

Ministry of Education

**Operational Review Report
Peterborough Victoria Northumberland
and Clarington Catholic District School
Board**

June, 2008

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Executive Summary

This report details the findings and recommendations of the Operational Review of the Peterborough Victoria Northumberland and Clarington Catholic District School Board (the Board) conducted by the Operational Review Team composed of external consultants from Deloitte Touché LLP and Ministry of Education staff. The Operational Review was conducted over four days beginning on November 12, 2007.

Introduction

The Ministry plans to perform Operational Reviews of the 72 district school boards across the province over the next three years. The initiative supports Ministry goals and will increase confidence in public education. The Ministry's goal is to enhance management capacity within school boards by encouraging good stewardship of public resources, and by 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 of student achievement.

The Operational Review Team reviewed the Board's operations in four functional areas: Governance and School Board Administration; Human Resource Management and School Staffing/Allocation; Financial Management; and School Operations and Facilities Management. The purpose of this was to assess the extent to which the Board has implemented 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 found that the Board is well-managed, based on the fact that it has adopted a significant number of the leading practices in all of the functional areas reviewed. A summary of the findings and recommendations identified in each of the functional areas reviewed follows. Details can be found in subsequent sections of the report.

Governance and School Board Administration

The Board has adopted a governance model designed to delineate the roles and responsibilities of the Board of Trustees from the senior management team. The model is founded on the principle that the Board of Trustees has responsibility for setting and maintaining policy, while the administrative team develops and implements plans and procedures to ensure adherence to Board policies and the accomplishment of key priorities.

The Board recently faced some challenges relating to the delineation of roles between trustees and management. To achieve greater clarity and consistency in roles and

responsibilities, the Board has begun a formal review and update of all related policies and procedures. It has hired independent advisors to interpret various by-laws and policies and procedures pertinent to the governance of the Board. The review should result in an improved understanding and a better delineation of the roles and responsibilities of the Board of Trustees, the Director and senior management. This should also contribute to more effective decision making processes.

The senior administrative team is composed of the Director and the superintendents responsible for schools, education programs, and business. There is a positive working relationship between the Board of Trustees, the Director, and senior administration.

The Board's vision, mission statement, strategic priorities and directions are available on the Board's website at <http://www.pvnccdsb.on.ca/board/mission.asp>. Each year, the Director of Education publishes a set of priorities which, at a high level, are aligned to the Board's overall strategic direction. These are developed collaboratively with senior administration and form the foundation of the Director's Annual Report, which briefly describes the Board's accomplishments. Although the Board follows an annual planning process, the Annual Board Plan template could be expanded to include more specific targets, timelines, and assigned responsibilities. This would support a more transparent cycle of feedback to the Trustees on the Board's accomplishments relative to the plan and the overall strategic direction of the Board.

The Board has established a transparent and collaborative planning and decisionmaking process that includes the direct involvement of various board sub-committees and school-level improvement committees. The Board has demonstrated that decisionmaking is aligned with student achievement targets through the incorporation of schoollevel input.

Some notable practices adopted by the Board include:

- Open communications with parents and board staff.
- The overall goals and priorities of the Board are clearly stated and aligned with student achievement, staff learning and effective management of resources.
- The Board has received a report of a recent internal organizational review that covers all functions of the Board and includes feedback from all stakeholders.
- Positive relations with its unions.

Recommendations:

- To facilitate its reporting to the Board, the senior administration should expand the format of the annual operating plan to include specific targets, timelines and assigned responsibilities.

- The Board should consider providing training and orientation to the senior administration and trustees for their re-defined roles and responsibilities, based on the recent review of Board governance.

Human Resource Management and School Staffing/Allocation

The Human Resource department (HR) is composed of a manager and six positions that report to a superintendent of schools. The superintendent also has responsibility for a family of schools.

The HR Department has demonstrated operational effectiveness overall, through the implementation of leading practices such as:

- HR management maintains positive labour relations. Experienced members of the department are committed to openness and the timely resolution of labour concerns, and the Board is fully informed of collective agreement grievances and employee issues.
- The department effectively uses technology and has created efficiencies with regard to the posting of teaching positions and the deployment of supply teachers.
- The HR department has detailed procedures to determine total staff requirements and allocation, driven by enrolment forecasting, student need, class size requirements and alignment to collective agreements. The enrolment forecasts are developed on a school-by-school basis and consider Board level data and trend analysis and input from each of the school principals. This process is reviewed annually.
- The Board has recently implemented an employee performance management framework. The performance appraisal system has been adopted by CUPE and administrative staff in all departments, providing a formal method and template for managing and improving performance.

The HR department develops its annual strategic priorities after consulting with HR staff, the Board's Human Resources Committee and other senior staff. However, the Department does not use a standard format for the annual departmental plan that would include targets, assigned responsibilities, and timelines to communicate how it proposes to implement the priorities. A more formal and standardized departmental plan would highlight the current and future pressures of the department for senior administration, and offer a means for providing feedback on the results.

Recommendations:

- The HR department should adopt a more formal and standardized departmental planning template that includes targets, timelines and assigned responsibilities. The plan should link to the Board's strategic objectives and the Director's priorities.
- The HR department should continue to develop an attendance management strategy, with policies and procedures supporting all staff categories. A comprehensive system will provide timely and accurate data to improve management of this critical area.
- The Board should consider conducting confidential exit interviews and periodic staff satisfaction surveys across all staff groups. This will contribute to improved communication and provide input into the development of professional development plans and HR policy.

Financial Management

The business and finance department is led by the superintendent of Business and Finance who has responsibility for the areas of finance, plant, transportation, purchasing, planning, and facilities administration.

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

- The annual budget is presented to the Board of Trustees in summary form, with detailed supporting information that compares the final budget to the prior year and details any changes that have occurred relative to earlier drafts.
- Superintendents and managers in all departments generate electronic financial reports to monitor their respective budgets. This reduces the dependence on the finance staff to generate monthly budget reports.
- Management uses an integrated approach to develop enrolment forecasts by using macro demographic information, multi-year forecasts, and regional planning information, combined with school based information.

Procurement strategies and controls (a new purchasing handbook, consortia for copiers and supplies) are strengthening departmental accountability and reducing costs. A recent example of the Board's participation in consortia purchasing was a joint tender with Kawartha Pine Ridge DSB for a photocopier contract, where both boards achieved significant savings over individual contracts.

The department sets its priorities according to a list established by the superintendent. The department does not use a standard annual departmental planning template with targets, assigned responsibilities, and timelines. A more formalized and standard departmental plan would highlight for senior administration how it proposes to support the priorities of the Board, communicate the current and future pressures of the department, and offer a foundation for providing feedback on the results.

The Board should focus more attention on cash and investment management. At the time of the review, the Board was holding surplus cash in its current account, foregoing the possibility to earn higher rates of interest from short term investments. The Board would benefit from the development of a cash forecasting model and a short-term investment strategy.

