staff. Management has undertaken an assessment of the costs involved, and the effectiveness and efficiency of this form of maintenance delivery. Management's communication with custodial staff is facilitated by seasonal memos, and staff are in regular contact with management. There are no reports of ongoing short-term absenteeism.

Recommendations:

- The school board should implement cleaning standards for schools and develop a standard process to monitor, manage and report on results. Once this in place, management should also report to senior administration on the results of the compliance reviews.

- The plant department should develop and maintain an inventory for its major cleaning and maintenance equipment.

- Management should investigate the cost-benefit of implementing a new work order system to streamline the management, dispatch, tracking and reporting of facility renewal and general maintenance work orders.

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.

Leading Practices – Energy Management	Evidence of Adoption?
Energy Management Plan	
In reference to the *Ontario Green Energy Act, 2009,* senior administration has established a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.	No
Procurement practices support the objectives and targets of the energy management plan.	No
Successful conservation initiatives are communicated across all schools and with other school boards.	No
Tracking and Reporting Energy Conservation	
Management provides formal annual reporting on the conservation savings achieved against the plan.	No
A comprehensive system exists to budget expenditures, track and regulate consumption, and identify opportunities for further savings.	No
Billing for all school board facilities is consolidated from each utility.	No
The Board has established an overarching environmental policy that addresses both environmental education and responsible management practices.	No

Energy Management Plan

Energy conservation is a principal concern when utility costing and facility upgrades are being considered. For example, the school board is moving forward with numerous projects and construction, to increase school board energy savings. These projects include installation of solar panels on the school board's secondary school, and working

with energy providers to move all school board facilities to smart metering. The department uses external advisors to assist in the implementation of energy-saving technologies, including past projects, such as the installation of centrally controlled heating and lighting systems for some school sites.

Senior administration is kept informed of all projects involving energy management or saving components, current or planned. There is no public reporting of energy management costs or savings, nor are they reported to the Board. The coordinator of community outreach could be utilized to publicize the school board's energy management accomplishments, and is encouraged to do so.

Although some components of an energy management policy are in place, the school board should expand its energy conservation procedures and related procurement practices. The department should combine the multiple pieces, while establishing a multi-year energy management plan that incorporates measures to be implemented, and the tools to monitor and manage the plan. Included in the multi-year plan should be a procurement policy that incorporates references to energy efficient products, including (where feasible) a requirement that all new equipment have an appropriate energy efficiency rating. Once a formal plan is in place, the school board should communicate successful conservation initiatives across all schools and with other school boards.

Tracking and Reporting Energy Conservation

The school board has no formal energy conservation plan, and as such has no annual reporting of conservation measures. There is currently no comprehensive system in place to budget expenditures, track and regulate consumption, or identify opportunities for future savings. The school board has a centralized system that automates energy regulation in some schools. The school board is encouraged to develop, track and report energy conservation goals.

Vendor billing is not consolidated from each utility provider, since schools use different providers in different regions. Management should ask the utility companies to provide consolidated billing in an electronic format, where possible. This would support more efficient monitoring and forecasting of energy consumption.

The school board does not have an environmental policy that encourages the protection of the school environment. However, a number of initiatives that are environmentally conscious are in place, including recycling programs at all school sites, the use of green cleaning supplies, and energy efficient capital upgrades. The school board should develop an overarching environmental policy that addresses both environmental education and responsible management.

Recommendations:

- The school board is encouraged to establish a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.

- The school board should enhance its procurement policy to promote the procurement of energy efficient products and services where feasible and support energy management goals.

- Successful conservation techniques currently used by the school board should be communicated across all schools and with other school boards, to enhance recognition of energy management across the system.

- Management should provide formal annual reporting to the Board on the energy conservation savings achieved against the plan once it has been developed.

- The school board should develop a system to track consumption, budget expenditures, and identify opportunities for further energy management savings.

- The plant department should work with its major utility providers to consolidate billings for schools to one periodic invoice per utility and use the Ministry's Utility Consumption Database to help consolidate their billing and track energy consumption.

- The school board is encouraged to develop an overarching environmental policy that addresses both environmental education and responsible management.

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.

