Ministry of Education

Operational Review Report
Hastings and Prince Edward District School Board

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Executive Summary

This report details the findings and recommendations of the Operational Review of the Hastings and Prince Edward 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 February 1, 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 leadership on its strategic plan, succession, and talent development, performance evaluation, and multi-year energy management plan. 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:

- A governance model that clearly delineates the division of duties and responsibilities between the Board and the Director of Education and supports an effective working relationship.

- Maintaining and communicating a strategic plan through their Achievement in Motion (AIM) System Plan. This serves as the school board's strategic plan as well as its annual operating plan, as each goal sets targets for improvement and covers areas such as human resources, financial services and facilities, and is reported on regularly. The school board is currently renewing its five year Strategic Plan for 2010-2015.

- A formal and well-developed Succession and Talent Development Plan has been established.

- A formal stakeholder and communications plan actively engages internal and external stakeholders on a regular basis.

Recommendations:

Human Resources Management and School Staffing/Allocation

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

- Clearly distinguishing its goals and priorities in an annual plan that aligns with the organization's overall strategic plan.

- Helping staff understand HR policies and procedures, along with processes to monitor compliance of 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.

- Management of HR and Payroll Data is adequately controlled, tracked, and reviewed.

- Annual plans and processes for staff planning and allocation are maintained, and adhere with Ministry and school board parameters.

The review team has recommended the school board expand its efforts in five HR areas. While the school board has demonstrated a consistent process for recruitment, it should develop a formal recruitment policy to enhance the process,

and overcome current and future challenges in recruitment. This policy would cover organizational objectives, personnel policies of the organization and selected school boards/educational organizations, preferred sources of recruitment, the needs of the organization, recruitment costs, and financial implications. A formal recruitment policy will also ensure that the school board meets its staff recruitment and retention goals.

The school board has implemented information systems to record and analyze trends in absenteeism. It has dedicated resources to support attendance management, and has implemented aspects of employee wellness programs and return-to-work initiatives. They are, however, encouraged to develop a formal attendance management program.

Management reports that the school board's insurance carrier's policies and returns are reviewed annually by the Superintendent of Financial and Facility Services. This includes HR staff periodically reviewing the plan information provided by the insurance company against newly signed collective agreements, to ensure that all plan changes are properly communicated to the insurance company. However, the insurance carrier is not audited periodically by a third-party. The school board is encouraged to build in this process, to ensure accuracy and validity of claims paid.

The school board does not employ system-wide staff satisfaction surveys on a regular basis. It does not conduct confidential staff satisfaction surveys or formal exit interviews.

While it is noted that the school board operates within a small community and experiences low turnover, practices such as staff surveys and exit interviews can provide management with valuable input, for both professional development and policies impacting future employee relations.

Recommendations:
- Management should develop a recruitment policy, and ensure it is reviewed annually to align staff planning with student achievement.

- 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 consider conducting compliance audits of the school board's insurance carrier, to ensure adherence to the benefit plans terms and conditions. This will ensure accuracy and validity of claims paid.

- Management should consider developing staff satisfaction surveys which would 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 department produces a number of positive results, through the implementation of these leading practices:

- The department's goals and priorities are documented in an annual plan, which includes targets, timelines, and identified accountability.

- Ongoing education regarding financial policy, supported by monitoring of compliance of these policies.

- The annual budget development process is transparent and clearly communicated, incorporating input from key stakeholders including staff, management, trustees and the community.

- Adequate controls are in place for the management of school-based funds.

- Controls are used to safeguard non-grant revenues, while ensuring the proper reporting of revenues and expenditures from all sources.

- Clearly articulated procurement policies and procedures that are periodically reviewed and communicated to staff with purchasing authority. Staff monitor compliance with purchasing policies.

- Leadership in the use and development of group purchasing initiatives.

The school board has a process in place to identify significant risk during the budget development process, and takes steps such as using budget hold backs in the spring to reduce expenditure fluctuations. However, risks and contingencies have not been captured in a separate document. The school board is encouraged toconsolidate all key risks and mitigation strategies into a single risk plan. This will increase transparency, and allow them to expand on their existing planning processes.

The school board currently has a process in place to provide management and stakeholders with variance analysis and financial reporting. However, this process

is not integrated with the budget. The Human Resources and Information Systems (HRIS) and payroll are managed through a specific software application, while different programs are used for financial forecasting. The school board is currently considering implementing a fully integrated financial system across departments, and is encouraged to continue to do so.

The Operating and Finance Committee acts as the Audit Committee for the school board, and oversees the annual external audit. It is recommended that the school board establish a stand-alone audit committee, with external advisors to contribute to its effectiveness.

The school board's cash management process minimizes idle cash by monitoring daily cash flows against forecasts, and uses surpluses for making short-term low risk investments. The school board has not consolidated its banking, but is in the process of encouraging individual schools to join its principle bank to help decrease banking costs, increase interest revenue, and enhance internal controls.

It is recommended the school board consider implementing three-way matching to increase oversight in the purchase to pay cycle. Management reported that they are currently reviewing the impacts and benefits of including this functionality as part of their new supply chain system implementation.

The school board does not currently use EFT for payments. Management recognizes that additional EFT opportunities should be explored to maximize efficiency within the Finance department.

Recommendations:

- The school board should consider consolidating key risks and mitigation strategies into a single risk plan.

- The school board should consider implementing a fully integrated financial system across all departments.

- Management and the board of trustees should consider establishing an audit committee that includes external advisors.

- Cash management activities should be consolidated with a single institution.

- Management should perform a detailed review of the school board's purchase-topayment cycle, and implement three-way matching.

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

School Operations and Facilities Management

The Facilities Services department has adopted several of the leading practices in its custodial and maintenance operations, including:

- Cleaning standards across all facilities, including green clean targets, and an allocation model that accounts for variable factors in facilities.

- The development of an annual maintenance plan, including staff training.

- Standardization of cleaning and maintenance supplies.

- An automated work-order system that is evaluated by senior administration.

- A long-standing energy management plan.

- Development, implementation and monitoring of an occupational health and safety plan, including a security plan.

- 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.

Vendor billing is not currently consolidated from each utility. Management should continue to consider requesting consolidated billing in an electronic format. This will help support more efficient monitoring and accurate forecasting of energy consumption.

Although the school board develops an annual maintenance plan and uses SFIS to determine some capital needs, it does not develop a multi-year capital plan approved by the Board. The school board should develop a multi-year capital plan that includes the related funding plan and has formal Board approval, to provide a long-term forecast of planned capital planning.

Though efforts such as the school board's energy management program indicate a strong environmental focus, the school board should develop an overarching environmental policy that addresses both environmental education and responsible management.

Recommendations:

- Management should work with the utility companies to obtain consolidated billing in an electronic format. This 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.

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

1.   Background and Overview

1.1   School Board Profile and Structure

The Hastings and Prince Edward 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 over 16,000 students, the school board offers a diverse range of programs in its 55 schools. As is the case with many Ontario school boards, the Hastings and Prince Edward District School Board is currently facing declining enrolment.

The Senior Administration Team at the school board is composed of the Director of Education and five superintendents as follows:
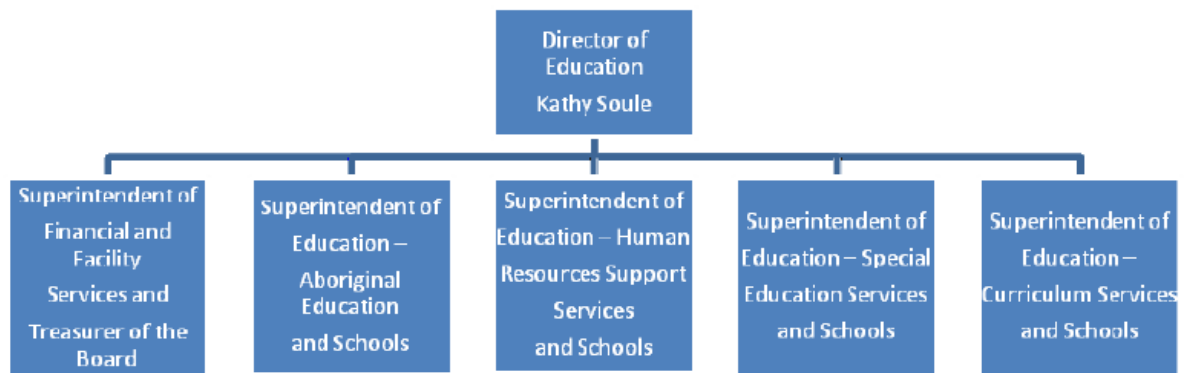
1.2   Key Priorities of the School Board

The school board has adopted the following mission statement "**A Great Place to Learn and a Great Place to Work!"** To support this mission statement, the school board strives to demonstrate the following:

- The school system and community working together toward student development

- A commitment to excellence through growth and improvement

- Consideration of all elements that shape the system

- A wide range of services, supports, and programs which prepare students to meet global challenges in a changing world

- Stakeholders involved in creating and implementing a school, department, or system vision

- Effective teams working to reach common goals

- Personal interactions which are respectful, cooperative, positive, and mutually supportive

- Timely, open, two-way communication with all stakeholders

- Decisions and plans based upon data, which aim to meet the needs of the people served

- A focus on optimizing the learning and working environments

- An inviting, welcoming and safe atmosphere.

To fulfill its mission, the school board has adopted a growing with a character statement that reflects the shared vision and values of everyone within the organization, and helps drive the strategic plan. The character attributes are:

- Caring

- Co-operation

- Honesty

- Humour

- Integrity

- Respect

- Responsibility

- Trustworthiness

These goals and priorities are implemented through the *Achievement in Motion for Student Success* document (AIM), and are supported by the school board's statement of respect.

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. The school board has identified the improvement of EQAO scores as a priority. The importance of this has been underscored by including literacy and numeracy goals in the AIM System Plan.

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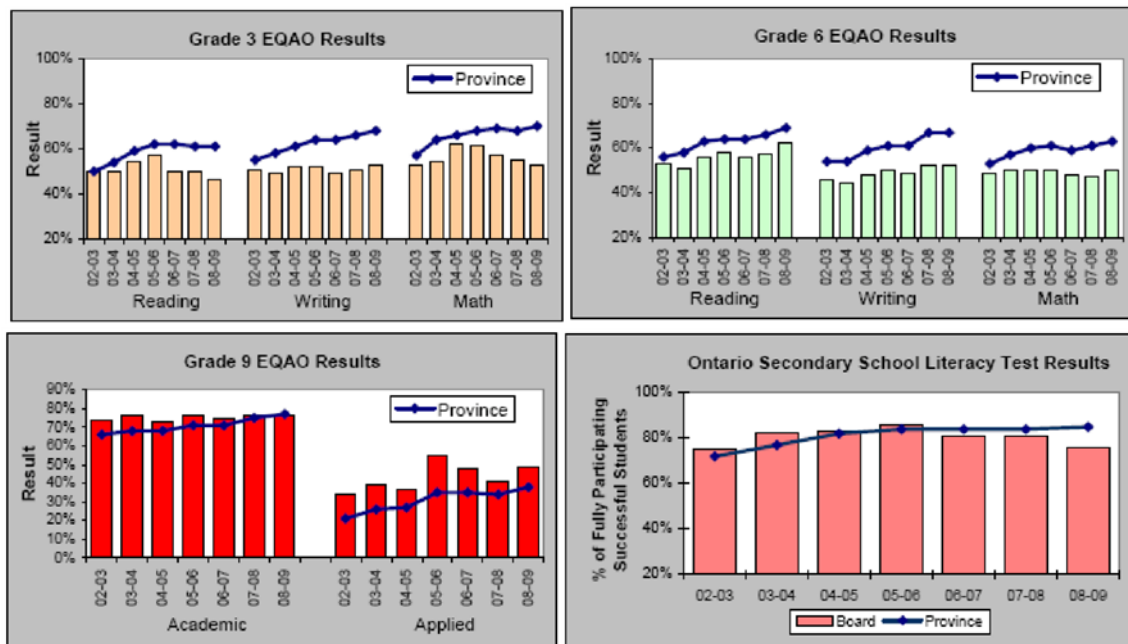
1.4   Fiscal Overview

The school board has presented balanced budgets to the Ministry for 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 on any new capital projects.