Recommendations:

- The Business and Finance department should adopt a more formal and standardized annual departmental planning template that includes targets, timelines and assigned responsibilities. The plan should link to the Board's strategic direction and the Director's priorities.
- The Board should formally communicate the annual budget process to all its stakeholders to ensure it is transparent and incorporates input from all parties. The process should clearly identify roles, responsibilities and timelines. It should also include a method for prioritizing initiatives and highlighting the risks of postponing or eliminating any particular initiative.
- Finance staff should consider providing an expanded level of interim reporting in the format suggested in section 4.3 of this report. This would improve the financial reporting of the year-to-date results.
- 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 for each option. Management's assessment of need and cost would be a useful first step.
- The Board should consider establishing a standalone audit committee. At present, the Governance Committee acts in the capacity of an audit committee when required. Management and the Board should also consider expanding the membership of the audit committee to include external advisors who would contribute to the committee's accountability.
- Management should establish an investment policy for approval by the Board. A formal cash management plan should be developed, along with procedures to manage surplus cash and optimize investment income.

- Finance staff should consider comparing the terms and conditions of the Board's banking relationships to those of other school boards, to benchmark key financial terms and ensure the best possible arrangements.
- The Board should perform a cost/benefit analysis to determine the feasibility of implementing automated three-way matching in the purchase-to-pay process.
- Finance staff should expand the EFT payment process to include all appropriate suppliers.

School Operations and Facilities Management

The plant services department reports to the superintendent of business and finance. It has demonstrated key strengths by the adoption of the following leading practices:

- Balanced use of qualified contractors and board staff in various trades, to cover a large and diverse geographic area where specific skills are required to perform maintenance on short notice. This practice has been developed through costbenefit analysis that incorporates travel costs, priority assignment, and the consistency and quality of service to the school.
- The Board's Custodial Manual outlines the method of cleaning and the daily, weekly and monthly schedule to be followed. The manual acts as a standard for all facilities within the Board.
- The Board recently joined the ECO Schools Program and is embarking on an energy consumption benchmarking exercise to assess ongoing improvements on a school-by-school basis. An energy management plan being developed for two schools will be used as a template for schools and the Board overall.
- Plant staff currently uses ReCAPP as a tracking tool for projects eligible for the annual Renewal Grant and the Good Places to Learn funding. They ensure that RECAPP is up-to-date and use regular inspections to maintain accurate and upto-date assessments of facility conditions.
- The Board has developed and uses a standard footprint and design concepts for the construction of new schools. The standards consider energy management, ongoing maintenance and custodial investment, portable placement and classroom additions in the event of increases to enrolment.

Similar to the other functional areas, the Plant Services department would benefit from a more formalized and transparent approach to annual departmental planning. There are opportunities for the Board to investigate the cost/benefits of using technology to improve work order management and energy management.

Recommendations:

- The plant services department should adopt a more standard annual departmental planning template that includes targets, timelines and assigned responsibilities. The plan should link to the Board's strategic direction and the Director's priorities.
- The plant services department should consider developing standards for school cleanliness where targets can be set, performance can be measured and results reported to senior administration and the Board of Trustees.
- Management should consider establishing a multi-year maintenance and renewal plan, including the funding available to support the plan. This would provide the senior administration and the Board and its stakeholders with a clear forecast of the Board's critical needs over the next several years.
- The plant services department should investigate the cost/benefit of a new work order system that would streamline the management, dispatch, tracking and reporting of facility renewal and general maintenance work orders.
- The Board should continue to expand on its existing energy management initiatives and develop a system-wide, multi-year energy management plan with consumption reduction targets. The Board should ensure that it has tracking and reporting mechanisms to monitor consumption and costs to enable management to report on the system's accomplishments.
- The Board should request that the utility companies provide consolidated billing in an electronic format. This would support more efficient monitoring and forecasting of energy consumption and reduce the workload in the accounts payable department.
- The plant services department should investigate the cost/benefit of implementing a centralized technology to track and remotely control energy consumption in individual schools.
- Senior administration should develop a comprehensive plan for health, safety and security and ensure that feedback is provided to the Board.

1. Background and Overview of Board

1.1 Board Profile and Structure

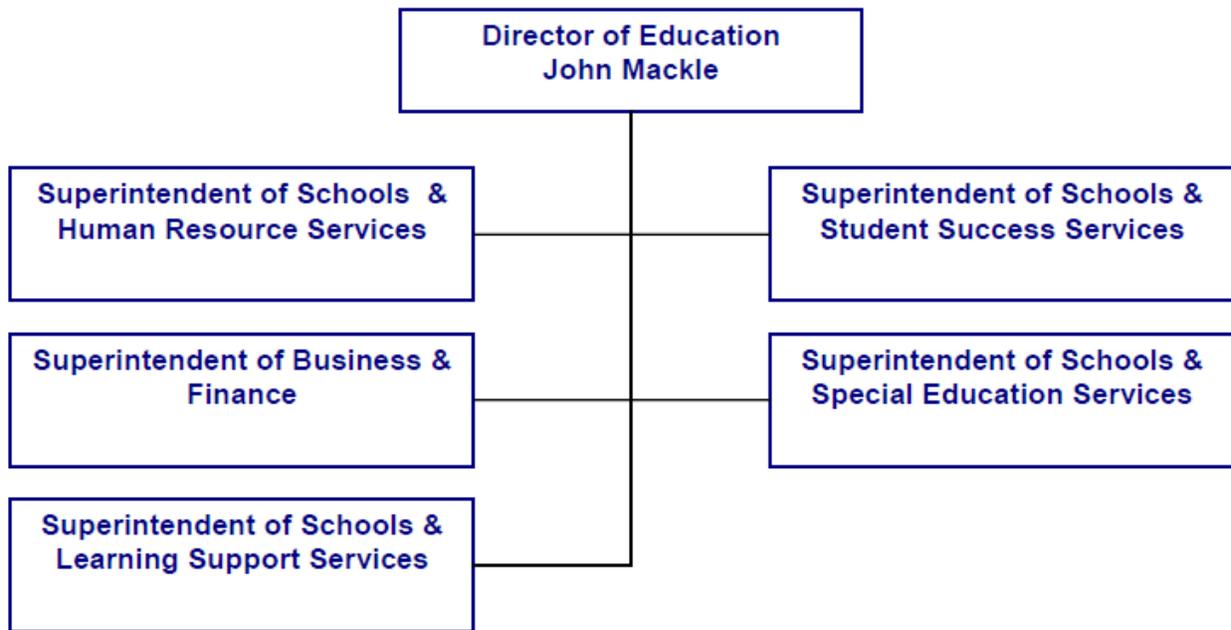
The Peterborough Victoria Northumberland Clarington Catholic DSB (the Board) provides elementary and secondary education to about 15,000 students in 32 elementary and six secondary schools. The geographical area of about 10,000 sq. km. includes Peterborough and the municipalities of Kawartha Lakes (Victoria),

Northumberland and Clarington. The Board's large geographic area requires it to provide transportation for about two thirds of its students.

The Board's enrolment has experienced a small net increase of 225 students since 2002-2003. This small change is net of a decrease in elementary enrolment of about 675 students and an increase in secondary enrolment of about 900 students. The enrolment growth has been primarily in the southern region of the board and is presenting challenges with respect to school capacity. The Board is managing the capacity issues through the use of portables and, more recently, through additions to three secondary schools. Management is continuing to assess the impact of the enrolment changes on the Board's facilities and program services.