Leading Practices – Health, Safety and Security	Evidence of Adoption?
Health, Safety and Security Management	
Develops, implements, and monitors an occupational health and safety strategy/plan that reflects the board's occupational health and safety policies and administrative procedures and ensures the school board is in compliance with associated occupational health and safety statutory requirements.	Yes
Develops, implements and monitors a security strategy/plan that reflects the board's security and student safety policies and administrative procedures and ensures the board is in compliance with statutory/policy security requirements.	No
Develops, implements and monitors a health strategy/plan that reflects the board's health policies and procedures and ensures the board is in compliance with statutory health requirements.	No

Health, Safety and Security Management

The school board has an approved multi-site health and safety plan, which is reviewed regularly to ensure accordance with applicable requirements legislated under the *Occupational Health and Safety Act*. The policy can be found on the school board's website.

The school board's health and safety plan documents the requirements of site-based health and safety teams. Monthly safety inspections are completed at every school board site by the school-based safety teams. The monthly safety inspection reports are submitted immediately to the plant department for inspection. Issues identified during the safety inspection requiring follow up are addressed by the manager of plant. These inspection reports and the documented follow-up actions addressing any related health and safety concerns are kept on file at the central plant office. The manager of plant personally follows up on all health and safety considerations that are raised in inspection reports. All public complaints regarding facilities are directed to the manager of plant.

The number of serious incidents reported at the school board has remained constant, and there are no reoccurring health and safety concerns. The occurrence of incidents is mitigated by safety training for staff, which includes WHMIS training, ladder safety, fall prevention, and asbestos training. When incidents occur, the plant department details the incident and actions taken, and the report is signed off by HR. Any health and safety issues raised by the public are received and addressed by the manager of plant. The manager regularly updates the Board and senior administration on occupational health and safety issues.

The school board maintains some aspects of detailed safety and fire procedures. For example, existing fire, bomb and video surveillance procedures are being updated, while lockdown procedures are in a draft stage. Fire drill procedures are standard across the school board, and staff are trained on responsibilities during a drill or actual fire scenario.

The development and monitoring of these plans is the joint responsibility of the plant and HR departments. The school board maintains a master binder with copies of emergency plans for each school board facility. The school board is encouraged to adopt its lockdown procedure and consolidate all existing emergency plans in one policy document which includes a detailed emergency and crisis response plan.

Although the H1N1 planning process highlighted the need for a health strategy, the school board has not yet developed one. Legislation (such as Sabrina's Law) and other health requirements are built into plant department procedures, which are accountable to the Board. The school board is encouraged to develop a health plan reflecting school board health policies and procedures.

Recommendations:

- The school board should develop a security strategy reflecting the security and student safety policies and ensuring compliance with associated statutory security requirements.

- The school board should develop, implement and monitor a health strategy that reflects the board's health policies and procedures and ensures the school board is in compliance with statutory health requirements.

5.5 Capital Plans, Policies and Procedures

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

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

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

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

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

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

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

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

Development of Annual and Multi-Year Capital Plans

In compliance with Ministry requirements, the school board has completed its capital liquidity template, and it is appropriately funded. A five year capital plan is created by the manager of plant in conjunction with the finance department, and refreshed, considering building inspections, budget considerations, and input from principals. The plan is developed in conjunction with the budget development process. Once completed, the plan is presented to the Board for approval, and included with the annual budget package. Contingencies are built into the budgeting of capital projects. Debentures have previously been used for major capital projects.

The school board is experiencing a decline in enrollment, and does not anticipate a need to increase facility capacity in the near future. The school board's secondary school is experiencing high utilization, although the low student numbers within the lower grades suggest that this will gradually decline. Since the coterminous school boards also have declining enrollment, there have been ongoing communications regarding facility utilization and maximization with them.

The Board has approved the Pupil Accommodation Review Guideline and associated school board policy. Accommodation improvements to schools are ongoing, with one project planned during the summer of 2010.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

To maintain the accuracy of capital needs forecasts, the school board keeps accurate and timely inventories of school capacity and utilization through SFIS and ReCAPP. The school board has no Prohibitive To Repair (PTR) schools, though they would be identified based on Ministry guidelines and identified through ReCAPP. The manager of

plant is responsible for monitoring the SFIS and ReCAPP systems. Though ReCAPP is used by the school board, it is not followed exclusively. The school board reported that some information is no longer accurate, since certain capital asset estimates may not have taken into consideration for severe northern environmental conditions.