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

Summary Financial Data (Revenues)

Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Legislative Grants	$124,514,714	$132,236,702	$135,322,945
Local taxation	$39,918,350	$39,760,441	$39,826,058
Board Revenues	$3,668,729	$3,426,431	$3,060,783
Other Operating & capital Grants	$2,542,454	$2,688,291	$4,351,151

Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Total Revenues (Schedule 9)	$170,644,247	$178,111,866	$182,560,937

Summary Financial Data (Expenditure)

Expenditures:	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Operating expenditures	$163,796,367	$171,420,760	$177,432,017
Capital expenditures - Before transfers from reserves	$5,595,964	$5,616,685	$6,198,415
Transfer to (from) Reserves	$1,852,797	$1,074,421	-$1,069,495
Total Expenditures	$171,245,128	$178,111,866	$182,560,937
In-year Surplus (Deficit)	-$600,881	$0	$0

School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues	2007-08 Financial Statements	2008-09 Financial Statements	2009-10 Revised Estimates
Reserve for Working Funds	$3,246,932	$4,152,886	$3,230,281
WSIB	$597,809	$605,003	$612,203
Future Benefits	$2,100,161	$2,283,161	$2,151,271
Future Capital	$2,416,104	$2,445,179	$2,462,179
Total Reserve Funds (Schedule 5)	$8,361,006	$9,486,229	$8,455,934
Energy Efficient School - Operating	$0	$287,409	$0
Energry Efficient School - Capital	$0	$619,840	$0
Total Deferred Revenues (Schedule5.1)	$0	$907,249	$0
Total Board Reserves and Deferred Revenues	$8,361,006	$10,393,478	$8,455,934

1.5   Key School Board Statistics

The following table highlights key statistics for the school board. There has been a declining enrolment trend since 2002-03.
Summary Board Statistics

Day School Enrolment

Day School Enrolment	2002-03 Actual	2009-10 Revised Estimates
Elementary Day School ADE	12,466	9,727
Secondary Day School ADE	6,640	6,383
Total Day School Enrolment	**19,106**	**16,109**

Primary Class Size

Primary Class Size	2003-04	2009-10
% of Classes Less Than 20	30%	91%
% of Classes Less Than 23	67%	100%
Average Class Size - Jr/Inter	25.59	24.16
% of 3/4 Classes 23 & Under	64%	94%
% of Combined Classes	27%	44%

Staffing

Staffing	2003-04	2009-10
School Based Teachers	1,071	1,022
Teacher Assistants	289	280
Other Student Support	100	119
School Administration	63	68
School Clerical	96	108
School Operations	189	187
Other Non-Classroom	63	64
Total Staffing	**1,871**	**1,848**
Teacher - Pupil Ratio	**1:18**	**1:16**
FTE Staff per 1,000 Pupils (ADE)[1]	**97.9**	**114.7**

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

Staffing	2003-04	2009-10
Total Salary & Benefits as % of Net Operating Expenditures	**82.8%**	**85.1%**

Special Education

Special Education	2003-04	2009-10
Special Education Incremental Expenditures	$17,081,341	$23,065,333
Special Education Allocation	$17,229,310	$21,407,812
Spending above Allocation (Reserve)	**-$147,969**	**$1,657,521**

School Utilization

School Utilization	2003-04	2009-10
Number of schools	56	55
Total Enrolment (ADE)	19,106	16,109
School Capacity (Spaces)	21,748	20,603
School Utilization	**87.9%**	**78.2%**
Board Area (Km^2)	**7,221**	**7,221**
Number of Trustees	**10**	**10**

2. Governance and School Board Administration – Findings and Recommendations

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

Governance and school board administration processes are reviewed to:

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

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

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

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

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

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

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

Establishment of an Effective Governance Model

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

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

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees, using a consultative process, develops and communicates a multi-year strategic plan that provides a framework for annual planning.	Yes
The director of education and senior staff develop an annual operating plan of their goals/priorities, incorporating both academic and non-academic departments. The plan is aligned with the Board's multi-year strategic plan and has goals that are specific, measurable, achievable, relevant and timely.	Yes
The senior administration periodically/annually report to the board of trustees on the status and outcomes of the board strategic plan and annual operating plan.	Yes

Decision-Making Processes

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The board of trustees and senior administration have appropriate processes for decision making to address student achievement targets and operational performance.	Yes
The board of trustees and senior administration have appropriate processes for the establishment and regular maintenance of policies and administrative procedures for the efficient and effective operation of the board.	Yes

Organizational Structure and Accountability

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The organizational structure has clearly defined organizational units that delineate roles and responsibilities, minimize administrative costs and ensure effective and efficient operation.	Yes
A departmental organization chart (supplemented with a directory of key staff contact information) is publicly available on the board's website.	Yes

Succession and Talent Development

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
As part of the Ministry's *Ontario Leadership Strategy*, the director of education, with support from HR, has established a formal Succession and Talent Development Plan to build and sustain leadership capacity.	Yes

Stakeholder Engagement

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

Establishment of an Effective Governance Model

The school board has adopted and documented a governance structure that clearly delineates the roles and responsibilities between the Board and senior administration. The governance structure is supported by 10 experienced trustees and three student trustees.

As part of its governance model, the school board has established policies to direct the governance approach of the Board, and delineate the roles and responsibilities between administration and trustees. The Board sets and maintains policy, and senior administration develops and implements operating plans and procedures, consistent with the school board's key goal of improving student achievement. Job

descriptions for the Director of Education are outlined in school board policy #5. Roles of the Board Members are included in policy #9, and Duties of the Board Chair and Vice-Chair are included in policy #10.

Prior to the arrival of the current Director of Education, a 360 degree review of the school board was conducted in the fall of 2004, and the results formed the basis for criteria used in the hiring of a new Director of Education. The results of the review subsequently led the Board to develop the current Achievement in Motion (AIM) strategic plan for 2005-2010.

The relationship between the Director and the Chair is collegial and collaborative. There is also a strong working relationship between senior administration and the Board. The role description for the Director includes 11 specific responsibilities. This includes communications, community relations, and maintaining a positive working relationship with the Board, while performing the duties as outlined in Board policies.

The school board has developed a formal orientation process for all new trustees. This includes an initial meeting with the Director. The importance of trustee involvement is highlighted during the initial orientation, and all trustees are provided with high speed internet service to ensure equal access to all documentation. The school board reported this was particularly beneficial, since HPEDSB spans a large geographical area.

The Board agenda is set through the Senior Administrative Team (SAT). Through the SAT and committee system issues are fully considered before being presented to a full Board meeting. The Board works with the senior administration through the committee structure. In addition to the Committee of the Whole, the school board has a number of committees:

Standing committees:

- Committee of the Whole Board

- Program and Human Resources Committee

- Operations and Finance Committee

- Executive Committee

- Budget Committee

- Student Enrolment/School Capacity Committee

Statutory committees:

- Special Education Advisory Committee

- Supervised Alternative Learning for Excused Pupils Committee

Legislated committees:

- Discipline Committee

Administrative Committees of the Board:

- Aboriginal Education Steering Committee

- Accessibility Advisory Committee

- Character Development Committee

- Equity and Inclusivity Advisory Committee

- Food for Learning Committee

- Great Place Awards Committee

- Information Technology Advisory Committee

- Marketing Committee

- Parent Involvement Committee

- Safe Schools Advisory Committee

- Specialist High Skills Majors Advisory Committee

Each committee of the school board has a policy that sets forth its purpose, powers and duties, membership, and meetings. These details are outlined for the six standing committees, the two statutory committees, and the one legislated committee. The committees are held accountable to the system of character statement, which outlines expected behaviours and guidelines of all Board members and school board employees.

The Board had a 360 degree school board review performed by an external consultant in 2006. The review examined operations from the perspective of internal and external stakeholders, to assist trustees in establishing the strategic direction of the school board.

One of the recommendations of this review was that formal evaluations of the Director be conducted, overseen by the Chair and the Board. The reviews are based on the Director's performance in meeting the system administrative priorities (strategic plan) of the school board. All trustees participate in the appraisal, and once it is complete, the Chair and Director review it together before it is presented in an *in-camera* Board meeting. The Director's Annual Report also outlines progress in these areas.

The Chair reported that although there is not a formal process to monitor the performance of the Board of Trustees, this is done by measuring performance against the strategic plan.

Development and Reporting of Annual Goals and Priorities

The school board has developed a five-year strategic plan (2005-2010) entitled "Achievement in Motion" (AIM). Reviewed and updated annually, this plan is referred to as the System Plan, and lays out high-level strategic goals as well as a number of departmental operating goals. The five goals are:

- **Success for all students** – "Hastings and Prince Edward District School Board delivers an extraordinary educational experience for every student, with a commitment to continual improvement and success for all."

- **System of character** – "All partners within Hastings and Prince Edward District School Board community know, understand and demonstrate a commitment to the Growing with Character attributes: caring, cooperation, honesty, humour, integrity, respect, responsibility and trustworthiness. These attributes provide the foundation to the realization of the system goals."

- **Employee excellence** – "Hastings and Prince Edward District School Board is an organization where every employee counts, every employee cares, and every employee contributes to the success of our students."

- **Open communication** – "Hastings and Prince Edward District School Board strengthens public confidence through clear and transparent two-way communication, and is recognized as the system of choice in the communities we serve."

- **Community relationships** – "Hastings and Prince Edward District School Board actively partners with students, families, communities and organizations to build engaging learning environments that contribute to the social, emotional and economic well-being of every student."

The process for setting the formal goals includes consulting with a number of key stakeholders such as principals, parents, unions, and community members. The Director also has a formal public meeting with these stakeholders three times a year, to confirm that the plan is on track. An update on the strategic plan is also provided at this time. The school board confirms these goals annually through a system check process to validate that the goals are still relevant and reports on their successes. Currently, the school board is renewing their Strategic Plan for the next five year cycle. The school board is held accountable for student achievement through the detailed operating plan that outlines responsibilities and goals of staff and individual departments.

The AIM Plan includes both academic and non-academic goals and action plans. As a result, this annual system plan also functions as an operating plan, which is expanded into more detail at the departmental level. Aligned with the overall system goals in the strategic plan, the operating plan includes action plans and detailed action steps, indicators of progress, and specific evidence of success. Each goal is also assigned a champion from the senior administrative team who is responsible and accountable for the overall success of the action plan. Each action step is further supported by a group of partners or leads, who are responsible for each particular action step. The school board reported they benchmark themselves externally as well as internally, which allows for course corrections in strategy as required. The Board and the system are kept informed of the work done on the system plan through the periodic updates from the Director.

Decision-Making Process

The Board and senior administration have appropriate processes in place for the establishment and regular maintenance of policies and administrative procedures. The Board's primary responsibility is to set policy and the strategic direction for the school board. The senior administrative team develops and implements plans and procedures to ensure adherence to Board policies, and manages the day-to-day operations of the school board.

The Board has a standard process for agenda setting outlined in board policy #2, article VII: Meetings of the Board. The Executive Assistant, who as the Director's designate, drafts the agendas for Board meetings. The draft agenda is presented at the SAT meetings, and is finalized by the Director and Chair of the Board. The school board also uses an agenda planner system that tracks where items are with the Board.

The Board and senior administration have appropriate processes for decision making to address student achievement targets and operational performance. To ensure appropriate time for discussion and debate, recommendations are first

presented and discussed by the Director's or Administrative Councils before they are brought to the full Board meeting. Depending on Board motions, an *ad-hoc* committee may also be established to address a specific area of interest to the Board.

