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- The Board has established policies and procedures aimed at minimizing the incidence of grievances.
- The Board provides regularly scheduled HR policy awareness, training and education sessions.
- Teacher qualifications and experience are formally tracked and HR records are current.
- HR conducts confidential exit interviews for staff.

HR management actively provides input into the development of the Board's three-year goals. The Board growth plan incorporates several focus areas that the department will be responsible for during the period covered by the plan. To provide specific guidance to its managers and staff on the focus areas identified as well as other priorities of the department, HR should develop a departmental plan that would detail those areas. The plan would also include the staff responsible, timelines and appropriate performance measures to be used to measure accomplishments.

Recommendations:

- The department should develop an annual plan with the performance measures and targets for its specific goals and priorities, and complete the planned annual reporting on achievements. This will enable staff to focus on the planned targets for each priority throughout the year, and provide support for the reporting on the department's accomplishments.
- The department should develop an attendance management strategy with the associated policies and procedures for all staff categories. The Board should also assess available attendance management systems that would provide timely and accurate data for analysis of attendance patterns. This would improve management of this critical area of the Board's operations and reduce absenteeism costs.
- The department should consider conducting periodic staff satisfaction surveys across all staff groups. This information, together with input obtained from exit interviews, would highlight potential professional development opportunities and contribute to HR policy development.

Financial Management

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

- A transparent and clearly communicated annual budget process that incorporates input from all key stakeholders. The process used to engage all stakeholders in the budget planning and development process is notable.
- Management develops the Board's enrolment forecasts by utilizing multiple sources of information for demographic forecasting and regional planning information, combined with school based information.
- The Board participates in the Chatham-Kent-Lambton-Administrators Group (CKLAG) purchasing consortia for many goods and services. The Board also participates in the CKLAG consortia to benefit from advantageous and competitive market banking rates. This arrangement appears to be an excellent way to join several of the local boards, colleges, municipalities and agencies to leverage the total value of all the participants' cash flow and maximize the management and investment returns from temporary surplus cash. The rates of interest paid on overdrafts and received on surplus cash are very competitive. This is a practice that other school boards could assess for their own use.
- Board management actively monitors risks in the budget planning process and mitigates the risks of spending beyond authorized/budgeted levels.
- The finance department prepares quarterly financial reports for the senior administration and the Board of Trustees. Financial information is presented in reasonable detail, using the Ministry reporting expenditure categories. The reports include a comparison of the approved budget and the year to date expenditures and the remaining budget at the reporting date. The remaining budget amount is expressed as a percentage remaining. This is compared to the benchmark of what the remaining budget should be, based on either historical spending patterns or what is expected to be remaining in salary and benefits, based on the number of pays processed to date. Finance staff are prepared to respond to questions regarding variances and other related matters when the report is presented to the senior administration and the Board of Trustees.

As reported in the HR section, finance management actively participates in the development of the Board's three year goals. The Board growth plan incorporates several focus areas that the department will be responsible for during the period covered. To provide specific guidance to its managers and staff on the focus areas and priorities, finance should detail them in a plan, along with the staff responsible, timelines and appropriate performance measures. Since the superintendent is responsible for the business and plant and maintenance functions, this comment and recommendation applies to the department as a whole.

Recommendations:

- The department should develop an annual plan that includes the performance measures and targets for its specific annual goals and priorities, and complete the planned annual reporting on achievements. This will enable staff to focus on the planned targets for each priority throughout the year, and provide support for reporting on the department's accomplishments.
- The interim financial reporting to management and the Board is very comprehensive in the detail and analysis provided. An enhancement of the report would be to provide written explanations of variances that are significantly greater or lesser than what the expected level of spending should be for the period reported.
- Management and the Board should consider establishing an internal audit function. Management could start by identifying options for its mandate and scope and the estimated annual cost of each option. Management's proactive assessment of need and cost would be a useful first step.
- Management and the Board should establish an audit committee. The membership of the audit committee would include at least two external members to act as advisors and contribute to the committee's accountability.
- Management should consider mandatory posting of tenders and RFPs on the electronic advertising bulletin boards. This practice would ensure the widest circulation of its tenders.
- Finance staff should implement EFT payments for the majority of its suppliers, to gain greater efficiency and minimize the risk of payments being altered prior to clearing the bank.