Senior administration has created a position, principal of school effectiveness, with a primary focus on monitoring and directing initiatives directed for student achievement. A director of communication has contributed to ensuring effective, coordinated and consistent communication among the key stakeholders of the Board.

The Board's senior administration:



1.2 Key Priorities of the Board

The Board’s mission statement is “The mission of the Board is to provide all students with a Catholic education that includes the knowledge, skills, and values required to live a meaningful and faith filled life.” The six guiding principles the Board follows are:

- We will live the Christian message and promote the cause of Catholic education.
- We will ensure that students come first.
- We will operate effectively.
- We will develop and maintain alliances.
- We will communicate effectively.
- We will be responsible for personal renewal.

The five strategic priorities are articulated in the Board’s *Strategic Priorities 2007-2010*:

- Spiritual Growth
- Enhanced Relationships
- Effective Communication ③ Improved Student Learning
- Staff Learning.

Each of these priorities is supported by specific action items, with specific details posted on the Board's web site.

The annual process of setting goals begins with school level input from both primary and secondary principals. The planning process then incorporates feedback from all departments before the plan is presented to the Director for review.

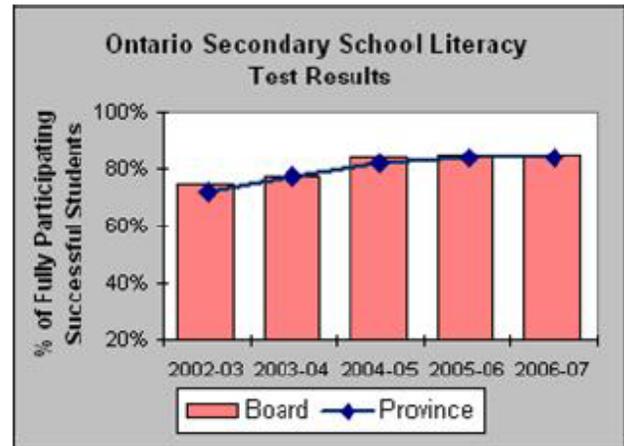
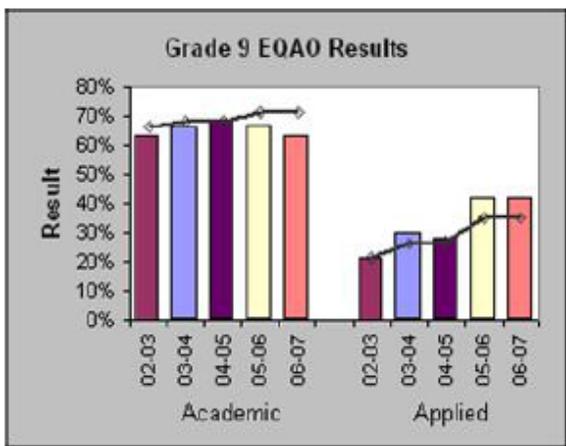
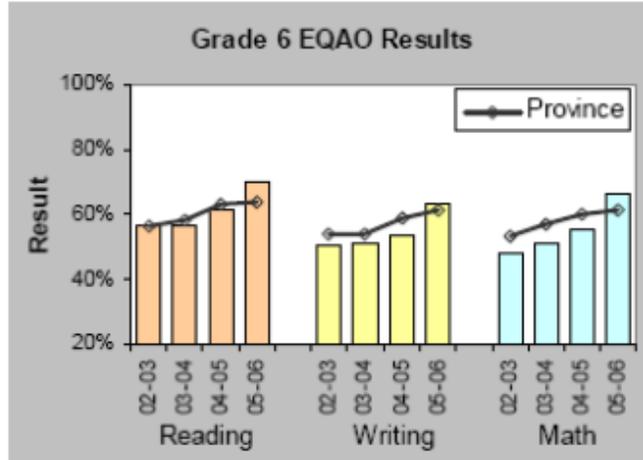
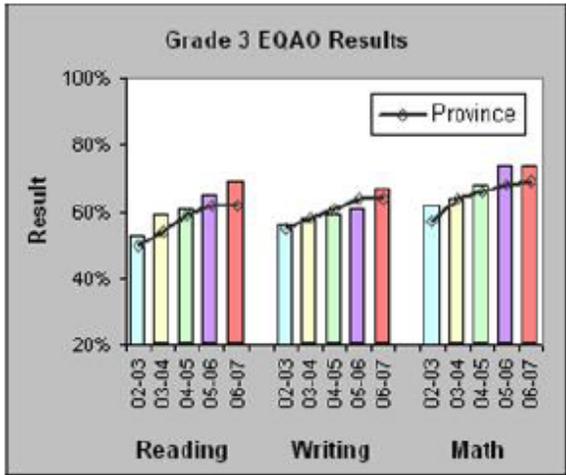
Recently the Board conducted an internal operational review that included a satisfaction survey circulated across all areas of operations and services and all stakeholder groups. The information collected helped to inform management about areas for improvement and contributed to the development of the "Director's Priorities for 2007-2008".

The Board of Trustees meetings are held monthly. No agenda item is formally tabled unless all parties have been briefed. All trustee meetings have an agenda that encompasses program delivery and student achievement. Board of Trustee holds *in camera* sessions to ensure adequate preparation and sharing of information from senior administration before items are formally tabled for decision. This helps to streamline the process of decision making.

The Director's annual report for 2006-2007 and further details of the 2007-2010 Strategic Priorities can be found on the Board's website.

1.3 Student Achievement

The student achievement data presented below shows that the Board has made significant improvements in student achievement in most grades and subject areas. The Board also exceeds the provincial average in most of the areas. As part of the path to improvement, the Board has adopted a governing principle that is part of their overall strategy and planning process: "We will ensure that students always come first."



Student achievement is supported by program investments such as capacity building training and the extension of library services from provincial grants. In addition, new administrative capacity has been created to track and manage student achievement. This has helped ensure that the process of data collection and analysis accurately informs decision making associated with budget planning, policy development, and program priorities.

1.4 Fiscal Overview

The Board has achieved a balanced budget over the past several years without drawing on reserves. The balance of the Reserve for Working Funds is forecasted to be at \$3.9 million, compared to the 2005-06 balance of \$2.9 million.

The board is currently funding capital projects through New Pupil Place grants, which totalled \$5.5 million for 2007-2008.