The school board recently underwent a major policy review, where all policies and procedures developed to date have been refreshed and reviewed. As a result of this review, the school board has disbanded the policy review committee. The school board has gone through an extensive review of all policies and procedures, and should develop a process to ensure that policies and procedures remain current, in accordance with board policy #7 – Board Policy Review and Development.

New policies or changes to existing policies are brought to the appropriate Board committee. The policy development process is broken down into four stages: initiating policies; identification of policy issues; policy development and implementation; policy review. The policy review process provides guidelines for periodic review.

Organizational Structure and Accountability

The governance structure is supported by 10 elected trustees and three student trustees. The Board is responsible for approving the policies and by-laws governing the Board.

The Director of Education is both the Chief Education Officer and the Chief Executive Officer of the school board. The Director is accountable to the Board of Trustees, and reports to it.

The organization, roles and responsibilities of the school board's senior administration team is formally defined and documented in the 'Structure of Senior Administration' document (November 2009), which outlines key areas of responsibility for each Superintendent. The Director of Education is supported by a team of five senior staff.

This includes the Superintendent of Financial and Facility Services (who also serves as Treasurer of the Board), as well as four Superintendents who hold responsibility for separate portfolios. These portfolios include Aboriginal Education and Schools, Human Resources Support Services and Schools, Special Education and Schools, and Curriculum Services and Schools. Each superintendent is responsible for a number of duties in addition to their core function. These reporting relationships and responsibilities are outlined in the senior administration organizational chart.

The Director of Education is also supported by a team of eight staff. They include: an Administrative Assistant; a Communications Officer; a Development Officer / Learning Foundation Officer; an International Student Program Manager; a Senior Information and Technology Services Officer; a System Principal – Student Success; a System Principal – School Effectiveness; a Community Engagement Coordinator.

The school board reported that the senior administration structure is currently under review to provide for a more effective organizational structure and to better support succession planning. The school board is giving consideration to having four Superintendents, supported by three Assistant Superintendents. These Assistant Superintendents will support Superintendents in Curriculum Services, Special Education Services and Human Resource Support Services.

The school board reported that the roles and responsibilities for each function are clearly documented and communicated. The organizational chart is available on the school board's website, which includes a directory of key staff.

Succession and Talent Development

The school board has adopted succession planning and talent development processes to build and sustain leadership capacity in both academic and non-academic functions. This includes developing a talent development steering committee that is multidepartmental in nature to oversee the strategy and its implementation. It was reported that significant effort in this area has resulted in a positive culture of support in the school board. There are both formal and informal structures that support the growth of talent capacity, with procedures in place to develop talent in-house.

The HPEDSB Leadership Development Strategy is based on four pillars that are focused on the goal of employee excellence and leadership. These include: succession planning, professional learning, mentoring, and performance appraisal, with each pillar covering both academic and support staff functions. A plan for implementation is part of the strategy, and includes periodic reporting to the Board.

Leadership for implementing succession and talent development lies with the HR department, since it is a key goal in the HR annual operating plan. This goal includes plans for school board leadership, for both academic and non-academic staff. A sample of the action steps include:

- Two-year leadership succession plan for Academic staff

- Refine the mentoring process

- Establishing Leadership Development Steering Committee and Sub Committees for both Teaching and Support Staff

- Developing a performance appraisal process for all support staff that aligns with academic performance appraisal processes.

There are well-developed processes in place for both academic and non-academic staff under this strategy. For non-academic staff, the school board is part of a survey of professional development needs of support staff developed by the Ontario Education Service Corporation (OESC). Based on the results, professional development, mentorship and learning standards were developed. The school board has also developed a report that predicts retirement of non-academic staff. This allows for targeted succession and leadership planning, particularly in the area of EAs and custodial staff. Supervisors identify staff with the potential for assuming leadership positions in the future.

For academic staff, the school board has developed a program titled '*Aspiring Leaders*' which outlines five stages of leadership support. They include self-actualization, stability, control, survival, and educational leadership. Each stage has corresponding activities to develop the particular skill set. The school board is also piloting a program in the northern part of their district. The school board reported that this is an investment to provide additional training to teachers to help increase the pool of interested candidates for principal positions. The school board is also introducing Assistant Supervisor positions that will provide enhanced support and continued growth of staff across the school board.

As part of the *Ontario Leadership Strategy*, the school board has completed the three tasks outlined by the strategy, including data collection, skills and competency evaluation, and professional learning. Within each of these areas, the school board has policies to ensure full compliance with Ministry expectations. These include:

- Feedback on group training and leadership sessions

- Succession planning

- Measurement of internal leadership capacities

- Planned professional development (PD) sessions for both academic and non academic staff

- "Aspiring Leaders" PD sessions

- "Crucial Conversations" with all staff groups.

Stakeholder Engagement

The school board actively consults with stakeholders, and has developed a strategic communications plan to help build a climate of trust and understanding among students, parents/guardians, staff, and administration. This process is facilitated through the school board's Communications Coordinator and its Community Engagement Coordinator. A key function of these roles is to support principals and school staff with consistent messaging on school board issues across their geographic area. The Communications Coordinator, among other roles, ensures a clear process for the strategic plan to be communicated to community leaders across the school board.

The Parent Involvement Committee (PIC) is particularly active in the region, and is a resource and support to the school board in its stakeholder engagement activities.

The school board uses its website to disseminate information regarding its policies, the director's report, Board meeting agendas and minutes, and information on schools, programs, departments, and activities. The school board reported that Board meeting minutes are posted the same night as the meeting. The site also provides specific resources for staff and students.

Members of the Senior Administrative Team (SAT) are actively involved at various provincial and national forums, including membership in the Ontario Principals' Council (OPC) and the Canadian Association of Communicators in Education (CACE). The Board values staff participation in system committees, which ensures that the school board learns and shares best practices from across the sector.

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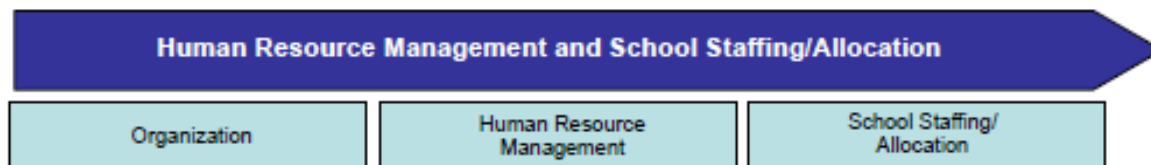
Effective management of human resources ensures an adequate number of qualified staff throughout the organization can perform their prescribed duties. Policies and procedures to develop staff are in place, through performance appraisals, professional development and support services. Staff allocations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

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

3.1 Human 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 departmental plan setting out the goals and priorities and their alignment to the school board's strategic directions has been established;

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

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

The following table summarizes the leading practices defined for HR organization and identifies where evidence was found to indicate that the practice was adopted

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

Development and Reporting of Annual Goals and Priorities

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

Organizational Structure and Accountability

Leading Practices – Human Resource Organization	Evidence of Adoption?
The HR department has clearly defined organizational units and delineates the respective roles and responsibilities. A current 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

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

Development and Reporting of Annual Goals and Priorities

The HR department develops an annual operating plan that aligns with the school board's overarching strategic plan. The departmental plan includes deliverable actions, team lead, timelines, resources/budget assigned, and the status of each action. The goals and priorities are developed by staff and senior administration, and consider new Ministry initiatives and timelines.

Monthly meetings of the Human Resources Management Team (HRMT) are used to update members of the team on topics related to the departmental plan, as well as to review Board and committee agendas. Full HR team meetings take place

three to four times a year to develop and review department initiatives and prepare for the July Superintendent planning session. Notable issues from the monthly HRMT meeting are reported to the SAT, and issues are brought back as required. HR management uses surveys to seek feedback on individual programs and processes.

HR is responsible for the measurement and reporting of multiple measures of performance. Some of these measures include attendance management, performance appraisals and recruiting. This information helps the department ensure that it is meeting its own performance measures.

Organizational Structure and Accountability

The HR department's job descriptions are accurate and up-to-date, and the department has clearly defined organizational units delineating roles and responsibilities. A current organization chart is posted on the school board's website, and is supplemented with contact information for all key HR staff.

The department, led by the Superintendent of Education – Human Resources Support Services and Schools, performs several functions, including recruitment, workplace safety, and disability management. The HRMT consists of the Human Resources Officers, Human Resources Administrative Assistant. The two Human Resources Officers maintain separate responsibility for teaching and non-teaching staff. The department also includes a Health and Safety Officer, a Continuing and Adult Education Coordinator, a Summer School Group and the Secondary School Group, which includes eight principals and 12 vice-principals.

Departmental staff are qualified through a combination of professional designations and work experience, including the Canadian Human Resources Professional (CHRP) designation.

Monitoring and Communication of Policies

HR has responsibility over a number of policies, which are posted on the school board website. These include policies on labour relations, adult and continuing education, equity and inclusivity, and staffing, among others. All policies were renewed in 2009. New policies and procedures are communicated to staff through various means, including weekly system memos and regular system level meetings. The school board reported that they are currently developing a central searchable list of communicated policies for staff.

HR policy compliance is monitored through the department's active involvement in all school board activities with an HR component, as well as through the reporting of exceptions. For example, HR is actively involved in the recruitment of all staff,

which provides the department with a high degree of visibility where hiring policies are concerned.

The department builds staff capacity in the understanding of HR policies and procedures through various means. For example, training for teachers and principals is done on professional development days.

3.2 Human Resource Management

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

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

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

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

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

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

Staff Recruitment/Hiring

Leading Practices – Human Resource Management	Evidence of Adoption?
Recruitment policies and administrative procedures are reviewed annually, and are aligned with staff planning in support of student achievement.	No
The hiring policies and administrative procedures are standardized into one package for the respective staff groups.	Yes

Labour Relations

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

Employee Performance Evaluation Processes

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

Attendance Management Processes/Programs

Leading Practices – Human Resource Management	Evidence of Adoption?
The school board maintains appropriate processes and systems to monitor staff attendance on a timely basis.	Yes
Attendance management 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.	Yes

Management of HR and Payroll Data

Leading Practices – Human Resource Management	Evidence of Adoption?
Payroll processing is segregated from employee data records and changes to data are adequately controlled.	Yes

Leading Practices – Human Resource Management	Evidence of Adoption?
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

Leading Practices – Human Resource Management	Evidence of Adoption?
HR management periodically conducts independent compliance audits of the board's insurance carrier to ensure adherence to the benefit plans terms and conditions.	No
Employee data is automatically synchronized between the board and the external carriers (i.e. OTPP, OMERS and the board's benefit provider).	Yes
Policies and/or procedures ensure the board's benefit plans are managed appropriately.	Yes

Monitoring Staff Satisfaction

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

Staff Recruitment/Hiring

The school board reported that its current recruiting practices are generating a sufficient number of qualified candidates, as the board is experiencing declining enrolment. The school board also reported that they receive numerous applications for open vacancies. Recruitment is on-going, supplemented by targeted efforts when staffing needs dictate. For specialized positions, such as French-language teachers and speech pathologists, internal and external postings are placed on the school board website and in local and national newspapers. The school board should document these practices and make them formal procedures, to ensure transparency in the recruitment process and to provide consistency across the teaching and non-teaching staff groups.

The school board reports that established practices exist for interviews, notification to candidates, and hiring. These have been developed through a combination of requirements set out in the collective agreement and experience. Where employee groups are non-unionized and do not have hiring guidelines provided by their collective bargaining agreement, the policies are contained within the Administrative Support Handbook.

Hiring and recruiting are centralized functions managed by the HR department. Longterm occasional teachers must have previous experience with the school board. Criminal background checks are performed for every hire of the HPEDSB.

Although the school board maintains strong recruitment processes, it should develop a formal recruitment policy to enhance them, and overcome future challenges in recruitment. This policy would cover organizational objectives, personnel policies of the organization and selected school boards/educational organizations, preferred sources of recruitment, the needs of the organization, and recruitment costs and financial implications. A formal recruitment policy will also ensure that the school board meets its staff recruitment and retention goals.