5.6 Construction Management

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

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

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

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

Leading Practices – Construction Management	Evidence of Adoption?
Cost Effective Practices in the Design and Construction of Facilities	
Management gives full consideration to the use of available school space in their local communities before proceeding to build, purchase or lease other spaces.	Yes
Management uses cost-effective designs, standard footprints, energy conservation, and economical construction practices to minimize construction and future maintenance and operation costs.	Yes
In constructing, acquiring, operating and managing school facilities, the school board is guided by the principles outlined in the *Ontario Green Energy Act, 2009.*	No
Senior administration maintains standard policy and/or procedures to rationalize construction projects, including benchmarking against other school board construction costs and design standards (including coterminous boards).	Yes
Monitoring and Reporting on Progress of Construction Projects	
An effective management process monitors and controls construction projects and their costs. This includes periodic project status updates and post-construction project evaluation.	Yes
Maintaining Current Approved Professional Service Providers	
Senior administration periodically evaluates and updates the approved list of contractors, architects and related professionals no less than once every five years.	Yes

Cost-Effective Practices in the Design and Construction of Facilities

Management gives full consideration to the use of available school space in local communities before proceeding with the construction, purchase, or lease of other spaces. The manager of plant maintains and uses SFIS data to keep an accurate inventory of available school space. The school board reported that it foresees increasing surpluses of space at its facilities due to declining enrollments.

When updating facilities, the school board uses energy conservation and economical construction practices, including the standardization of energy efficient equipment, such as boilers, lighting, and energy management systems. Any redesigns of school facilities incorporate input from plant staff, the school principal, and teachers. Staff are given time to consider architectural drawings and provide feedback to the architect and plant department. Complete architectural plans are presented to the Board for approval once feedback has been taken into consideration and plans are modified accordingly.

The school board uses renewable energy sources for school facilities, and makes use of green building and custodial supplies. These practices have been adopted because of the school board's recognition of the importance of green practices and environmental awareness. School board management is not aware of the principles outlined in the *Ontario Green Energy Act,* and is encouraged to consider them to enhance their current practices.

Monitoring and Reporting of Progress on Construction Projects

Management has an effective process in place to monitor and control construction projects and their costs. All architectural plans and prints are reviewed by the plant department and principals prior to approval. Throughout the project, the manager of plant must sign off on any change orders as the formal project manager. The school board reports that they intend to use the new R-Form system developed by the Ministry to manage construction projects. Currently, the architect manages the project flow software. The manager of plant provides regular construction project reports to senior administration and Board. The school board has had positive experiences with on-time completion of construction projects. The school board monitors the cost of project design and construction, and has benchmarked these costs against other school boards and new construction of non-school facilities within the school board region showing similar costs.

Maintaining Current Approved Professional Service Providers

The school board out-sources all construction through a publicly advertised process, and tenders for architectural services every three years. Low bids that meet all contract requirements are awarded contracts. The school board employs a standard Canadian Construction Documents Committee (CCDC) contract for construction projects. This includes documentation of due diligence such as proof of compliance with Occupational Health and Safety legislation and Workplace Safety and Insurance, bonding status, and verification of required qualification for design and construction of electrical and mechanical systems.

Recommendation:

- In constructing, acquiring, operating and managing school facilities, the school board is encouraged to be guided by the principles outlined in the *Ontario Green Energy Act, 2009*.