School Operations and Facilities Management

The plant and maintenance department employs many of the leading practices in its caretaking and maintenance operations. The following significant practices are noted:

- The Board has conducted a comprehensive energy consumption analysis and assessment of all of its facilities to reduce its energy costs. Several initiatives, such as an automated energy management system for all schools, have contributed to significant energy cost savings for the Board.
- Management has established and implemented accountability mechanisms. These include well-documented departmental roles and responsibilities, policy compliance awareness training, and appropriate professional designation for

senior staff. These support effective and efficient performance of the maintenance and operations functions.

- The Board has a well-defined maintenance and custodial staff allocation model that supports the allocation of resources to its schools in support of the Board's cleaning standards and practices.
- An annual training program for caretaking staff covers a broad range of job related training including computer basics, Megamation, use of custodial products and equipment, first aid, and general repairs.
- The Board's maintenance and renewal activities are re-assessed annually through individual school assessments. Priorities are incorporated into the annual plan. This approach ensures schools are maintained in good condition, supports improved student learning, and facilitates employee productivity.

Recommendations:

- Management should consider establishing a multi-year, say 3 to 5 years, maintenance and renewal plan, including the funding available to support the plan. This would provide the senior administration, the Board and its stakeholders with a clear forecast of the Board's critical needs over the next several years.
- The Board should complete a multi-year energy management plan, with measurable energy baselines and savings targets to be monitored annually. Any investments in the energy management plan should identify the basis of associated funding.

1. Background and Overview

1.1 Board Profile and Structure

The Lambton Kent District School Board provides educational services to more than 26,000 students in 66 elementary and secondary schools. Lambton and Kent County are made up of numerous small towns and communities over a large area in southwestern Ontario. The Board maintains two corporate offices, one in the Municipality of ChathamKent and the other in the City of Sarnia.

The Board’s enrolment has declined by about 3,900 students since 2002-03 to the forecasted 2008-09 fiscal year or about 14.2%. The decline has been about the same percentage for both elementary and secondary. This trend is expected to continue for the next several years. The Board has developed a 10-year capital plan. The implications that declining enrolment will have on program delivery and school facilities, is a significant factor to be addressed in the plan.

The Board’s senior administration (executive council) is as follows:

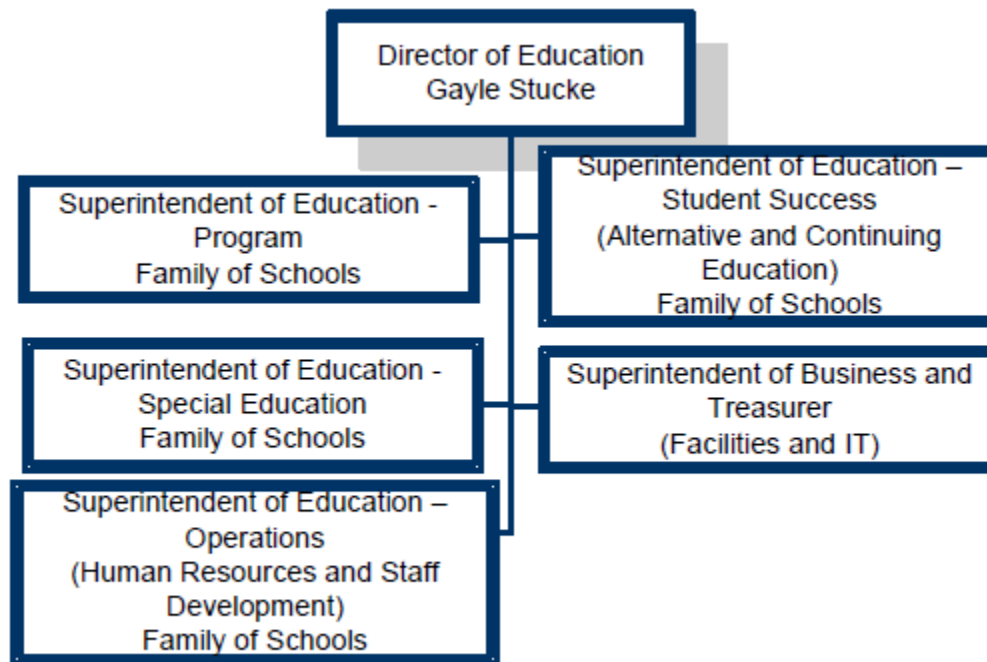


Figure 1

1.2 Key Priorities of the Board

The Board develops its growth plans on a three year-cycle. The most recent plan was developed in 2006/2007 and is entitled Lambton Kent Growth plan 2006/07 to 2009/10. The Board has a clearly defined process for the development of its growth plan. While

the Board does not develop its growth plan annually, it does report on measured outcomes annually. The Director is responsible for the development of the Board growth plan and uses feedback from consultations with school council chairs, student council presidents, community agency partner groups and trustees. The senior administration is a key participant in the discussions leading to the development of the Board growth plan.