Labour Relations

Collective agreements are managed by HR staff. The Chief Negotiator is the Superintendent of HR, and the SBO is present at all negotiation meetings. The collective agreements are administered through labour-management committees, which are composed of members of the school board and union representatives.

The school board reported that administrators are encouraged to call the department for questions and advice. Monthly meetings are held with school board management to educate and assist in the avoidance of grievances. HR has established policies and procedures to minimize grievances, which are outlined in the collective agreements. As a result of the open dialogue with employee groups, management is generally aware of grievances coming forward.

The department has demonstrated a focus on maintaining communication with the unions and non-union employee groups. The Director meets informally with the head of each union over the course of the year.

Employee Performance Evaluation Processes

The school board has developed comprehensive procedures for conducting employee performance appraisals, for both academic and non-academic staff. For academic staff, the school board has a structured evaluation system that is in line with the Ministry of Education's 'Supporting Teaching Excellence' document. The school board evaluates its experienced teachers on a five-year cycle. New teachers

are reviewed twice during the first year as part of the New Teacher Induction Program (NTIP). The Superintendent of HR is responsible for the appraisal process component of NTIP, and also ensures that notations for new teachers who have completed the NTIP are reported to the Ontario College of Teachers.

There are also a number of processes in place for non-academic staff, including the Senior and School Administration Appraisal Policy and Procedures, Educational Support Staff Evaluation Probationary and Formal Performance Appraisal & Growth Plan and procedures for unionized staff outlined in their respective collective agreements.

To ensure processes become standard for both teaching and business staff, the school board is developing systems that will allow the standardized evaluation form to be completed online. This system will also allow for managers to compile and explore data more easily and efficiently.

The school board has an administrative procedure governing the formal progressive discipline of staff. and uses a system of progressive discipline. The HR department works closely with all union and onsite supervisors, to provide appropriate disciplinary action.

Each category of staff operates on a four-stage system. The steps are laid out in four individual documents addressing processes for teaching staff. Procedures for all other staff are supported by the staff discipline document that enables both managers and labour representatives to move through the discipline process more effectively.

Progressive discipline is used to address substandard performance or behaviour. There are also procedures in place for non-punitive discipline, where the actions are meant to improve performance or are focused on influencing current or future behaviour. This process, similar to the above, relies on a four-stage approach. These policies and processes are made available to all staff and are drawn from collective agreements.

The school board provides extensive professional development for both teaching and non-academic staff. Professional development goals are built into the departmental plan, and are deliverables essential to the success of the school board's Strategic Plan. The importance of this is reinforced, as each staff member, academic and non-academic has a personal growth plan.

Operationally, staff development is led by HR, but is not exclusively delivered by the department. Professional development opportunities outside of the school board are encouraged. For example, all staff have access to a learning and training budget provided by the school board. Weekly meetings of the Administrative

Committee help decide internal professional development needs and forecast future training requirements. Surveys are used to evaluate certain professional development programs. The school board reported that they do not subscribe to a maximum number of days of PD, but rather ensure adequate PD to meet the needs of their staff.

Teacher and staff input and participation is measured and encouraged in a number of ways, including a mandatory skills assessment survey that must be updated every five years. This survey allows HR to better understand the needs of staff, and helps drive staff training.

Attendance Management Processes/Programs

An effective attendance management system combines policies/procedures, information systems to record and analyze trends in absenteeism, and dedicated resources to develop a cohesive and consistent strategy. These elements, combined with employee wellness programs and return-to-work initiatives, form the basis of a comprehensive attendance management program. Currently, most of the elements of such a program are in place, though they are not succinctly summarized in a procedure document. Administrative Procedure #424 sets out a process for attendance support. However, it does not provide the level of detail suggested in the best practice.

Staff attendance is monitored through an automated call-out system. Teacher attendance is managed by administrative staff, while attendance of maintenance and custodial staff are managed through daily departmental checks. Reports from the attendance management system are used by school board administrative staff to examine trends by job classification and time. Annual reports on staff attendance are provided to the Director's Council.

The school board should continue to expand its program, to include the formal documentation of processes and procedures that will provide management and employee groups with a consistent and structured approach to improve attendance. A more formalized attendance management program will also ensure that HR can periodically report on the effectiveness of the attendance management process to senior management and the Board.

The Board is encouraged to look at the Efficiency and Effectiveness Committee of the Ontario Association of School Business Officials (OASBO) for the *Report on Attendance Management.* As well, it could consider utilizing SBCI (School Boards' Cooperative Inc.) to assist in developing and implementing attendance management and disability management policies and operating procedures. The SBCI process will include refined coding, which will ensure that the school board can track whether supply teachers are brought in to fill absences due to

professional development or absenteeism. This will improve the current process, which is based on daily reports by secretaries on individual employees, which are verified by principals.

Management of HR and Payroll Data

The payroll function reports to the finance department, and HR manages all updates to personnel files. This ensures segregation of duties and each department keeps their own employee records. The school board reports that there are current considerations in place to examine inefficiencies between the two departments to help streamline processes. All payroll functions are provided in-house and all staff are enrolled in direct payroll deposit.

HR records are current, including the formal tracking of teacher qualifications and experience. Superintendents and managers work together if there is a non-teaching position that needs to be reclassified, and HR works with unions if unionized positions require reclassification. Senior administrators are reclassified through a process that begins at Director's Council, which is then approved by legal counsel. Pending approval, a new job description is developed by HR for approval.

The department synchronizes teacher qualifications with the Ontario College of Teachers database every two weeks. New hire qualifications are confirmed as part of the application documents teachers submit as part of the recruitment process.

The school board has approved pay equity plans for all employee groups. The approved plans were agreed upon during the 2000 school board amalgamation. The school board does not have any outstanding pay equity issues or grievances.

Management of School Board's Employee Benefit Plans

Management reports that the school board's insurance carrier policies and returns are conducted annually by the Superintendent of Financial and Facility Services. However, the insurance carrier is not audited periodically by an external company. HR staff review the plan information used by the insurance company against newly signed collective agreements, to ensure that all plan changes are properly communicated to the insurance company. The HR system transmits employee and employer contributions to the Ontario Teachers' Pension Plan (OTPP) and the Ontario Municipal Employees Retirement System (OMERS) daily, ensuring accurate and timely enrolment of all eligible employees.

The school board has also developed procedures to ensure its benefit plans are managed appropriately. The plan is managed as an Administrative Services Only arrangement, and there is periodic reporting to the Board on the cost of plans. The school board checks the financial terms annually to ensure that rates, expenses,

and fees are competitive, and has used external consultant reports to measure costs against other school boards.

Management should consider conducting compliance audits of the school board's insurance carrier to ensure adherence to the benefit plans terms and conditions. This will ensure accuracy and validity of claims paid.

Monitoring Staff Satisfaction

The school board does not conduct confidential staff satisfaction surveys or formal exit interviews. While it is noted that the school board operates within a small community and experiences low turnover, these practices can provide management with valuable input, for both professional development and policies impacting future employee relations.

Recommendations:

- Management should develop a recruitment policy and ensure it is reviewed annually to align staff planning with student achievement.

- 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 consider conducting compliance audits of the school board's insurance carrier to ensure adherence to the benefit plans terms and conditions. This will ensure accuracy and validity of claims paid.

- Management should consider developing staff satisfaction surveys, which would 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.

Processes for Annual Staff Planning and Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
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 and Ministry initiatives.	Yes
The staff allocation process monitors adherence to key Ministry and board policy parameters, such as: class size, prep time, collective agreement requirements and other board directions.	Yes

Monitoring and Reporting on Staff Allocation

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

Processes for Annual Staff Planning and Allocation

The school board reported there is a strong emphasis on collaboration between superintendents and HR staff in the staff planning and allocation process. The school board's staff allocation is governed by the collective agreements and relevant provincial legislation. The process is based on enrolment projections, student need, class size maximums, preparation time, alignment to collective agreements, and resource and program needs, among others. The process for unionized staff is driven by the various collective agreements.

Elementary Academic Staff

Allocations of elementary teachers are based on class size requirements, school board policies, the collective agreement for ETFO, and Official Projected Enrolments. Internally, decisions are made in consultation with Human Resources, the Joint Staffing Committee, and Financial Services. Careful considerations are made to ensure the timelines developed are in line with internal recruitment needs and collective agreement requirements. A staff generator worksheet is created once the official projected enrolments are confirmed, and have been issued. Special education services ensure appropriate special education allocations are met.

Secondary Academic Staff

Secondary teacher allocations are based on a number of factors, including overall school board policies, Ministry class size requirements, Official Projected Enrolments, and the OSSTF collective agreement. Internally decisions are made in consultation with Human Resources, the Joint Staffing Committee and Financial Services. Careful considerations are made to ensure the timelines developed are in line with internal recruitment needs and collective agreement requirements.

Consideration is also given to school board and Ministry initiatives such as e-learning, dual credits, IB, International Students and the tuition agreement with Indian and Northern Affairs Canada.

Principal and Vice-Principal Staffing

Principal and vice-principal staffing is based on projected enrolments, current year allocations, and emerging needs.

Teaching Assistants (TAs)

Allocations are based on funding consideration and identified student needs. Special Education Services is responsible for reviewing student needs. Human

Resources Support Services staffs positions accordingly, ensuring collective agreement considerations are met.

Secretarial Staffing

A revised staffing allocation formula calculates staffing at 40 hours per week per supervisor, plus 7 hours per 55 students for secondary schools. At the elementary level, the formula allocates a minimum of 25 hours for anything below 149 students, increasing to a maximum of 80 hours at levels above 550 students.

Custodial Staffing

The allocation of custodial staff is based on square footage of the particular facility and student enrolment, set against the amount of available funding. Custodial staff allocations are included in Letter of Understanding between the custodial union and the school board according to PDT agreements.

Professional Staff

Staffing allocation is based on the amount of available funding and needs of each department or system. All changes are approved by Senior Administrative Council.

Monitoring and Reporting on Staff Allocation

Systems are in place and accessible to both HR and Finance to track staff levels. Staffing levels are consistently monitored: for teaching staff it is the individual school administrators in partnership with HR staff, while non-academic staff are monitored by a dedicated Human Resources Officer. A detailed ongoing system of checks is maintained. This is supported by an annual central review in September.

Management periodically reports on the annual allocation of staff, and provides periodic staffing reports to the Board. Staffing allocations are subject to the conditions of the collective agreement. As such, they are in principle approved by the Board, and are adhered to strictly.

There are processes in place and consistently monitored to respond to enrolment and funding changes after budget approval. Allocation of staff is a central responsibility within HR, and can be changed or altered based on student need analysis. These expenditure decisions are done in part through joint Special Education Advisory Committee (SEAC) meetings.

4.   Financial Management – Findings and Recommendations
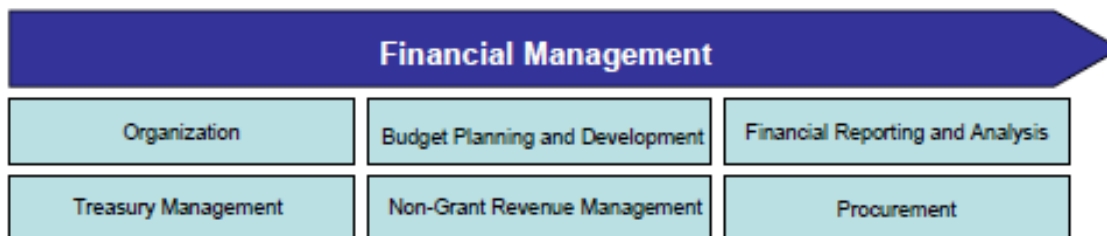
The financial management of the school board ensures the efficient and effective use of fiscal resources. Financial management ensures that the annual budget is developed within the Ministry's allocation and is aligned with student achievement targets. It also ensures that appropriate financial policies 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 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.