Summary Financial Data (Revenues)

Revenues	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Legislative Grants	\$106,143,057	\$110,224,124	\$116,504,402
Local taxation	\$20,862,633	\$22,098,772	\$22,682,690
Board Revenues	\$1,689,389	\$1,714,199	\$1,325,654
Other Operating & capital Grants	\$3,435,384	\$3,126,067	\$621,610
Total Revenues (Schedule 9)	\$132,130,463	\$137,163,162	\$141,134,356

Summary Financial Data (Expenditure)

Expenditures:	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Operating expenditures	\$120,882,252	\$124,481,720	\$132,242,651
Capital expenditures - Before transfers from reserves	\$10,393,582	\$11,348,883	\$9,206,322
Transfer to (from) Reserves	\$269,543	\$782,558	-\$393,575
Total Expenditures	\$131,545,377	\$136,613,161	\$141,055,398
Surplus (Deficit)	\$585,086	\$550,001	\$78,958

School Board Reserves and Deferred Revenues (Balances at the end of year)

School Board Reserve and Deferred Revenues:	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Retirement Gratuities	\$1,577,797	\$1,917,797	\$1,917,797
Reserve for Working Funds	\$2,941,264	\$3,858,336	\$3,858,336
WSIB	\$746,379	\$746,379	\$746,379
School Activities	\$143,219	\$217,065	\$217,065
Transportation	\$120,239	\$120,239	\$120,239
Special Education Reserve	\$155,367	\$155,367	\$155,367
Pupil Accomodation Debt Reserve	\$2,308,576	\$2,941,063	\$3,223,050
Sites	\$800,000	\$1,171,529	\$1,171,529
Program Capital	\$364,990	\$310,000	\$310,000
School Renewal	\$134,810	\$281,955	\$288,393

School Board Reserve and Deferred Revenues:	2005-06 Financial Statements	2006-07 Financial Statements	2007-08 Revised Estimates
Total Reserve Funds (Schedule 5)	\$9,292,641	\$11,719,730	\$12,008,155
Special Education Reserve	\$187,609	\$450,607	\$450,607
Education Development Charge Reserve	\$236,837	\$246,874	\$256,374
Total Deferred Revenues (Schedule 5.1)	\$424,446	\$697,481	\$706,981
Total Board Reserves and Deferred Revenues	\$9,717,087	\$12,417,211	\$12,715,136

1.5 Key Board Statistics

The following table highlights key statistics for the Board. Increasing compliance with Ministry class size caps, generally flat enrolment and a large geographic area present 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	9,509	8,834
Secondary Day School ADE	4,620	5,523
Total Day School Enrolment	14,129	14,357

Primary Class Size

Primary Class Size	2003-04	2007-08
% of Classes Less Than 20	29%	88%
% of Classes Less Than 23	59%	100%
Average Class Size - Jr/Inter	25.2	25.2
% of 3/4 Classes 23 & Under	33%	100%
% of Combined Classes	24%	28%

Staffing

Staffing	2003-04	2007-08
School Based Teachers	785	890
Teacher Assistants	143	225

Staffing	2003-04	2007-08
Other Student Support	71	87
School Administration	47	51
School Clerical	62	65
School Operations	101	117
Other Non-Classroom	44	52
Total Staffing	1,253	1,487
Teacher - Pupil Ratio	1:15	1:12
FTE Staff per 1,000 Pupils (ADE)¹	89.0	104.0
Total Salary & Benefits as % of Net Operating Expenditures	84.8%	87.9%

Special Education

Special Education	2003-04	2007-08
Special Education Incremental Expenditures	\$11,051,845	\$17,632,277
Special Education Allocation	\$13,701,285	\$17,630,490
Spending above Allocation (Reserve)	-\$2,649,440	\$1,787

School Utilization

School Utilization	2003-04	2007-08
Total Capacity (Spaces)	13,445	13,955
Capacity Utilization	105.10%	102.90%
Number of schools	38	39
Board Area (Km²)	10,353	10,353
Number of Trustees	7	7

¹ Note: Impacted by Class Size and Special Education

2. Governance and School Board Administration – Findings & 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

Leading Practices – Governance and School Board Administration	Evidence of Adoption?
The Director of Education and management develop annual plans, which reflect the Board of Trustees' goals/priorities and reports on their outcomes to the Board of Trustees and stakeholders.	No

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 the 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 Director works with the senior administration and trustees in an extensive consultative process with the Board's key stakeholders to set the strategic directions. Several years ago, the Board conducted an independent review of its operations. The review solicited input from trustees, the director, superintendents, principals, students, parents and other community stakeholders. This process culminated with the development of its current strategic priorities and directions,

“Imparting the Spirit Through 2010 and Beyond”. This document is available on the Board’s web site.

The priorities of the Board focus on:

- Spiritual Growth
- Enhanced Relationships
- Effective Communication
- Improved Student Learning
- Staff Learning

The Board has also defined sub-objectives for each of the focus areas. On an annual basis, the Director establishes the “Director’s Priorities” which are clearly aligned to the vision, mission and guiding principles of the Board. These are developed collaboratively with senior administration and form the basis for the departments to establish their respective priorities. The Director’s Annual Report is the primary means of reporting to the trustees and the community on the Board’s accomplishments for the year.

The Senior Administration should expand on the format of the Annual Board Operating Plan to include documented targets, timelines and assigned responsibilities to facilitate more transparent reporting to the Board on the annual accomplishments. A standard and more formalized format will also form the basis for measuring and reporting on accomplishments. This documenting of the annual plans would also facilitate the director’s reporting of the board’s accomplishments.

Decision Making Processes

The Board has a transparent and collaborative planning and decision making process that includes the direct involvement of various Board sub-committees and school-level improvement committees.

The Board recently faced some challenges relating to the delineation of roles between trustees and management. To achieve greater clarity and consistency in roles and responsibilities, the Board has begun a formal review and update of all related policies and procedures. It has hired independent advisors to interpret various by-laws and policies and procedures pertinent to the governance of the Board. The review should result in an improved understanding and a better delineation of the roles and responsibilities of the Board of Trustees, the Director and senior management. This should also contribute to more effective decision making processes.

The Board has established a dedicated standing committee for policy development. Policies are developed, reviewed and revised and flow through the committee for approval by the Board. Management is responsible to amend or develop the related administrative procedures to support the policy.

Organizational Structure and Accountability

The Board operates a governance model designed to delineate the roles and responsibilities of the Board of Trustees from the senior administrative team. The model is founded on the principle that the Board of Trustees sets and maintains policy while the administrative team develops and implements plans and procedures to ensure adherence to Board policies and the accomplishment of key priorities. As noted, roles and responsibilities are under review.

The Board of Trustees is composed of members that have an average of four year's experience. The Chair's Committee gives the trustees an opportunity to discuss the educational affairs of the Board. The trustees are the critical link between communities and the school board.

The Board has created an effective organizational structure that appears to support the needs of the school system to implement the annual plans aimed at improving success for students, success for staff and stewardship of resources and enabling the reporting of accomplishments to key stakeholders. The structure of the senior administration is presented in section 1.1 of this report.

Stakeholder Engagement

The Board is in the process of compiling the results of a survey of all key stakeholders. The purpose of the review was to allow stakeholders to evaluate the Board by identifying opportunities for improvement as well as areas of strength. The Board has adopted various methods of communication and stakeholder engagement to ensure a transparent and collaborative working environment.