The Board growth plan highlights the following core goals:

- Continuous growth in student achievement.
- Provision of safe learning environments.

These goals are, in turn, supported by key focus areas and specific strategies that will be used to achieve the goals and thereby contribute to achieving the Board's growth plan. Based on the Board growth plan document, the Board then develops its annual budgets which include priorities, high-level targets, strategies, timelines, measurement tools and a process for reporting against the plans that is available for the public. These strategies, however, are not directly assigned to an owner.

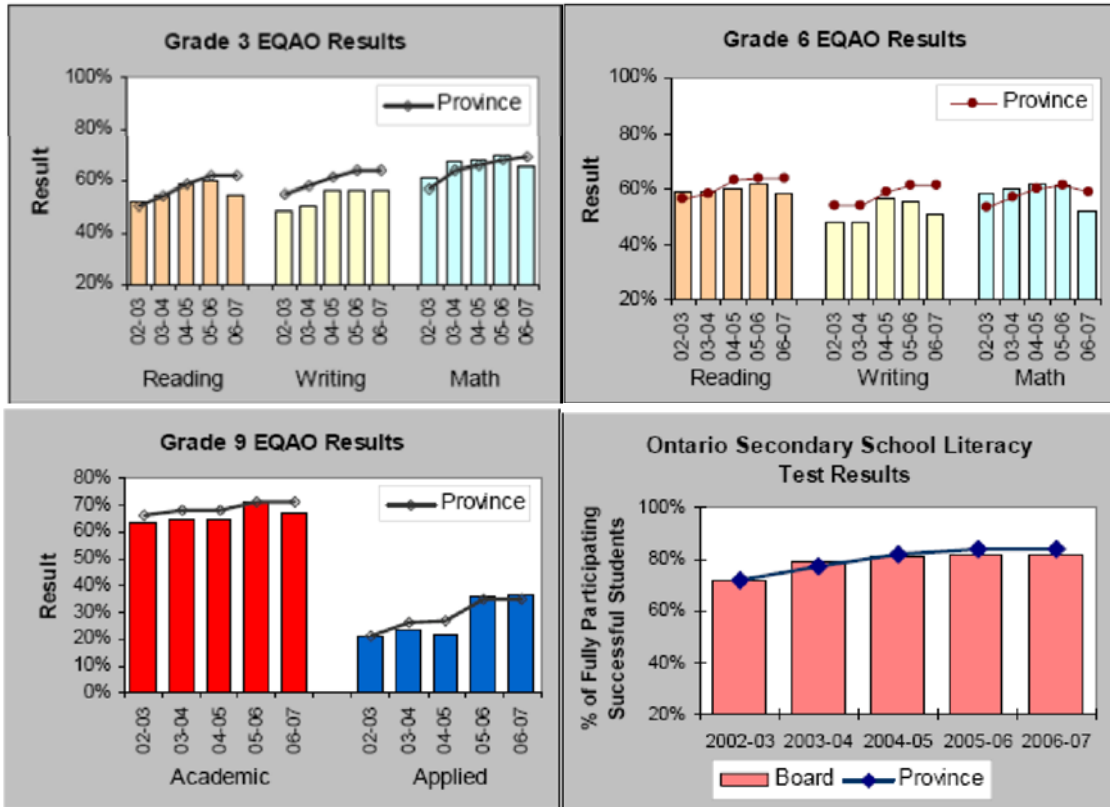
The Director reports to the Board on the annual progress of the Board growth plan in a document entitled *Progress Report on Attainment of the Goals Contained in the Board growth plan, 2006/2007*. This provides detailed information on the implementation of the related strategies together with the respective actions taken and the success achieved.