Development and Reporting of Annual Goals and Priorities

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

Organizational Structure and Accountability

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

Monitoring and Communication of Policies

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

Development and Reporting of Annual Goals and Priorities

The department develops an annual departmental plan, with clear goals and priorities aligned with the Strategic Plan. The plan includes actions, reporting relationships, timelines, resources/budget and status/notes.

Progress against the department goals are managed and monitored by staff and reported to the Superintendent of Financial and Facility Services, who is ultimately accountable for the achievement of these goals. For finance-related activities and

requests, the department presents updates to the Operations and Finance committee.

The department's goals and priorities are developed through monthly finance meetings and are finalized in July at a planning meeting with HR, international student services, and a number of other internal stakeholders. The session is formally facilitated, and different parts of the system plan's action plans and action steps are discussed and voted upon in a classically democratic process.

Organizational Structure and Accountability

The department has defined units and respective roles and responsibilities. The Superintendent of Financial and Facility Services is responsible for the department, which includes the financial services, accounting services, purchasing services, payroll and benefit services, and facility services. Recently, a financial analyst position was created to serves very specific roles, including auditing within the school board. A current organization chart is posted on the website, alongside contact information for key finance staff. The department's job descriptions are accurate and up-to-date. Finance department staff have the appropriate finance/accounting designations and are supported by industry experience.

The school board reported that there is a clear segregation of duties between management reporting and expenditure authorization. This is achieved through internal audit checks and centralized monitoring of both spending and reporting functions.

Monitoring and Communication of Policies

The finance department is responsible for developing finance and administrative policies and procedures, including purchasing, financial integrity, travel expenses, and student admissions, among others. The web-based consolidated financial system (operated by an external provider) has responsibility for the centralization and reporting of financial measures.

Policy compliance is done through the direct involvement of management, on an exception basis. All purchase orders flow through the purchasing department before being dispatched to vendors, and the central office staff have the ability to stop transactions if they are above the purchasing threshold. Records are kept of all denials made centrally within the system.

The department builds staff capacity in understanding finance policies and procedures through various means. System memos are sent to staff weekly, and are used to inform staff of new procedures. An operational workshop is also organized at the end of August each year for elementary and secondary secretarial

staff, principals and vice-principals. This covers items such as enrolment audits and purchasing duties and roles. All policies and procedures are available to staff through the school board's website and are posted on the intranet. There is also a dedicated webpage for the finance department on the intranet.

4.2   Budget Planning and Development

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

- Understand the linkages between the Board' goals and priorities and the operational budgeting process;

- Assess whether sufficient transparency and controls exist in the budget planning and development process;

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

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

Annual Budget Development Process

Leading Practices – Budget Planning and Development	Evidence of Adoption?
The annual budget development process is transparent, clearly communicated and incorporates input from all key stakeholders including management (with principals), board of trustees and the community.	Yes
Management has adopted an integrated (at school board and school 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

Leading Practices – Budget Planning and Development	Evidence of Adoption?
Management identifies and documents all significant risks during the budget planning process and develops strategies to mitigate the risks of spending beyond authorized/budgeted levels.	No
The annual budget presented for approval demonstrates that it is linked to the board-approved goals and priorities including student achievement targets. It provides useful and understandable information for all stakeholders.	Yes

Annual Budget Development Process

The school board has developed an annual budget development process that is transparent, clearly communicated, and incorporates input from key stakeholders. The annual budget presented for approval demonstrates that it is linked to the strategic goals and priorities of the Board, including student achievement targets. The budget clearly outlines budget variances and provides relevant information for a wide audience of stakeholders.

The finance department develops a budget task analysis and timelines document which guides the annual budget planning process. The budget process begins with the previous year's budget, removing unique expenses. The school board uses a zerobased budget process.

In February, the review and finalization for the budget task analysis and timelines are set. During the same time, the school board establishes assumptions and direction for the base budget development. Preliminary enrolment projections and budget input forms are developed in March, and circulated to schools for review and consideration for staffing calculations. Base budget assumptions are then communicated to the system, and initial financial projections are prepared.

The month of April is used to determine preliminary teaching staff numbers, prepare revenue projections using the ministry data*base,* receive budget input and finalize base budgetexpenditures including identifying budget adjustments. Once the budget has been prepared, it is taken to the Budget Committee where trustees are provided a highlevel overview of the budget which includes major initiatives but does not go into line by line items. It was reported that this format is useful, since it provides trustees with the type of information they need to conduct their respective community outreach information sessions on the budget. This outreach includes open forum and public budget meetings which are advertised across the district.

In May the school board prepares a preliminary financial position and presents the initial budget package to the Board. Any budget adjustments are incorporated in June, after which the budget package is finalized.

The budget process includes a requirement that if there are requests for new funds, the budget input memo must suggest financing, or where the request would fall under a new priority funding area. Environmental scans are also performed, focusing on facilities and rural schools where it is most likely to have significant expenses or savings.

Enrolment projections play an important role in the budget process. Historical trends, local information, as well as demographic information all play a role in the development of these projections. An external consultant was engaged in 2007 to develop a long-term accommodation strategy based on an analysis of demographic trends. Information used for elementary projections includes a review of enrolments of the past eight years, and are updated after official enrolments are considered in September. The school board also develops spreadsheets to calculate secondary school enrolment projections, which include information from feeder schools and existing student information.

The budget development processes account for all required cost and revenue changes. Non-staffing components of the expenditure forecast consider factors such as projected benefit costs and potential new initiatives. Historical expenditures are considered when creating budget forecasts, and monthly expenditure reports aid in establishing the nonstaffing of the forecast.

Risk Mitigation and Board Approval

The school board has a process to indicate potential risk in the budget process. Key risks faced by the school board include the potential variance between forecasted and actual enrolment, its impact on grant revenue, as well as collective agreement commitment, sick leave, and retirements. The school board reported that declining enrolment and the changing economic conditions within the province are their most significant risks. To monitor these risks, the school board takes certain risk-mitigating steps, such as holding back a portion of the budget in the spring to protect against fluctuations in expenditures. It was also reported that reserves are being built by the school board to help manage future risks in the budget.

While it is noted that the school board factors significant risks into the budget planning process, the school board shouldconsiderconsolidating all 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, which will allow them to best prepare for possible eventualities.

The annual budget presented for approval demonstrates that it is linked to the school board's approved goals and strategic direction. Student success and achievement is central to the entire document. The Board is informed of the financial status of the school board throughout the cycle by quarterly reporting, including notes that provide additional detail for variances from the Budget Plan. These checks allow for management of inyear changes, ad-hoc committees are struck if changes present significant changes.

Recommendation:

- The school board should consider consolidating key risks and mitigation strategies into a single risk plan.

4.3   Financial Reporting and Analysis

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

- Assess whether procedures are in place to ensure that management, the Board and the Ministry receives timely, accurate and complete financial information of all school board activities;

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

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

Integrated System for Variance Analysis and Financial Reporting

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
The school board's integrated financial information system provides useful, timely and accurate information for management and stakeholders.	No

Interim and Annual Financial Reporting

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Interim financial reports provide sufficient detail (including a comparison of actual to budget and to appropriate benchmarks and with appropriate variance explanations) for a clear understanding of the status of the current year's budget and the outlook for the year.	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

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

Integrated System for Variance Analysis and Financial Reporting

Although the school board's financial system provides management and stakeholders with variance analysis itis not integrated with the payroll/HR system. TheHuman Resources Information System (HRIS) and payroll are managed through an internal data management program, while different programs are used for financial forecasting. The General Ledger accounts are controlled by the Manager of Accounting Services where schools and the school board are able to make budget transfers.

Management reports that they are considering implementing a fully integrated financial system across departments, and are encouraged to continue to do so. This will provide useful, timely and accurate information for management and stakeholders.

Interim and Annual Financial Reporting

A number of factors (including variances in actual enrolment versus projections, contract negotiations, macro-economic trends and Ministry directives) can produce in-year percentage variances between budget estimates and actual costs. Interim financial reporting allows management to track such variances, and communicate them to the trustees and other key decision-makers.

Reports that compare budget to actual are produced three times a year for senior administration and the Board. Additionally, all management staff receive a monthly account summary of accrued spending and revenues for their cost centres. The department has a defined and documented closing procedure. A memo is circulated to all staff indicating procedures and timelines of financial processes.

The school board recently adopted the new Interim Financial Reporting template as suggested by the Ministry in September 2009. The school board is encouraged to continue its plan to expand upon the use of the template to include risk assessment information that compares prior year results to the current year actual. The risk assessment is useful to gauge whether the forecast (in the budget assessment) is on track, or whether, based on prior years, there appears to be a potential loss or saving beyond those that may already be reflected in the budget forecast.

Senior staff are held accountable for the integrity of financial reporting through a direct report by the Superintendent to the Board. Variances are monitored for and investigated by internal accounting and audit checks, and can be corrected by making in-year adjustments. The school board completes and files all reports in accordance with established timelines.

Audit

The school board maintains an internal audit function that reports to the Superintendent of Financial and Facility Services. The mandate and scope of the internal function is focused on school-based funds. The school board reports that this will be expanding as of next year. Internal audit functions are standardized and scheduled.

The school board does not have external members on the Operations and Finance Committee (which serves as the audit committee). The school board reported that it is waiting for formal Ministry documentation and direction prior to adding new members. The addition of external advisors to the audit committee should be considered, because along with significant changes in accounting in recent years, annual financial statements are becoming more complex. External members support audit committee members in understanding what constitutes sound internal accounting and operational control processes.

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

The school board provided copies of the external auditor's annual management letters, with management's response for the past three years. The external auditor's management letter, auditor's report and financial statements are presented annually to the Board's Operations and Finance Committee. The audited financial statements are then approved by the Board. The external auditor's report is submitted to the Board. The school board is reviewing its external auditor provider.

Recommendations:

- The school board should consider implementing a fully integrated financial system across departments.

- Management and the Board of Trustees should consider establishing an audit committee that includes external advisors.

4.4 Treasury Management

The purpose of reviewing treasury management processes is to assess:

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

Cash and Investment Management

Leading Practices – Treasury Management	Evidence of Adoption?
Existence of an efficient cash management process to maximize interest income, using short-term investments where appropriate and to ensure that the board's debt service costs can be met to maturity.	Yes
Cash management activities 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.	Yes
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 and managing short-term investments. Cash flow forecasts are made with banking reports measuring usage and volume.

The school board uses an automated cheque process for payments to suppliers and has developed controls around usage of cheques, including locked storage, electronic signatures, encryption, and dedicated printers at the schools.

Bank reconciliations are performed by clerks and approved by management. As well, staff reconcile school taxes allocated to the school board against what was received, and the timely on time receipt of the quarterly distribution by the 17 municipalities.

Management actively monitors financial risk related to cash/investment management, and has a plan to mitigate associated risks in accordance with the limits set out in the *Education Act*. Reports are reviewed for unusual accounting transactions and other critical exceptions. Reports are made to the Board semi-annually. There is no use of sinking funds by the school board, and the only use of debt is from the 2000-2001 facilities upgrade project and Good Places to Learn.

Management periodically compares borrowing costs of other boards, and monitors financial risk related to cash and investment management. To ensure maintenance of all financial contracts and agreements, electronic and paper copies are kept on file. Reserve funds are released with Board approval.

The school board recently issued an RFP for general banking services, and renegotiated its conditions with its banking providers. The bank uses consolidated accounting to determine the daily net cash on which interest is paid to the school board. All central school board banking is conducted through one institution. Secondary schools and elementary schools can choose a bank that is best for the school. The school board reported that this is to provide flexibility for schools, particularly in small towns where there are only a select number of banks. However, the school board is encouraging individual schools to join the school board's principle bank. The school board should consolidate banking, to decrease costs and increase internal controls.

Recommendation:

- Cash management activities should be consolidated with a single institution.

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.