Appendices

Appendix A: Overview of the Operational Review

Operational Review Objectives

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

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

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

Operational Review Summary Scope

The scope of the Operational Review consists of the following functional areas which have been divided into key processes as shown below. The processes represent the end-to-end lifecycle of activities performed by school boards under each functional area. Each of the processes was examined based on its activities and its adoption of sector agreed leading practices, including alignment and support of student achievement strategies.
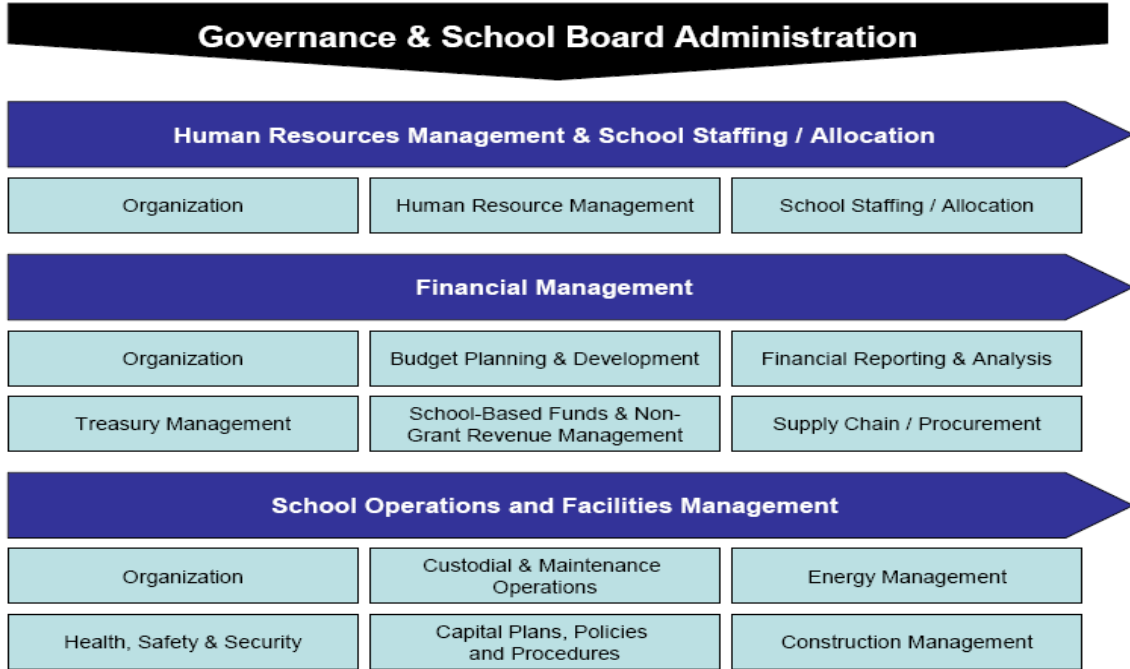
Operational Review Summary Approach

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

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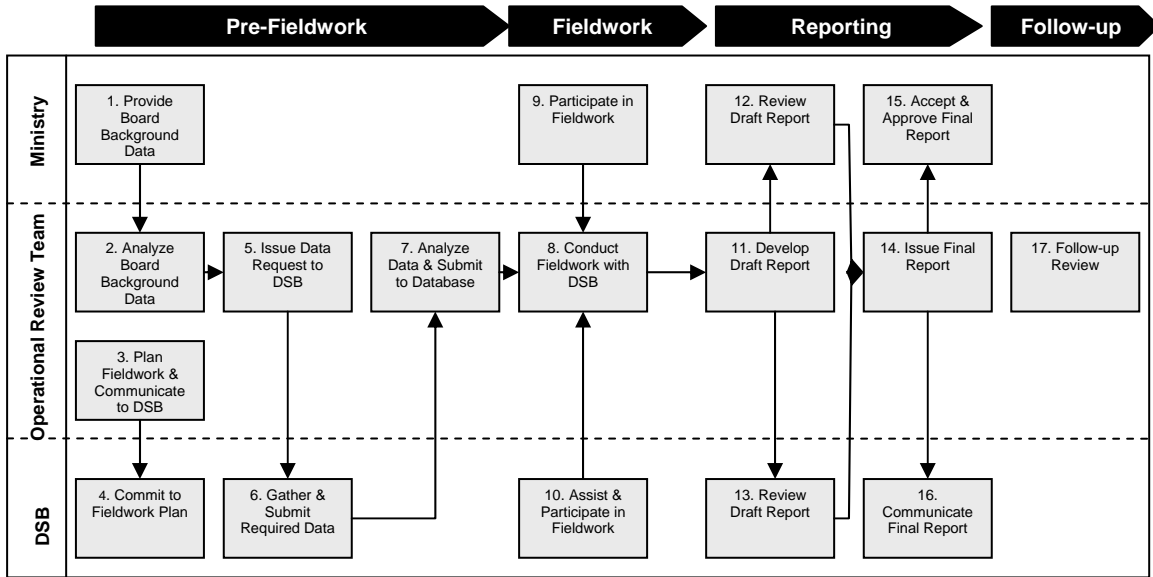
The Table below defines the key phases and activities which comprise the Operational review Methodology.

Phase	Key Activity	Description
Pre-Fieldwork	**Provide Board Background Data**	The Ministry collects and maintains significant quantities of board data. The Operational Review team has developed a standardized data request for all school boards to provide background data prior to the review.
	Analyze Board Background Data	Before the start of the fieldwork, the Operational Review team reviews board background data to understand the financial and operating characteristics. This review identifies specific issues and focus areas.
	Plan Fieldwork and Communicate to Board	The Ministry and the Operational Review team develop a review schedule that is communicated to boards before the start of the next review cycle.
	Commit to Fieldwork Plan	Boards are required to commit to the Operational Review schedule. The Ministry and the review team will attempt to accommodate scheduling conflicts.
	Issue Documentation Request to 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 board before the start of field work.