The Board growth plan provides the basis for senior administration to set and align individual departmental priorities and action plans. These department plans are discussed in more detail in the respective sections of this report. The Board growth plan is presented to principals for use in their own school improvement planning.

1.3 Student Achievement

The Board has shown a steady increase in most of the student achievement results as measured by the EQAO scores since 2002-2003. However, the results for 2006-2007 showed student scores in Grade 3 and Grade 6 reading and math have decreased to below provincial averages. The Board recognizes that the results create an opportunity for improvement, and has taken action to improve the outcomes through the strategies and key areas of focus for 2007-2008.

The following charts illustrate the Board's EQAO and OSSLT results over the last five years.



1.4 Fiscal Overview

The Board has achieved a balanced budget for the past several years. In the budget plan for 2007-2008, the Board approved the draw down from the reserve for classroom expenditures of about \$599,000. The Board forecasts that its Reserve for Working Funds will be about \$4.9 million as of August 31, 2008.

The following tables provide a fiscal overview of the Board.

Summary Financial Data (Revenues)

Revenues	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Legislative Grants	\$142,725,014	\$150,021,847	\$155,367,150
Local taxation	\$61,258,515	\$60,379,848	\$60,737,600
Board Revenues	\$8,243,642	\$10,229,405	\$4,990,454
Other Operating & capital Grants	\$4,563,910	\$3,032,647	\$0
Total Revenues (Schedule 9)	\$216,791,081	\$223,663,747	\$221,095,204

Summary Financial Data (Expenditure)

Expenditures:	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Operating expenditures	\$207,865,861	\$212,543,130	\$214,880,169
Capital expenditures - Before transfers to reserves	\$6,472,743	\$10,745,784	\$6,567,906
Transfer to (from) Reserves	\$2,452,477	\$374,833	-\$352,871
Total Expenditures	\$216,791,081	\$223,663,747	\$221,095,204
Surplus (Deficit)	\$0	\$0	\$0

School Board Reserves and Deferred Revenues

School Board Reserve and Deferred Revenues:	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Retirement Gratuities	\$3,304,295	\$3,404,798	\$3,404,798
Reserve for Working Funds	\$4,597,280	\$4,949,412	\$4,885,412
WSIB	\$1,785,811	\$1,866,041	\$1,866,041
Other	\$1,204,303	\$1,180,533	\$1,180,533
Building and Grounds	\$1,522,082	\$260,136	\$260,136
Computer Infrastructure	\$925,746	\$967,337	\$967,337
Total Reserve Funds (Schedule 5)	\$13,339,517	\$12,628,257	\$12,564,257
Reserve for Classroom Expenditures	\$4,190,612	\$2,985,142	\$2,485,142
Special Education Reserve	\$99,721	\$104,201	\$4,480
Proceeds of Dispositions - School Buildings	\$2,884,811	\$960,661	\$160,661
Total Deferred Revenues (Schedule 5.1)	\$7,175,144	\$4,050,004	\$2,650,283
Total Board Reserves and Deferred Revenues	\$20,514,661	\$16,678,261	\$15,214,540

1.5 Key Statistics: Lambton Kent District School Board

The following table highlights key statistics for the Board. Of note are the decreasing enrolment trend and the large geographic area and dispersion of the Board. These statistics illustrate a unique and challenging operating environment for the Board.

Day School Enrolment

Day School Enrolment:	2002-03 Actual	2007-08 Revised Estimates
Elementary Day School ADE	16,695	14,465
Secondary Day School ADE	10,510	9,312
Total Day School Enrolment	27,206	23,777

Primary Class Size

Primary Class Size:	2003-04	2007-08
% of Classes Less Than 20	39%	96%
% of Classes Less Than 23	73%	100%
Average Class Size - Jr/Inter	25.6	25
% of 3/4 Classes 23 & Under	43%	100%
% of Combined Classes	40%	49%

Staffing

Staffing:	2003-04	2007-08
School Based Teachers	1,527	1,536
Teacher Assistants	180	233
Other Student Support	80	80
School Administration	83	85
School Clerical	117	109
School Operations	224	218
Other Non-Classroom	80	73
Total Staffing	2,291	2,334
Teacher - Pupil Ratio	1:18	1:15
FTE Staff per 1,000 Pupils (ADE)¹	84	98