Management of School-Based Funds

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

Management of Non-Grant Revenue

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

Management of School-Based Funds

Management ensures that adequate controls are in place to safeguard school-based funds, and coordinates the annual reporting of revenues and expenditures from schools and school councils. Fundraising activities involving students are based on the guidelines provided in the Board's fundraising policy, and must be approved by the school's Superintendent of Financial and Facility Services. Central controls (in the form of the internal audit process) ensure the integrity of school-based funds. Procedures are also included in the School Fund Manual, and by way of a web-based consolidated financial system of controls.

The school principal is responsible for the oversight of collecting funds at the school level. This process is often managed by the secretarial staff, who make use of secure lock boxes. The school board reported that all funds collected are deposited in the bank the same day or the day after receipt. The finance department is responsible for the oversight of funds generated by schools and school councils, which are accounted for through internal audit processes. Petty cash is accounted for through an online reporting mechanism, by individual schools. Management oversees individual school bank accounts by way of yearly official audit. In addition, each principal needs to sign an attestation as part of the year-end closing procedures. The school board does not currently have any fundraising activities specifically for capital projects.

Management of Non-Grant Revenue

Non-grant revenue is received through continuing education, international student fees, tuition fees through Indian and Northern Affairs Canada (INAC), a separate foundation, and general community use of facilities and rentals. Procedures for governing non-grant revenue have been created and there is also a Board-approved policy on the fees for community use of space. Board approval is required for international student fees.

Controls over the receipt of funds are standardized. The school board reported it is working on centralizing facility booking systems through an online facility booking program to be rolled out system-wide.

EPO grant information is first received by the Director's office, which then designates them to the SBO for distribution to the appropriate superintendents and/or managers, with a note on file that includes reporting deadlines. EPO grants are tracked on a spreadsheet and are discussed at the weekly administrative council meetings to track progress. EPO grants are reviewed on an ongoing basis, to identify revenue and expenditures for each program. General ledger accounts are set up for each program to ensure proper accounting of funds, and attached to a coordinator's name to ensure accountability. The Superintendent of Finance and Facilities signs off on how funds are spent, to ensure they match the purpose of the grant.

The Director and Superintendent of Financial and Facility Services present the Board with a yearly report on an overview of the various grants, their purpose, and the amount.

4.6   Supply Chain/Procurement

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

- Whether supply chain/procurement policies and practices are in place to ensure that the school board acquires goods and services through an open, fair and transparent process;

- Whether appropriate internal controls support the procurement and related payment process;

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

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

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

Policies and Procedures

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

Participation in Group Purchasing Initiatives

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

Purchasing Levels of Authority

Leading Practices – Supply Chain	Evidence of Adoption?
Purchasing authorization levels are commensurate to job roles and responsibilities and are monitored for compliance by a supervisor or department head.	Yes

Policies and Procedures for PCard and Corporate Card Use

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

Accounting for Completeness of Purchase/Payment Cycle

Leading Practices – Supply Chain	Evidence of Adoption?
The school board's finance department performs three-way matching (purchase order, receipt/invoice and inspection) before invoices are paid.	No
Commitment accounting is in place to monitor budget utilization.	Yes
Management has implemented electronic supplier interface for ordering, processing and payment.	Yes

Use of Electronic Funds Transfer

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

Policies and Procedures

The school board has developed Procurement Guidelines that are aligned with the mandatory elements of the Supply Chain Secretariat's Supply Chain Guideline 1.0. The guidelines cover a code of ethics, dollar thresholds, purchase orders, small purchase funds, and competitive purchasing. The code of ethics covers personal integrity and professionalism, accountability and transparency, compliance, and continuous improvement. These processes are clearly communicated to staff, and are periodically reviewed through staff consultation. Changes to the policy are approved by the Operations and Finance Committee.

There are approved procurement policies in place, and the school board makes use of recognized electronic tendering systems. Biddingo is used even for tenders below the recommended $100,000 threshold. The guidelines outline circumstances under which the school board will use competitive versus non-competitive procurement methods and when a Vendor of Record arrangement may be used. A commodity handbook outlining preferred vendors and suppliers is produced and kept current by purchasing services. Training sessions on procurement policies and procedures are provided to principals.

Regulations regarding hospitality and travel expenses are consistent for Board members and employees. Employee travel and hospitality costs are monitored through accounting services, while those of the Director of Education and Trustees are monitored by the Chair of the Board. Operational workshops are used to inform employees on these and other procurement policies and procedures.

Participation in Group Purchasing Initiatives

Management has developed strategies to increase purchasing power and minimize the costs of goods and services procured. The Board actively participates in purchasing consortia, including membership in paper purchasing and oil cooperatives with the City of Belleville and the Catholic School Boards Services Association (CSBA) for electricity. The school board plays a leadership role in the St. Lawrence Seaway Purchasing Cooperative, for the purchase of classroom furniture and supplies, science supplies, audio visual equipment, custodial cleaning supplies and equipment, laminating equipment, and toner. The school board is monitoring the Ontario Education Collaborative Marketplace (OECM) for future possibilities to leverage collaborative procurement.

Purchasing Levels of Authority

There are a number of purchasing authorization levels (depending on the job position and function) which are monitored and controlled by the purchasing department, and outlined in the purchasing guidelines as follows.

- A standard purchasing authorization level is maintained at $500, after which a PO is required. Purchases below $5,000 can be authorized by Supervisors and Administrative Assistants.

- Purchases between $5,000 and $50,000 require three written tenders, or an RFP is required. Purchases at this level require the authority of Principals, Managers or Supervisor of Purchasing.

- Purchases between $50,000 and $100,000 must use the open procurement process which requires posting in local newspapers. Purchases must be authorized by Superintendent of Schools, System Principals, Controller of Facility Services, Senior ITS Officer and the Senior Project Officer.

- Purchases above $100,000 must be posted online on Biddingo, while purchases between $100,000 and $200,000 must be authorized by the Director of Education or the Superintendent of Financial and Facility Services.

- Purchases above $200,000 require approval of the Board.

Senior administration is responsible for approving and paying employee expense reports.

Policies and Procedures for PCard and Corporate Card Use

PCards are used at all schools and departments, and their issuance is limited to key personnel. School board PCards may only be used for purchases under $500. Management should investigate the use of PCards for small purchases, to reduce the volume of supplier invoices processed. To that end, they should perform a transaction/spend analysis of purchase orders, to identify optimum threshold limits to maintain budgetary control while managing the volume of invoices.

Accounting for Completeness of Purchase/Payment Cycle

School board staff authorized to submit requisitions do so though the financial system's online interface, where requested items are selected from a catalogue list and account codes are added to the requisition. Before the requisition can be electronically submitted for approval, a budget check is performed. If there is insufficient budget, the requisition is denied and if there is available budget, then a pre-encumbrance is created against the budget and an e-mail is generated for supervisor approval.

Once a requisition has been electronically approved by the appropriate supervisor, the requisition is automatically sent to a buyer in the procurement department. The buyer reviews the requisition for accuracy, and to ensure that it meets the school board's and the respective department's procurement policies before converting the requisition to a purchase order (PO) and dispatching it to vendors. Once the PO is created, it relieves the pre-encumbrance and creates a budget encumbrance. PO dispatches are performed by the system through an evening batch process, and are either faxed or e-mailed to the respective vendors. Most items are then "drop-shipped" by the vendor directly to the requestor's location.

Staff who receive shipments typically provide the shipping documents to the school secretary who notifies Accounts Payable if items have been back-ordered. Receipts are maintained at the school level. According to the school board's standard terms and conditions, vendors are obliged to send all invoices to the central board office, where Accounts Payable staff perform a two-way match in the system between POs and receipts before approving vendor payments.

Payments are then made automatically by the system according to set parameters such as early payment terms in order to help the board minimize costs. Once a payment is made, the encumbrance on the budget is relieved and the expense line is created in the system. Invoices submitted without POs are investigated by Accounts Payable staff before payments are made. Recurring expenses are handled by buyers who create Open POs (OPOs). Monthly invoices are then applied against OPOs which are closed once the total PO value has been exhausted.

Monthly receipts are occasionally measured against the school budget by school principals. The Accounts Payable Department scrutinizes the purchase and payment of certain commodities such as computers or transactions of high value. To increase oversight of all purchases, the school board should consider implementing three-way matching. The school board reports that they are currently looking at incorporating this as part of the new supply chain system implementation.

Management is encouraged to expand the implementation of electronic supplier interfaces for ordering, processing, and payment.

Use of Electronic Funds Transfer

The school board does not currently use EFT for payments. Management recognizes that additional EFT opportunities should be explored to maximize efficiency within the Finance department.

Recommendations:

- Management should perform a detailed review of the school board's purchase-topayment cycle and implement three-way matching.

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

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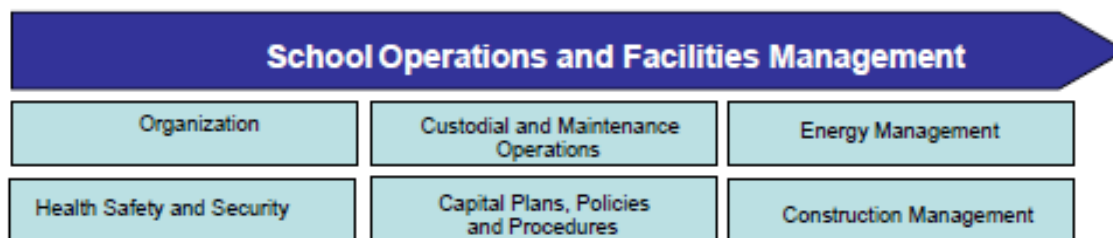
Efficient and effective management of the school board's facilities (particularly schools) is an important factor in student achievement. Along with providing a positive learning environment for students, this function sets and meets standards of cleanliness and maintenance, examines opportunities to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

The following is a summary of our assessment of the school board's adoption of the leading practices under the processes identified above. All findings are a result of the review of data provided by the school board and on-site 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 reviewingthe organization of operations and facilities is to assess:

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

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

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

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

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

Development and Reporting of Annual goals and Priorities

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
The School Operations and Facilities Management 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.	Yes

Organizational Structure and Accountability

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
The School Operations and Facilities department has clearly defined organizational units and delineates 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

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
Management has processes in place to monitor school operations and facilities management policy compliance by all staff and management.	Yes
Management builds staff capacity in understanding of school operations and facilities policies and administrative procedures.	Yes
Processes exist to monitor new legislation and regulations and implement necessary changes.	Yes

Development and Reporting of Annual Goals and Priorities

The facilities department has an annual plan that is part of the Financial and Facility Services plan. The goals and tasks of the department are laid out in a similar format

as the strategic plan, providing consistency in the reporting and tracking of tasks and associated deliverable. However, the general goals and priorities of the department display a macro rather than a micro approach to planning.

The department should develop a separate annual departmental plan, complete with measurable targets, designated accountabilities, and target timelines that are aligned with the school board's annual operating plan. This plan would align with the Financial and Facility Services annual plan and the Board's overall strategic direction. 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.

The school board currently gauges customer satisfaction with the department. This was done recently in October 2009 through the Principals' Assessment of School Survey (PASS) which looks at "mission relevant" information. This survey asked principals from all schools to gauge the quality of teaching and learning environments and educationally relevant dimensions of school facilities, and draw connections between facilities and their conditions and how they have impacted the learning environments of students.

The school board is currently examining the results from PASS to see if there are relationships or correlations between the PASS results and EQAO scores. The school board reported that investigating these potential relationships may allow for a deeper understanding of the relationship between the school board's facilities and the learning experience of their students.

Organizational Structure and Accountability

The department reports to the Superintendent of Financial and Facility Services through the Controller of Facility Services. The department is organized by a division between maintenance and operations services.

The department went through a restructuring in July 2009 to focus on preventative maintenance. This is based on a hub and spoke model, where administration for facilities is centralized at the main office, which is located next to the workshop where staff skilled workers are based. Similarly, preventative maintenance operations are based throughout secondary and elementary regional schools.