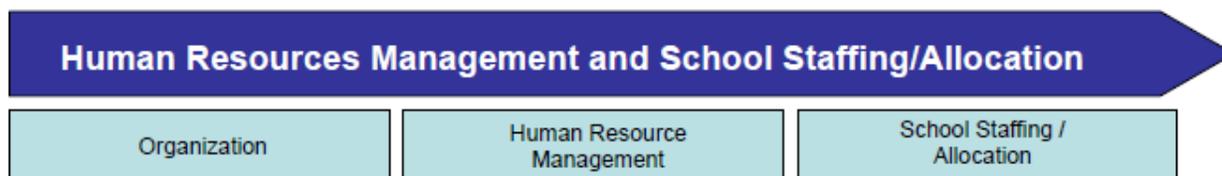
Key senior staff from all functional areas participate in sector committees of provincial associations and/or Ministry workgroups. This allows staff to share knowledge and best practices available from boards province-wide. The Board actively communicates with the coterminous Boards on a wide range of matters in both the academic and business aspects of the Board.

Recommendations:

- To facilitate its reporting to the Board, the senior administration should expand the format of the annual operating plan to include specific targets, timelines and assigned responsibilities.

- The Board should consider providing training and orientation to the senior administration and trustees for their re-defined roles and responsibilities, based on the recent review of Board governance.

3. Human Resources Management and School Staffing/Allocations – Findings and Recommendations



Effective management of human resources ensures that the staff allocations to schools and classrooms meet the Ministry’s class size requirements and are in line with the Board’s collective agreements and approved allocation models. The allocation models adopted by the Board are designed to ensure the most effective teaching and learning practices.

The following is a summary of our assessment of the Board’s adoption of the leading practices under the processes identified above. The findings are a result of our review of the data provided by the Board and our field-work, which included interviews with all key HR staff as well as follow-up and confirmation of information.

3.1 Organization

The review of the organization of the HR department assesses:

- Whether appropriate policies and procedures have been established and maintained to support the HR functions and required priorities, and whether they are aligned with the Board’s directions;
- Whether an annual plan setting out the goals and priorities and their alignment to the Board’s strategic directions has been established;
- Whether the roles and responsibilities of staff support the key functions, activities and practices of HR;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Human Resource Organization	Evidence of Adoption?
Departmental goals and priorities are aligned to the Board's strategic directives and are documented in an annual department plan accessible by key stakeholders.	No

Organizational Structure and Accountability

Leading Practices – Human Resource Organization	Evidence of Adoption?
Publicly-available HR organizational charts clearly illustrate the roles, responsibilities and accountabilities.	Yes
Senior HR staff has appropriate designations (e.g., Certified Human Resource Professional, etc.).	Yes

Monitoring and Communication of Policy

Leading Practices – Human Resource Organization	Evidence of Adoption?
Management monitors HR policy compliance.	Yes
Management provides scheduled HR policy awareness, training, and education sessions.	Yes

Development and Reporting of Annual Goals and Priorities

The HR Department develops its annual strategic priorities after consulting with HR staff, the Board's Human Resources Committee and other senior staff within the Board. The priorities are then presented to the Director for approval and incorporation into the Director's annual system priorities.

The list of key priorities provides HR staff with a high-level road map of the department's key priorities for the year and supports the senior administration in its understanding of the priorities for the department. The department reports annually on its achievements of the various priorities. The department's key priorities for the 2007-2008 year include:

- Maintaining positive labour relations/ grievance/ arbitration procedures;
- Preparing for collective bargaining: OECTA, CUPE, OTL;
- Automating posting process - support staff;

- Developing teacher hiring and posting procedures;
- Introducing attendance management through *SmartFind Express*;
- Revising teacher performance appraisal process and implementation in accordance with Ministry guidelines;
- Conducting performance appraisal: CUPE and administrative staff;
- Developing a principal/vice-principal HR handbook;
- Updating the occasional teacher handbook; implementing the New Teacher Induction Program; and
- Preparing a tender for employee benefits and acquiring OESC funding for support staff professional development resources and programs.

The department is examining ways to improve service delivery through the better use of technology. The department has also recognized that there is opportunity to adopt a more structured and formalized plan to detail key departmental priorities. A more formal planning process would help co-ordinate and align HR department initiatives with those of other departments.

Organizational Structure and Accountability

The HR department's organizational structure and management contribute to its accomplishments. The department has clearly defined roles and responsibilities, with clear lines of internal reporting. The organization of the HR department is available on the Board's website. The department is composed of a manager and six positions that report to a superintendent that also has responsibility for a family of schools.

The HR Superintendent is accountable to the Director for the department's performance. The department sets annual priorities, which are aligned to the Board's strategic plan and approved by the Director. The superintendent of HR presents the status against key initiatives to the Director and the Board on a periodic basis. Recommendations requiring Board approval are presented to the senior administrative group, reviewed by the Board's HR standing committee, presented to the Board for consideration and approval.

The HR department staff has relevant experience and/or professional HR designations (e.g. Certified Human Resources Professional). The department provides professional development for staff. All staff participate in development programs that include HR certification courses and conferences. All of the programs are designed to improve HR staff skill sets and facilitate learning.

Monitoring and Communication of Policy

HR policies are disseminated to staff through the respective superintendents. The department demonstrates continuous and transparent communication with teaching and non-teaching staff, through website publications and bi-weekly meetings with union representatives.

Recommendation:

- The HR department should adopt a more formal and standardized departmental planning template that includes targets, timelines and assigned responsibilities. The plan should link to the Board’s strategic priorities and the Director’s priorities.

3.2 Human Resource Management

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

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

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

Attendance Management Processes/Programs

Leading Practices – Human Resource Management	Evidence of Adoption?
Attendance management policies and processes support employees and minimize absenteeism costs.	No

Labour Relations

Leading Practices – Human Resource Management	Evidence of Adoption?
Management and Board of Trustees have established labour/ management committees.	Yes
Established policies and procedures to minimize the incidence of grievances.	Yes

Staff Recruitment

Leading Practices – Human Resource Management	Evidence of Adoption?
Recruiting policies and practices are reviewed annually, and are aligned with staff planning in support of student achievement.	Yes
New hire policies and procedures are standardized in packages for respective staff groups.	Yes

Management of HR and Payroll Data

Leading Practices – Human Resource Management	Evidence of Adoption?
Payroll processing is segregated from payroll and employee data changes.	Yes
Teacher qualifications and experience are formally tracked and scatter grams are current.	Yes
An approved pay equity plan is reviewed periodically and amended as necessary.	Yes

Employee Performance Evaluation Processes

Leading Practices – Human Resource Management	Evidence of Adoption?
Management maintains and communicates formal disciplinary policies and procedures for all staff.	Yes
Management has implemented an employee evaluation system for all staff.	Yes

Management of Board's Benefit Plans

Leading Practices – Human Resource Management	Evidence of Adoption?
Management periodically conducts independent compliance audits of the Board's insurance carrier to ensure adherence to benefit plan's terms and conditions.	Yes
Data is automatically synchronization between HR benefits and payroll and external carriers such as TPP and OMERS.	Yes
Policies and 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.	No

Attendance Management Processes/Programs

HR recognizes that a more comprehensive and proactive approach to attendance management could improve staff attendance and result in both improved staff morale and a reduction in associated costs. Currently, the Board tracks teacher absenteeism for the sole purpose of managing supply teacher assignments.