Phase	Key Activity	Description
	Gather and Submit Required Documentation	Upon receipt of the request for supporting documentation, each 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 board and adds the results to a sector-wide database to compare the results for each board.
Fieldwork	Conduct Fieldwork with board	The fieldwork is conducted for each board according to the previously agreed upon review cycle. The time required for fieldwork ranges between five and 10 days, based on the size of the board.
Fieldwork	Participate in Fieldwork	Ministry staff support the review team in the performance of fieldwork to ensure continuity and knowledge transfer of school board operations.
Fieldwork	Assist and Participate in Fieldwork	School board staff participate in the fieldwork. The number of participants involved will vary depending on the size of the board.
Reporting	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.
Reporting	Review Draft Report (Ministry)	The Ministry reviews the draft report and provides feedback to the review team.
Reporting	Review Draft Report (board)	The review team meets with board senior staff to review and obtain feedback.
Reporting	Prepare Final Report	The review team incorporates the feedback from the both the Ministry and the board and prepares a final report.
Reporting	Accept and Approve Final Report	The final report is issued to the Ministry for approval and release.
Reporting	Communicate Final Report	The Ministry issues a final report to the board.
Follow-up	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 of the board's adoption and implementation of the recommendations.

The Operational Review Team

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

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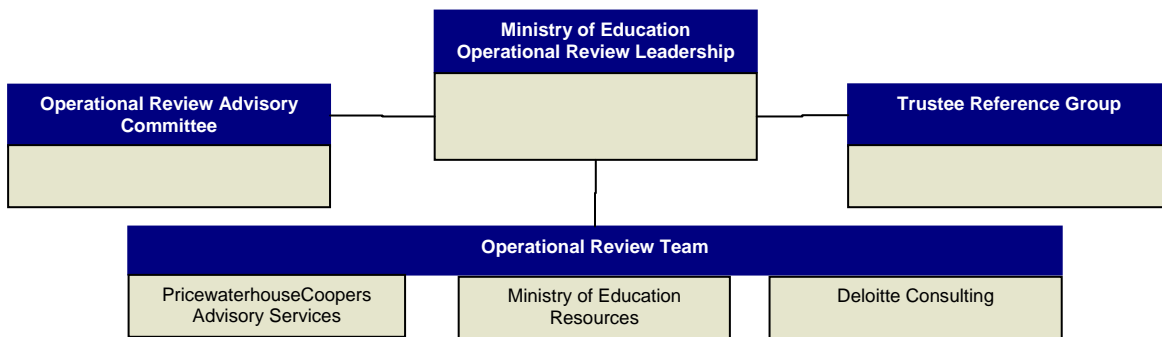
Limitations of this Review

The purpose of this Report is to document the results of the Operational Review of Northeastern 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

No.	Recommendation
Governance and School Board Administration	
1.	The school board should develop a formal policy that clearly delineates the division of duties and responsibilities between the board of trustees and the director of education, including the development of a code of conduct for trustees. This will ensure roles and responsibilities are clearly articulated and delineated and will help to support an effective working relationship.
2.	The school board, using a consultative process, should develop and communicate a multi-year strategic plan that provides a framework for annual planning.
3.	Once this overarching strategic plan is developed, the school board should develop a formal annual operational plan aligned with the Board's multi-year strategic goals. This annual operating plan should cover all aspects of its non-academic operations, including human resources, financial management, and facilities management. This will also enable all departments to track and report progress on their defined priorities and goals throughout the year.
4.	Senior administration should report to the Board of Trustees annually on the status and outcomes of the school board strategic plan and annual operating plan, once they are developed.
5.	The school board should consider establishing a formal refresh cycle for its policies, to ensure periodic review of all policies across functional areas. This could include forming a policy committee to consider policies for review or development.
6.	The school board should establish a formal succession plan to manage retirements and resignations of key managers and administrators. This should include senior staff in both academic and non-academic functions and would help build and sustain leadership capacity.
Human Resources Management and School Staffing/ Allocation	
7.	The HR department should consider developing an annual department plan aligned with the school board's operating plan and overall strategic direction. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
8.	Management should continue to develop a comprehensive attendance management program, including policies and procedures to address specific categories of absenteeism. This will provide management with a consistent and structured approach to improve attendance across all employee groups.
9.	Management should periodically report to the Board and senior management on the effectiveness of its attendance management program, once it is in place.
10.	Management should consider developing staff satisfaction surveys, which should include all employee groups. This would improve communication with staff, and provide input for professional development plans and HR policy.
11.	Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy as well as process and program improvement.