The department's job descriptions are accurate, up-to-date, and include major duties and responsibilities, and skills and knowledge required. The department has clearly defined organizational units delineating roles and responsibilities. A current organization chart is posted on the intranet, supplemented by contact information for all key staff.

Department staff are qualified through a combination of professional designations (including P.Eng.) and work experience. Professional designations are tracked through the school board's Human Resources database.

Monitoring and Communication of Policies

The department monitors staff adherence to school operations and facilities management policy. The department has responsibility for a number of policies, including facilities protection and monitoring, key and security systems, water monitoring, and the snow and ice removal policies, among others. There are systems in place that allow staff to be reached in emergency situations. The school board reported that one maintenance supervisor is on call at all times, and some school environmental systems can be monitored online.

New policies and procedures are communicated to staff through various means, including the use of health and safety notices. The Controller is responsible for monitoring and communicating new legislation and regulation. Once he receives notice of a new policy or change, this information is communicated to all managers, who are then responsible for communicating it to all employees. Training is flagged if required. The Controller also briefs senior administration as well as the Operations and Finance Committee on any significant changes.

To maintain the standards the department has set, there is also mandatory training for all maintenance staff, and compulsory training for trades people that includes the maintenance and safe operation of vehicles, communication, safety, asbestos and WHMIS training, service quality, and emergency response.

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.

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

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The school board has adopted cleaning standards for schools and has developed a standard set of processes and tools to monitor, manage and report on results.	Yes
The school board has implemented a formal green clean program as part of its overarching Education Environmental Policy.	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

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

Training to Support Skills Development and Safety

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

Standardization of Cleaning and Maintenance Supplies

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Management uses an inventory system to track and control major cleaning and maintenance equipment.	Yes
Management has defined common standards to ensure efficient procurement of supplies in order to minimize costs, promote energy and operating efficiency, and environmental sustainability.	Yes

Project Management, Monitoring and Support Systems

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

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

To maintain a consistent level of school cleanliness across the system, the department has developed cleaning procedures and standards for its custodians. Initial training takes place over a two-week period at the beginning of employment. Ongoing training takes place both in terms of in-house communication and education as well as in partnership with some of their suppliers and distributors. The school board's chemical provider runs training for new and current staff on new chemicals and how to use them.

Custodial cleaning standards and quality control is achieved through daily work schedules or "workbooks" assigned to each custodian. These processes ensure consistent level of school cleanliness across the school board and its facilities. Daily workbooks are inspected by supervisors, who also have facility inspection checks list clearly laid out for them. The school board uses customized software that allows for tracking custodial equipment and duties. Reports from the system are sent back to the custodial leads who report monthly on their school results. The software program also aids in the inspection and time benchmarking of custodial duties. This is done through hand-held Personal Digital Assistants which allow for instant upload and transmittal of results.

The school board's staffing allocation model for custodial staff is based on a 50/50 split of building area and enrolment. This measurement aims to keep custodial and

maintenance cost down to a set cost per square foot, and to assign roughly one custodial employee to every 18,000 square feet of facility. Within the square footage calculations, facility variations such as portables are considered. Staffing is based on a split-shift schedule with day and afternoon shifts with custodial staff reporting at from 7:30 a.m. - 4:30 p.m. and 3:30 p.m. – 11:30 p.m., with buildings secured by midnight.

Although the formula is based on utilization and square footage, other factors such as community use of schools are also taken into consideration as needed. The school board has compared the custodial staff allocation model with other school boards, comparing wages and the square footage targets.

The school board has implemented a green cleaning program. The school board has a long-standing green clean policy, as they were part of the initial pilot of the Green Clean project. The school board uses 100% recycled paper and it was reported that the board of trustees is very supportive towards the further integration of green processes and products. As chemicals or products receive the "green seal" they are adopted, training is provided and the Board is informed of the adoption of the new supplies.

Development of Annual and Multi-Year Maintenance Plan

Management maintains ongoing maintenance plans that are updated yearly.The plan is developed by management, which maintains a list of maintenance projects that is updated as new requests are made and projects are completed. The plan is linked to the strategic plan. The current annual and multi-year plan structure should be reviewed, to consider the benefits of developing an approved multi-year plan for projects that will extend past one-year.

Annual visits to schools by the Controller of Facility Services and the Maintenance Manager help to prioritize projects for the coming year, as well as confirm completion of past projects. The annual plan of maintenance projects is maintained by the department on an ongoing basis year to year, as some projects are completed and removed from the annual plan. Others are not completed and left on the list, and at the same time newly identified projects are added. The ReCAPP system is used to partially inform the planning process.

Preventative maintenance has become an area of focus for the department. Resources have been shifted to so that each secondary school has full-time preventative maintenance personnel who are tasked with the preventative maintenance duties of their home school as well as feeder elementary schools. This process has been built into the work order system, where preventative maintenance duties and tasks are generated and are available online. Staff can

check their duties for the next day and schedule their field visits to elementary schools without having to check in at their secondary school.

The trades supervisors are tasked with differentiating between maintenance versus school renewal projects. Senior administration receive facility condition reports prior to the September school start.

Training to Support Skills Development and Safety

The school board has an extensive training program in place for its custodial and maintenance workers. The department reported that they partner with CUPE for specific training when applicable. The board health and safety coordinator also helps coordinate training when appropriate. Training programs include but are not limited to orientation training, WHIMIS, alarm system operation, sanding and salting techniques, electrical safety, operation and use of chemicals training, first aid/CPR, fall arrest, fire safety and customer service techniques.

The school board reported that cross training is encouraged and supports employee growth through trade certification. These both rely heavily on mentorship capacity as well as timing of staff transitions.

Standardization of Cleaning and Maintenance Supplies

The department uses an in-house inventory system to track and control major maintenance equipment and supplies, and the school board's chemical supplier provides inventory monitoring through its online portal. Custodial equipment is maintained through the work order process.

Management has defined common standards to ensure efficient procurement of supplies and equipment. Lead hands are responsible for ordering for their particular locations each month. These orders are done online and directly through the suppliers systems. Once the Maintenance or Janitorial Lead has completed the order, it is sent for approval to supervisors where if left unchanged for 24 hours it is processed automatically.

The school board reported that deliveries are drop shipped to the location for which they were ordered. The school board does not hold inventories or maintain a warehouse.

Project Management, Monitoring and Supporting Systems

The school board uses a computerized program to track work orders by location and type of work performed. These systems provide staff the ability to prioritize their work day, and management with a system for monthly tracking. Each

custodian has access to a computer and has been trained in the use of it. Through the system, maintenance supervisors create work orders and trades people report on them once the jobs are completed. These orders can also be filtered by duty for ease of access to staff. Maintenance meetings are held daily, where the maintenance supervisor may distribute paper copies of work orders.

This system also allows management to evaluate the quality and level of service and work of their staff. These evaluations cycle back into the job work plan development process and help ensure proper use of resources. For certain services, the school board will contract out work. For example, all asbestos work is done by contractors, as is any glazier work. The school board reported that they look closely at attendance management, and absentee and return-to-work statistics are managed through an integrated approach coordinated centrally through the HR office. The school board reported that they are below the provincial average in absenteeism for facilities staff. Part of this is due to the use of modified work plans, which have allowed for stronger back-to-work statistics and investments in equipment. For example, instituting the rideon auto scrubber has substantially increased return-to-work options for custodial staff.

5.3   Energy Management

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

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

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

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

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

Energy Management Plan

Leading Practices – Energy Management	Evidence of Adoption?
In reference to the Ontario Green Energy Act, 2009, senior administration has established a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage the plan.	Yes
Procurement practices support the objectives and targets of the energy management plan.	Yes
Successful conservation initiatives are communicated across all schools and with other school boards.	Yes

Tracking and Reporting Energy Conservation

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

Energy Management Plan

The school board's energy management plan, based on partnership with Ameresco Canada, has been underway since 2000. The school board entered into project with Ameresco that saw schools retrofitted with various measures designed to improve building comfort, reduce energy consumption, improve indoor air quality, and reduce greenhouse gas emissions.

In partnership with Ameresco, the school board began the process of retrofitting facilities with new environmental and heating systems, as well as upgrading the facilities to develop a more energy efficient system. This partnership has progressed and changed over the past 10 years. The second phase took the initial assumptions and went one step further rounding out the process of renewal. It focused on building renewal with energy management processes as integral parts to the renewal process. Early quick achievements were replaced by the implementation of more complex processes to fully incorporate the long-term goals

of the project. As part of monitoring progress, energy audits of facilities also take place periodically.

An environmental technologist was recently recruited to help manage elements of the public consultation involved in the current stage of the energy management plan, among other duties. The school board reported that the next stage of the program will involve implementing geothermal heating and cooling systems at three facilities, as well as widespread solar power generation.

Communication and education regarding their environmental and energy management goals is a focus for the school board. Recently, an Earth Care specialist was hired to involve students and staff in awareness of environmental and energy initiatives. The retired school administrator is to drive the Earth Care process and help navigate and weave it into the existing school and curriculum systems. Through the Earth Care program students hear visiting speakers such as David Suzuki. Schools also have their own incentives, where they are measured against energy conservation goals, and are eligible to receive funds to support their own green initiatives.

Procurement practices support the objectives and targets of the energy management plan. In addition, the school board belongs to an electricity buying consortium, and is exploring similar options for natural gas. The school board reported that there is also a focus on only buying green cleaning supplies. While the school board's procurement policy includes references to green products, it does not include a formal clause requiring all new equipment to be energy efficient. The department is encouraged to look at doing so, where feasible.

Tracking and Reporting Energy Conservation

As part of the energy conservation plan, the department reports to the Board annually on the progress and savings derived. As part of the reporting process, baseline and actual data is gathered, as well as projected and updated actual savings of energy management systems. This information is compiled in a report that outlines total savings against the plan. Although efforts such as the energy management program indicate a strong environmental focus, the school board should develop an overarching environmental policy to addresses both environmental education and responsible management.

Through the partnership with Ameresco, detailed information is kept on specific updates to facilities, procedures, and processes. Measurements are kept for individual facilities on energy inputs and outputs. Data is collected internally and also by Ameresco. This information includes cost of savings and percentage change in energy savings year over year. These measurements are automated through the energy management systems, and once consolidated, are clearly

communicated with senior administration. Technology has been centralized to automate energy regulation and conservation. Systems have been standardized across the school board with the aim to achieve a common goal of energy utilization per square foot. These results are reported on through a School Inventory Energy Report.

Vendor billing is not currently consolidated from each utility. Management should ask the utility companies to provide consolidated billing in an electronic format. This would support more efficient monitoring and forecasting of energy consumption.

Recommendations:

- Management should work with the utility companies to obtain consolidated billing in an electronic format. This 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.

5.4   Health, Safety and Security

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

- Whether adequate planning and communication exist to support the provision of a safe teaching and learning environment;

- Whether school board structure and processes are in place to implement safety precautions;

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

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

Health, Safety and Security Management

Leading Practices – Health, Safety and Security	Evidence of Adoption?
Develop, implement, and monitor of an occupational health and safety strategy/plan that reflects the board's occupational health and safety policies and administrative procedures and ensures the school board is in compliance with associated occupational health and safety statutory requirements.	Yes
Develop, implement and monitor of a security strategy/plan that reflects the board's security and student safety policies and administrative procedures and ensures the board is in compliance with statutory/policy security requirements.	Yes
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.	Yes

Health, Safety and Security Management

The school board employs a Health and Safety Officer operating within the HR department. The school board has an approved health and safety plan, which is reviewed annually to ensure it is in accordance with applicable requirements legislated under the *Occupational Health and Safety Act*. The policy can be found on the school board's website. The Occupational Health and Safety procedure was developed to ensure safe working conditions for all staff members. The document outlines personal responsibility of the staff, health and safety training requirements, and the duties and responsibilities of the Joint Health and Safety Committee (JHSC).