Management acknowledges that they do not have an effective process to manage attendance and analyze the impact of absenteeism. They will be presenting a report to the Board to advise them of the benefits of capturing and analyzing patterns of absenteeism for all staff categories. This could mean that an additional investment in staff resources may be required. Management believes that the additional costs would be more than offset from the improvements in a more proactive approach to attendance management.

Labour Relations

HR is focused and proactive in managing labour relations, which are a high priority for the Board.

The HR Department has been successful in reducing grievances through a strong focus on labour relations. HR management is in contact with its respective bargaining units every two weeks to ensure that all parties are aware of any potential issues. This

approach requires significant investment of time from management, but has allowed the Board to reduce the number of grievances over the last three years. These efforts are currently managed by a Labour Management Committee that formally meets every two weeks. The committee is supported by members of both the HR administrative team and the union.

In addition, the department has developed a series of standard communication templates (i.e. Letters of Concern, etc.) and has made them available on-line to assist principals in communicating with the union on staff matters.

In the past, the Board was faced with a number of labour relations challenges with respect to the staffing procedures for occasional and supply staff. To respond to these issues, the department implemented an automated callout system, which has helped to ensure the fair allocation of supply teachers issues.

Another example of effective labour relations is the Board's successful pilot program to provide a laptop computer to every teacher, to be used in the classroom and at home for school purposes. The proposal was not well received initially, since it was perceived as a means to have teachers do more work at home. The department created teacher focus groups as a pilot program on the use of laptops. The purpose was to inform the staff of the potential benefits. The initiative met the intended goal of supporting teachers in working more efficiently and with greater flexibility. The department attributes the success of the program to the positive relationship with the union and teachers that was cultivated during the pilot process.

The Return-to-Work program is another illustration of effectiveness in labour relations. The program is designed to assist employees who return to work after lost time caused by workplace stress or injury. The HR department works with WSIB, the employee and the union to develop a return to work proposal within one day of an individual receiving medical clearance. The department has created templates based on different situations and approaches used by the Board to accommodate employees in the past.

Staff Recruitment

The policy framework for recruiting staff has been established by the department and approved by the Board. The HR department is responsible for conducting certification, background and reference checks on all potential new hires.

The Board has adopted and encourages the use of "Apply to Education", a web-based program for candidates applying for teaching positions. The department has also implemented a new software package to manage internal postings. The system streamlines the posting and application process. A similar system for non-teaching staff is expected to be available online soon.

The “New Teacher Induction Program” developed by the Ministry has assisted with the professional development of new teachers. The HR department has used internal curriculum consultants to deliver the program and participation has been positive.

Management of HR and Payroll Data

The Department has formal segregation of duties between the maintenance of HR data and the payroll and benefits records. This is achieved through clear delineations in roles and responsibilities and is also enforced by the security of the computer system used by the Board. HR and Payroll data resides on the same system which supports full integration and synchronization.

Personal records are updated by HR to reflect any changes in staffing and/or teacher qualifications reported weekly by each school principal or received by HR staff from the Ontario College of Teachers. This ensures that management has an accurate view of the current teacher credentials that drive compensation costs and the annual grant allocation process.

In 2003-2004 the HR Department conducted job evaluations of 21 positions with respect to remuneration, ensuring each provided fair compensation and was compliant with pay equity legislation. In this regard management continues to be proactive in resolving any pay equity issues and avoiding related grievances.

The Board is moving to a paperless work environment for attendance and payroll, with the implementation of electronic time sheets and the pending rollout of electronic pay stubs for employees.

Employee Performance Evaluation Processes

The Board has recently implemented an employee performance management framework. The performance appraisal system has been adopted by CUPE and administrative staff in all departments. To assist in the process, templates are provided for employees to establish their goals and action plans.

The frequency of performance evaluation for all employees is based on the Ministry standard for teaching, which is currently on a five-year cycle. Each year the HR department provides principals and supervisors with a list of employees who require performance appraisals. Although it is the responsibility of the immediate supervisor or principal to conduct the appraisal, the HR department performs frequent follow-ups with principals to ensure the scheduled evaluations are completed by the end of the year.

Management of the Board's Benefit Plans

The Board recently conducted a review of employee benefits and has moved to an Administrative Services Only (ASO) contract with an insurance company. Long Term Disability is managed through a school board cooperative. The department has been proactive in helping resolve employee problems with the benefits provider. The department has identified that the Board is getting excellent rates, since the administrative fees on dental and extended health claims are quite low relative to other boards. Management is examining the fee structure for the other components of the benefit plans.

Staff/Employee Satisfaction

The Board does not currently conduct staff satisfaction surveys, either for general satisfaction with the Board or as a way to evaluate the effectiveness of professional development sessions. While the recent internal Operational Review did include some questions about staff satisfaction, the Board has relied on its low grievance rate and positive labour relations as a good indication of staff morale. Implementation of an online or other form of a satisfaction survey could provide valuable input for the development of professional development programs and to inform management of potential improvements in policies and procedures related to personal matters. The same type of input can also be obtained from conducting exit interviews.

Recommendations:

- The HR department should continue to develop an attendance management strategy, with policies and procedures supporting all staff categories. A comprehensive system will provide timely and accurate data to improve management of this critical area.
- The Board should consider conducting confidential exit interviews and periodic staff satisfaction surveys across all staff groups. This will contribute to improved communication and provide input into the development of professional development plans and HR policy.

3.3 School Staffing & Allocation

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

- Assess whether accurate and efficient processes are in place to forecast and plan for staffing needs to support student achievement target strategies;
- Ensure that staff optimization allocation processes are in place, supported by an effective attendance management system;

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

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

Planning and Processes for Annual Staffing and Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Established policies and procedures govern the annual staff allocation models or procedures.	Yes

Monitoring and Reporting on Staff Allocation

Leading Practices – School Staffing/Allocation	Evidence of Adoption?
Systems monitor adherence to key Ministry and/or Board policy parameters such as: class size, prep time and collective agreement requirements.	Yes
Systems report 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
A mechanism allows for adjustment of staff allocations for school based staff, if estimates for enrolment and/or funding change after budget approval.	Yes
Plans for student support services and staffing are based on a student-needs analysis.	Yes

Benchmarking Costs with Other Boards and Funding

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

Planning and Processes for Annual Staffing and Allocation

The HR department has detailed procedures that govern the determination of total staff requirements and allocation, driven by enrolment forecasting, student need, class size requirements and alignment to collective agreements. The enrolment forecasting process is developed on a school-by-school basis and considers board level data, trend analysis and input from school principals. This process is reviewed annually.

The enrolment forecasting begins in the fall with confirmation of the October 31 numbers. After considering factors that impact the Board's total anticipated enrolment for the following year, a school-by-school forecast is prepared and reviewed by senior administration. Forecasts by school are further refined by division and by grade. From this data detailed class counts are prepared for each school, to serve as the basis for the number of classroom staff required for each school. Refinements continue through review and discussions with principals, leading to the final approved teaching staff allocation.

The allocation of education assistants is based on a detailed student needs assessment by the schools, which leads to the final allocation near the end of May. Other schoolbased support staff allocations are based on formulas reviewed on an annual basis, taking into account budget constraints in the final determination.