No.	Recommendation
Financial Management	
12.	The finance department should consider developing an annual department plan aligned with the school board's annual operating plan and overall strategic direction. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
13.	Management should consider enhancing the process of reporting on the school board's budget risks using the suggested steps outlined in section 4.2 of this report. The development of a single risk plan/report would identify and document all significant risks on a periodic basis and include strategies to mitigate the risks of spending beyond authorized and budgeted levels.
14.	Management should consider establishing an internal audit function giving consideration to the emerging Ministry direction to establish regional models for internal audit across the school board sector.
15.	When the school board establishes an internal audit function, it should ensure any internal audit plans are clearly documented and that internal audit report recommendations are followed up and acted upon by management.
16.	The school board should consolidate cash management activities with a single institution, where feasible.
17.	Management should periodically report to the Board on the performance of the school board's investment activity and develop an investment policy in accordance with the Education Act.
18.	Management should ensure adequate controls are in place to safeguard non-grant revenue and coordinate the annual reporting of revenues and expenditures from all sources.
19.	The school board should review and update its supply chain and procurement policies, ensuring that they are aligned to the Supply Chain Guidelines Version 1.0, communicated to staff with purchasing authority and periodically reviewed and updated.
20.	Management is encouraged to develop procurement policies that clearly outline circumstances under which the school board will use competitive versus non-competitive procurement methods.
21.	Management should pursue opportunities for joint purchasing to increase purchasing power and minimize the cost of goods and services procured.
22.	Management is encouraged to develop guidelines that ensure purchasing authorization levels are commensurate with job roles and responsibilities and that such levels are monitored for compliance by a supervisor or department head.
23.	The school board should consider implementing the use of PCards for appropriate school staff. PCard use can reduce the volume of supplier invoices to be processed and can be a more efficient means of local purchasing. Appropriate control procedures and guidelines should be put in place to support the use of PCards.
24.	Management is encouraged to implement an electronic supplier interface for ordering, processing, and payment. This is an opportunity for increased process efficiencies.
25.	Management should continue to explore additional Electronic Fund Transfers (EFT) opportunities to maximize efficiencies.

No.	Recommendation
School Operations and Facilities Management	
26.	The plant department should consider developing an annual department plan aligned with the school board's operating plan and overall strategic directions. This will enable the department to track and report the progress of its defined priorities and goals throughout the year.
27.	The school board should implement cleaning standards for schools and develop a standard process to monitor, manage and report on results. Once this in place, management should also report to senior administration on the results of the compliance reviews.
28.	The plant department should develop and maintain an inventory for its major cleaning and maintenance equipment.
29.	Management should investigate the cost-benefit of implementing a new work order system to streamline the management, dispatch, tracking and reporting of facility renewal and general maintenance work orders.
30.	The school board is encouraged to establish a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.
31.	The school board should enhance its procurement policy to promote the procurement of energy efficient products and services where feasible and support energy management goals.
32.	Successful conservation techniques currently used by the school board should be communicated across all schools and with other school boards, to enhance recognition of energy management across the system.
33.	Management should provide formal annual reporting to the Board on the energy conservation savings achieved against the plan once it has been developed.
34.	The school board should develop a system to track consumption, budget expenditures, and identify opportunities for further energy management savings.
35.	The plant department should work with its major utility providers to consolidate billings for schools to one periodic invoice per utility and use the Ministry's Utility Consumption Database to help consolidate their billing and track energy consumption.
36.	The school board is encouraged to develop an overarching environmental policy that addresses both environmental education and responsible management.
37.	The school board should develop a security strategy reflecting the security and student safety policies and ensuring compliance with associated statutory security requirements.
38.	The school board should develop, implement and monitor a health strategy that reflects the board's health policies and procedures and ensures the school board is in compliance with statutory health requirements.
39.	In constructing, acquiring, operating and managing school facilities, the school board is encouraged to be guided by the principles outlined in the *Ontario Green Energy Act, 2009*.