The JHSC meets at a minimum four times a year and reports annually to the Board, which also re-approves the committee's structure. If issues are identified by members of the community, they are brought to the committee via school principals or individual schools' Occupational Health and Safety Advisory Committee. The school board has a protocol in place for serious incidents and all incident reports are available online. The school board reported that the prevalence of incidents is mitigated by ensuring all essential training is provide to staff, such as WHIMIS, non-crisis intervention training, and fall prevention courses.

Policies regarding bullying and student discipline have been amalgamated in one document released January 28, 2010 in a System Memo to all Principals and Viceprincipals. *Procedure 378: Student Discipline, Bullying Prevention and Intervention* addresses anticipated changes to Bill 157: *Keeping Our Kids Safe at School Act,* which came into effect on February 1, 2010.

Site safety documents were developed with the participation of fire and police forces, and are available to staff online. Parents are informed of changes to safety procedures by way of notice. With the help of public health officials, a health strategy is in place for the school board, in the form of the Pandemic Responses Plan. This plan was most recently updated for H1N1, and provides a fully detailed pandemic response plan. The school board ensures that new Ministry policies are implemented into the health policy through the Occupational Health and Safety Officer who is a member of the Ontario Association of School Business Officials (OASBO) and the Education and Safety Association of Ontario (ESAO). New information concerning Ministry or board policies is distributed to staff via weekly system memos.

5.5   Capital Plans, Policies and Procedures

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

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

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

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

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

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

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

Development of Annual and Multi-Year Capital Plans

Leading Practices – Capital Plans, Policies and Procedures	Evidence of Adoption?
The school board has an approved annual and multi-year capital plan that includes the related funding plan.	No
The school board has an approved pupil accommodation review policy.	Yes

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

Leading Practices – Capital Plans, Policies and Procedures	Evidence of Adoption?
The school board maintains accurate and up-to-date inventories of school capacity and inventories using SFIS.	Yes
An accurate and current assessment of facility conditions is maintained, based on industry standards (using RECAPP methodology).	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 is appropriately funded. A small amount of information is maintained through the SFIS system, though it is not used regularly. The Student Enrolment and School Capacity Committee helps focus the school board's resources on accurate capital needs and projections. The school board reported that due to declining enrolment since 1997, there are few capital plans, and only maintenance repairs and school consolidations are considered.

Although the school board develops an annual maintenance plan and uses SFIS to determine some capital needs, it does not develop a multi-year capital plan that is approved by the Board. The school board should develop a multi-year capital plan that includes the related funding plan and has formal Board approval, to provide a long-term forecast of planned capital planning.

The school board has an approved pupil accommodation review policy. It was reported that these guidelines greatly influence the school board's accommodation review process.

Ongoing Monitoring and Maintenance of Data to Support Capital Planning

The school board provides ongoing up-to-date inventories of school capacity through high level monitoring by the SBO and the Controller of Facilities. To maintain the accuracy of capital needs, the school board keeps accurate and timely inventories of school capacity and utilization through internal systems, as well as attempts to keep similar data through SFIS and ReCAPP. Prohibitive to Repair (PTR) schools are identified based on Ministry guidelines, and flagged through the ReCAPP and visual inspection process. The school board reported the level of complexity involved in SFIS and ReCAPP has led to decreased usage of these programs.

Recommendation:

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

5.6   Construction Management

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

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

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

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

Cost Effective Practices in the Design and Construction of Facilities

Leading Practices – Construction Management	Evidence of Adoption?
Management 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

Leading Practices – Construction Management	Evidence of Adoption?
In constructing, acquiring, operating and managing school facilities, the school board is guided by the principles outlined in the OntarioGreen Energy Act, 2009.	Yes
Senior administration maintains standard policy and/or procedures to rationalize construction projects, including benchmarking against other school board construction costs and design standards (including coterminous boards).	Yes

Monitoring and Reporting on Progress of Construction Projects

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

Maintaining Current Approved Professional Service Providers

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

Cost-Effective Practices in the Design and Construction of Facilities

The school board is currently facing declining enrolment. As a result, management gives full consideration to the use of available school space in their local communities before proceeding to build, purchase or lease other spaces. The school board reported that SFIS provides them with the ability to monitor the capacity of their facilities, and maintain communication with communities to identify school board space that might meet the community's needs, or vice versa. To control school renewal and construction project costs, management maintains as much standardization as possible.

Management has an effective process in place to monitor and control construction projects and their costs. At the outset, there are very stringent budget setting processes through the Board Budget Committee. With their generally small size, all construction contracts are supervised and monitored daily. The school board is aware of the implications of the *Green Energy Act* and has made two formal

responses. The school board is currently working with the Ameresco to look at energy efficient facilities and savings.

Monitoring and Reporting of Progress on Construction Projects

Management has an effective process in place to monitor and control construction projects and their costs. The Operations and Finance Committee receives regular updates on ongoing projects. Contingencies are built into the original projections and the school board reported that all projects have been completed on-time and on-budget. Change orders are managed through the existing budget.

Maintaining Current Approved Professional Service Providers

The school board out-sources all new or major construction. To control school renewal and construction costs, management works with its pre-qualified list of approved external engineers and architects. The school board employs a standard contract for construction projects, which 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. The school board reported that most projects are completed during the summer months to avoid disruption of school activities.

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.
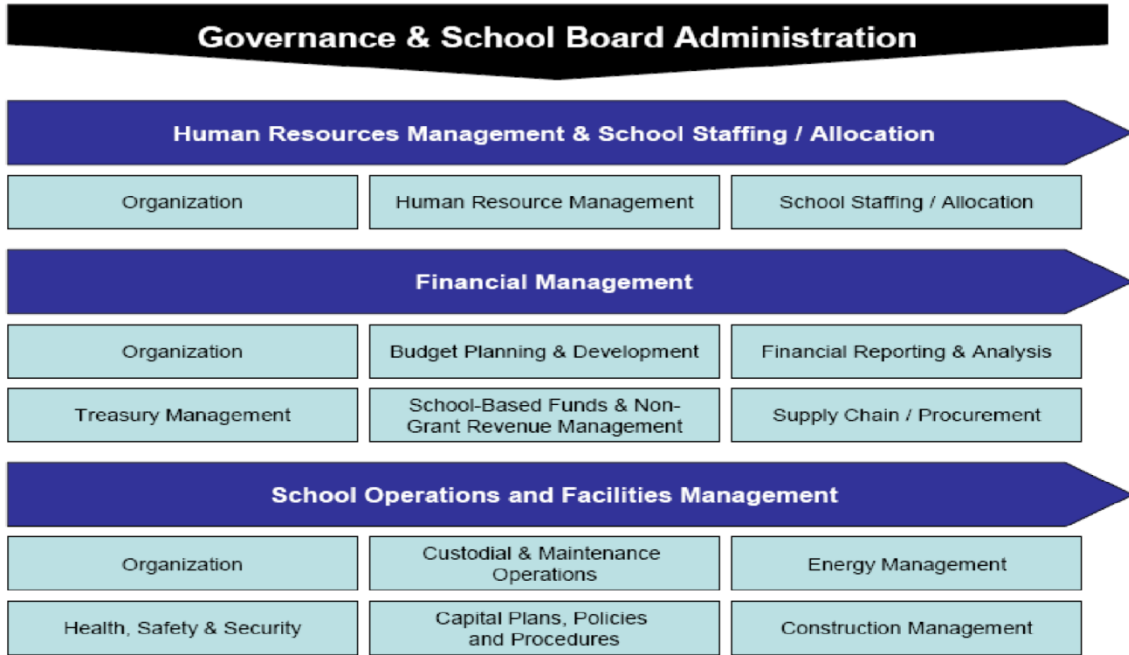
Operational Review Summary Approach

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

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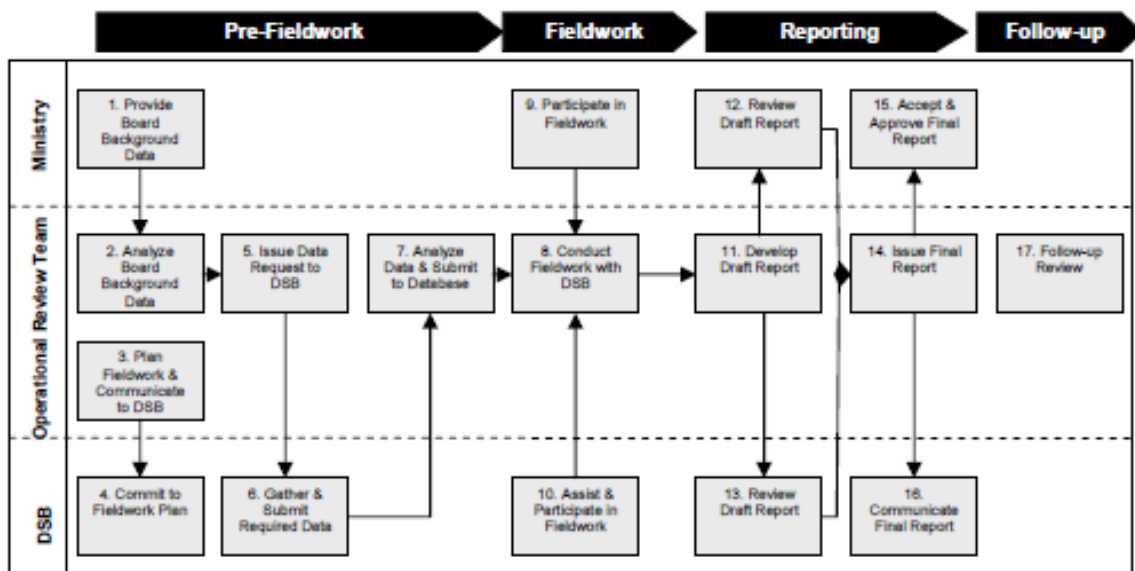
The Table below defines the key phases and activities which comprise the Operational review Methodology.

Phase: Pre-Fieldwork

Key Activity	Description
Provide Board Background Data	The Ministry collects and maintains significant quantities of board data. The Operational Review team has developed a standardized data request 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.
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.

Phase: Fieldwork

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

Phase: Reporting

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

Phase: Follow-up

Key Activity	Description
Follow-up Review	Eight to 12 months after the release of the final report, the review team conducts a follow-up review to determine the extent 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 Hastings and Prince Edward District School Board. The review has been conducted using the methodology as previously described. The review is not of the nature or scope that constitutes an audit made in accordance with generally accepted auditing standards.

Appendix B: Summary of Recommendations

Governance and School Board Administration

No.	Recommendation
	No recommendations

Human Resources Management and School Staffing/ Allocation

No.	Recommendation
1.	Management should develop a recruitment policy, and ensure it is reviewed annually to align staff planning with student achievement.
2.	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.
3.	Management should consider conducting compliance audits of the school board's insurance carrier to ensure adherence to the benefit plans terms and conditions. This will ensure accuracy and validity of claims paid.
4.	Management should consider developing staff satisfaction surveys which would include all employee groups. This would improve communication with staff and provide input for professional development plans and HR policy.
5.	Management should consider developing a formal plan for conducting exit interviews. These interviews would provide input for HR policy as well as process and program improvement.

Financial Management

No.	Recommendation
6.	The school board should consider consolidating key risks and mitigation strategies into a single risk plan.
7.	The school board should consider implementing a fully integrated financial system across all departments.
8.	Management and the board of trustees should consider establishing an audit committee that includes external advisors.
9.	Cash management activities should be consolidated with a single institution.
10.	Management should perform a detailed review of the school board's purchaseto-payment cycle and implement three-way matching.
11.	Management should continue to explore additional Electronic Fund Transfers (EFT) opportunities to maximize efficiencies.

School Operations and Facilities Management

No.	Recommendation
12.	Management should work with the utility companies to obtain consolidated billing in an electronic format. This would support more efficient monitoring and forecasting of energy consumption.
13.	The school board is encouraged to develop an overarching environmental policy that addresses both environmental education and responsible management.
14.	The school board should develop an approved annual and multi-year capital plan that includes the related funding plan.