Monitoring and Reporting on Staff Allocation

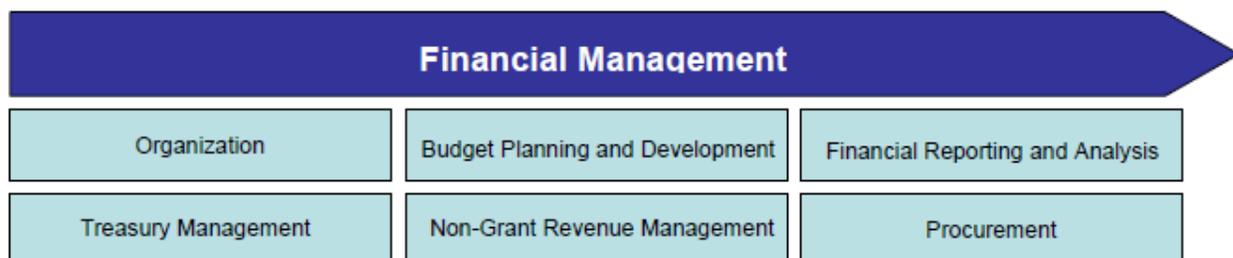
HR and Finance continue to monitor the original approved staff allocation plan and budget as compared to the actual allocation. This review occurs on a regular basis through budget reporting compared to actual expenses. The most significant check point occurs in September when the actual enrolments are known and where some class/school reorganization can occur to adjust for enrolment that varies from projections.

The Board is currently investigating Maplewood software which will link the HR component of the SDS system with Ontario School Information System (ONSIS). Maplewood will efficiently and accurately automate and synchronize the ongoing management and reporting of staff allocations.

Benchmarking Costs with Other Boards and Funding

Management performs comparisons of the salary benchmarks to the Board's average salaries as part of the annual budget process. They also perform market value comparisons where necessary to ensure its compensation packages remain competitive.

4. Financial Management - Findings & Recommendations



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

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

The following is a summary of our assessment of the 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 Board and on-site field work, which included interviews with all key finance management staff, as well as follow-up and confirmation of information.

4.1 Finance Organization

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

- The establishment of policies and procedures to support the key Finance functions, activities and required business priorities and their alignment with student achievement targets;
- Finance department support of the overall goals/priorities and accountability measures established by the Board;
- The efficiency and effectiveness of the departmental structure and support of the roles and responsibilities for the key functions, activities and practices;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Finance Organization	Evidence of Adoption?
Departmental goals and priorities are aligned to the Board’s strategic directives and are documented in an annual department plan accessible by key stakeholders.	No

Organization Structure and Accountability

Leading Practices – Finance Organization	Evidence of Adoption?
Publicly available finance department organization charts clearly illustrate the roles, responsibilities and accountabilities.	Yes
Senior finance, treasury and procurement staff has appropriate designations or related experience.	Yes

Monitoring and Communication of Policy

Leading Practices – Finance Organization	Evidence of Adoption?
Management monitors finance department policy compliance.	Yes
Management provides scheduled finance policy awareness, training and education sessions.	Yes

Development and Reporting of Annual Goals and Priorities

The Business and Finance Department develops its annual strategic priorities following consultation with department staff and other senior staff within the Board. There is an annual senior administrative planning session early in the budget and planning cycle, where the priorities for the coming year are presented by senior staff for discussion. The department’s priorities are then presented to the Director for approval and incorporation into the Director’s annual system priorities. The department’s priorities include:

- implementing a capital assets collecting/tracking system;

- documenting of the board's internal controls and school audits;
- ensuring ongoing compliance with Public Sector Accounting Board Standards;
- ensuring quarterly reporting of school generated funds;
- continuing to move vendors to electronic payment;
- continuing to support departments/ schools with new account codes;
- implementing emailing employee pay slips;
- ensuring ongoing compliance with Auditor General recommendations.

The department should adopt a more formal and standardized planning template that includes detailed tasks, timelines and accountabilities related to key departmental priorities. A more formal planning process would help co-ordinate and align the department's initiatives with those of other departments and provide an improved basis to demonstrate its accomplishments.

Organizational Structure and Accountability

An organization chart of the Business and Finance Department is available on the Board's website. It identifies how the department structure aligns the key activities of finance, plant, transportation, purchasing, planning, and facilities administration. For the financial component to the portfolio, there is a controller of finance and a manager of purchasing, planning and facilities administration who report to the superintendent. This is an appropriate structure for a board the size of PVNCCDSB.

The professional qualifications and experience of staff are commensurate with the duties to be performed.

Monitoring and Communication of Policy

The department maintains a set of policies and procedures covering pertinent aspects of financial management. These policies and procedures have been posted to the Board's website. The procurement policy is supported by a procurement handbook which is available to all staff on the Board's web site.

The Board maintains a policy development committee responsible for the oversight, review and update of all Board policies. The Board's policy development, management, and review process is a collaborative venture involving trustees, staff, catholic school councils, and members of the community. The Board also maintains a specific policy titled "Policy Development, Management and Review" that details protocols and has guidelines on the frequency for policy review.

The finance department reports to senior administration on policy compliance on an exception basis and reinforces the importance of policy through correspondence with the other departments.

Recommendation:

- The Business and Finance department should adopt a more structured approach to annual departmental planning, including targets, timelines and assigned responsibilities. The plan should link to the Board’s strategic direction and the Director’s priorities.

4.2 Budget Planning and Development

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

- Understand the linkages between the Board of Trustees’ goals and priorities and the operational budgeting process;
- Assess whether sufficient transparency and controls exist in the budget planning and development process;
- Identify opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Annual Budget Development Process

Leading Practices – Budget Planning and Development	Evidence of Adoption?
The annual budget development process is transparent, clearly communicated, and incorporates input from all key stakeholders including management (with principals), the Board of Trustees and the community.	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
Budget planning processes account for all required cost and revenue changes.	Yes

Enrolment Forecasting Linked to Budget Development

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

Identification of Risks and Mitigation Strategies

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

Annual Budget Development Process

The annual budget development process begins with the Finance Department engaging senior administration during a mid-year planning session in order to develop a preliminary list of high-level priorities for the coming year. Input is also received from the principals through meetings. Finance then reviews the list of priorities with senior administration. When the Ministry’s Grants for Student Needs (GSN) is released, the department revises the list of priorities based on the availability of current year grants in close collaboration with senior administration.

Before the end of March, the other departments submit their detailed financial requirements to Finance for incorporation into a budget. A draft preliminary budget ensures the identification of all revenues and expenditures.

After it has been determined that the preliminary budget can be balanced (April – May), it is taken to the Board for discussion and refinement prior to developing a final budget. By the end of June, following adjustments for enrolment data and transportation costs and any other agreed changes, the budget is presented to the Board of Trustees. The budget is always reviewed and approved by the Director and senior administration before it is tabled for final approval with the Board of Trustees.

Throughout the year, the senior administration holds periodic meetings with trustees to communicate priorities for consideration in future budget cycles.

While key participants understand the steps in the budget process and the broad timelines, the process is not formally documented. A formal budget development

calendar would increase the transparency and understanding of the process for all stakeholders.