¹ Note: Impacted by Class Size and Special Education

Staffing:	2003-04	2007-08
Total Salary & Benefits as % of Net Operating Expenditures	84.3%	84.3%

Special Education

Special Education:	2003-04	2007-08
Special Education Incremental Expenditures	\$17,757,615	\$23,642,784
Special Education Allocation	\$19,059,630	\$23,452,283
Spending above Allocation (Reserve)	-\$1,302,015	\$190,501

School Utilization

School Utilization:	2003-04	2007-08
Total Capacity (Spaces)	33,134	30,800
Capacity Utilization	82.10%	77.30%
Number of schools	69	68
Board Area (Km²)	5,540	5,540
Number of Trustees	10	10

2. Governance and School Board Administration – Findings and Recommendations

The Board’s governance model and administrative organizational framework make a significant contribution in helping the Board of Trustees, Director, senior administration and community stakeholders support both “**Student Achievement**” strategies and effective Board operations.

Governance and Board administration processes are reviewed to:

- Understand how the governance model delineates the division of duties between the Board of Trustees and the administration and supports operational effectiveness;
- Assess the development of the annual plan (including the goals/priorities) and actions to engage and communicate with key stakeholders and the related reporting against the plan;
- Assess the processes for the generation and maintenance of policies and related procedures;
- Assess whether staffing levels and organization structures provide for clarity of roles and accountability sufficient to carry out the 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 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 Board and our field work, which included interviews with the Chair, the Director and senior staff of the Board.

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The Board of Trustees articulates annual goals/priorities and receives periodic/annual reports on the achievements against them.	Yes
The Director of Education and management develop annual plans which reflect the Board of Trustees' goals/priorities and report on their outcomes to the Board of Trustees and stakeholders.	Yes

Decision Making Processes

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The Board of Trustees and management establish processes to facilitate decision making that address student achievement targets and operational performance.	Yes

Organizational Structure and Accountability

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
Organizational charts that clearly and accurately reflect the structure of senior management and illustrate roles, responsibilities and accountabilities are available to the public.	Yes

Stakeholder Engagement

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The Board of Trustees and management proactively engage internal and external stakeholders on a regular basis and through a variety of communications vehicles (e.g., websites, email, memoranda, town hall meetings, etc.).	Yes
Key senior staffs, of all functional areas, are members and participants in sector committees of provincial associations and/or Ministry work groups.	Yes

Development and Reporting of Annual Goals and Priorities

The Board develops and updates its strategic plan every three years. Currently, the Board's activities have been guided by a strategic plan document, entitled *Board growth plan 2007/2008 to 2009/2010*, which identifies the following two goals of the Board:

- continuous growth in student achievement
- provision of safe learning environments.

Under these core goals the growth plan identifies 15 focus areas: quality programs; numeracy and literacy; student engagement; special education programs; character development; technology; professional development; leadership development; partnerships; first nations; parent involvement; system/school organization; harassment and anti-bullying; student and staff wellness; school maintenance, accessibility and green environment. The plan provides strategies for each of the focus areas and the related timelines, responsibilities and measurable outcomes. The plan has guided the Board since 2004 and will continue to do so until the Board's next system review in 2010. The current Board growth plan document was formally approved by the Board in October 2007 and is available on the Board website.

The Director works with the senior administration and trustees in extensive consultations with the Board's key stakeholders to develop the growth plan and focus areas. The process includes formal feedback discussions and consultations with trustees, community partner groups, elementary and secondary principal representatives, federation and union representatives, managers, school council chairs and parent involvement committee representatives.

The Director provides annual progress reports to the Board of Trustees. The reports illustrate the progress of the annual priorities to achieve the three-year goals. These annual priorities are agreed upon during the annual budget development process, presented in section 4.2 of this report. Progress reports assess the actions, and resulting achievements, taken during the year as noted in section 1.2 of this report. The Director acknowledges that the goals contained within the Board growth plan do not meet SMART (Specific, Measurable, Attainable, Realistic, and Timely) guidelines, and that this is an area of focus for the future. The Board growth plan does identify accountabilities and general success measures. These should be more specifically aligned to the strategy identified for each of the focus areas.

Decision-Making Process

The Board has formal, documented and easily accessible policies for governance and school board organization. Management believes that it operates in a generally harmonious relationship with trustees and that this has contributed to an effective