The annual budget is presented in summary form to the Board of Trustees with supporting detailed documentation. Although details may be requested of Finance during the final presentation, the majority of detail is provided in meetings preceding the formal budget approval meeting. The detailed budget binder compares the final budget to the prior year and identifies any changes that have occurred relative to earlier drafts of this year's budget. The meeting to obtain formal budget approval is typically a formality as much of the discussion has occurred earlier.

Enrolment Forecasting Linked to Budget Development

Working with planning, finance develops a system-wide enrolment forecast using the work of the enrolment forecasting provided by the Board's advisors. This is developed in December and is used for reporting to the Ministry and for the initial draft budget determinations. This is followed in the early spring by a request to the school principals to submit enrolment projections. Finance works with HR and the senior administration to refine the final forecast, used for teacher staffing and for the final budget preparation.

Identification of Risks and Strategies to Mitigate are Identified

While the Board does not have a formal risk management strategy, it identifies the key risk areas in the budget planning process. The most significant issues are the enrolment forecast and budgeting within the fixed revenue envelope. Management employs a "mitigation practice" of holding back a small number of allocated teachers until the final enrolment is known in September. The formal documentation of budget risks and development of proposed mitigation strategies is an opportunity for the Board to improve the transparency of the budget process.

The risk of spending beyond authorized or budgeted levels is partially mitigated through the procurement and budgeting controls in the current financial system. Budget holders are expected to monitor their budgets closely throughout the year, and address any potential budget issues as they arise. These procedures help ensure that expenditures are carefully monitored and risks of overspending is minimized.

Recommendation:

- The Board should formally communicate the annual budget process to all its stakeholders to ensure it is transparent and incorporates input from all parties. The process should clearly identify roles, responsibilities and timelines. It should also include a method for prioritizing initiatives and highlighting the risks of postponing or eliminating any particular initiative.

4.3 Financial Reporting and Analysis

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

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

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

Integrated System for Variance Analysis and Financial Reporting

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

Interim Financial Reporting Accountability

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Interim financial reports provide sufficient detail and appropriate explanations for a clear understanding of the current year’s budget and the outlook for the year.	Yes
Senior management is accountable for the integrity of financial reporting, through formal sign-off and approval procedures.	Yes

Internal Audit

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Management maintains an independent internal audit function where appropriate.	No

Leading Practices – Financial Reporting and Analysis	Evidence of Adoption?
Internal and external audit plans are clearly documented. Audit report recommendations are acted upon by management.	No

Integrated Systems for Variance Analysis and Financial Reporting

The Business and Finance department uses the School District System (SDS), an integrated administrative and financial software solution for school boards. The system enables self-service with expenditure variance analysis and financial reporting.

The Finance Department prepares quarterly variance reports for the senior administrative team, utilizing system generated reports. These quarterly reports do not routinely go to the Board of Trustees. Superintendents are required to take appropriate action, as they have the primary budget and expenditure management responsibilities. This process ensures that senior administration is held accountable for the integrity of financial results.

Interim Financial Reporting Accountability

Superintendents and managers are responsible for tracking and monitoring their budgets to ensure that they do not overspend. Each department has system access, appropriate training and overall responsibility for running financial reports from the system. At the school level, principals are responsible to provide periodic reports to the finance department on school funds and budgets. Secretaries of schools are trained on the school accounting system and produce reports. They are also responsible for ONSIS data entry.

Management stated that the Board of Trustees focuses primarily on the bottom-line budget and is not so concerned with a line-by-line analysis. Finance brings forward interim budget reports when issues arise or assumptions change. This often occurs at the time of the preparation of the revised estimates. A report summarizing the revised estimates is brought to the Board of Trustees to describe the changes and the overall impact on the budget.

The format of monthly or quarterly financial reporting varies significantly among boards. A more informative format would include:

- Comparison of the annual approved budget with the actual spending to date, and the spending to date expressed as a percentage of the budget.
- A comparative percentage for each expenditure/revenue category to reflect what the "expected spending to date" should be, relative to either historical averages,

prior year's experience or, in the case of salaries and benefits, the number of staff and pays processed to date.

- Written explanations of any significant variations from the normally expected percentage spent to date. Management will need to define what is "significant" for the reporting of variances.

The level of detailed expenditure and revenue presented will depend on the preferences of management and the Board. At the least, it would include a summary of the major expenditure and revenue categories similar to that reported in Ministry financial reports. The reports would also confirm that the projected fiscal outlook is a balanced position for the year or explain an anticipated variance. This information would give reviewers a better understanding of the status of the year to date results.

Internal Audit

The Board does not have an internal audit function. Although management recognizes the importance of the function, they believe that the resources are not currently available to support the additional cost. Finance staff, with the occasional involvement of an external auditor, perform audits of the schools, focusing on school funds. Formal reports are issued, and recommendations tracked to ensure corrective action is taken. External auditors also audit several schools each year, as part of their annual audit of the Board's financial statements.

The establishment of a formal internal audit function would assist senior administration and the Board of Trustees in exercising their overall governance and accountability roles. The primary function of internal audit would be to provide added assurance that internal controls established by management are operating effectively and in compliance with policies and procedures developed. The internal audit function can also assist in the development of performance measures and indicators for programs and services. The function should report to an Audit Committee of the Board. The annual Internal Audit plan would be presented and approved by the committee and all reports would be presented to the committee.

Audit Committee

In January 2007, a motion was passed at the Board's Governance Committee to amend its mandate to include the functions of an audit committee. The expanded terms of reference covered the planning, execution and reporting of the external audit, including both the financial statements and all internal control related matters.

The Board should consider establishing a separate Audit Committee, with its focus related to the issues of the external audit and other pertinent matters. This would include overseeing the internal auditor if that function is established.

Along with significant changes in accounting in recent years, the complexity of the annual financial statements is increasing. Audit committee members must understand what constitutes sound internal accounting and operational control processes. The Board should consider adding external advisors to the Governance Committee. The advisors would not be voting members, since current legislation only recognizes trustees as voting members on 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.

Recommendations:

- Finance staff should consider providing an expanded level of interim reporting in the format suggested in section 4.3 of this report. This would improve the financial reporting of the year-to-date results.
- 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 for each option. Management’s assessment of need and cost would be a useful first step.
- The Board should consider establishing a standalone audit committee. Management and the Board should also consider expanding the membership of the audit committee to include external advisors who would contribute to the committee’s accountability.

4.4 Treasury Management

The purpose of reviewing treasury management processes is to assess:

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

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

Cash and Investment Management

Leading Practices – Treasury Management	Evidence of Adoption?
There is an efficient cash management process to maximize interest income, using short-term investments where appropriate.	No
Cash management activities consolidated with a single financial institution.	Yes
Staff and management periodically review the Board's investment policy and investment performance reports.	Yes
Staff and management periodically compare 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

Cash and investment management can present an opportunity for those boards with significant cash reserves. The Board does not have a formal investment policy. Since the Board has over \$10 million in reserves that are not immediately required, management should examine alternative short term investment strategies to maximize the return on these funds. This would also apply to cash from normal operations, where there may be a one to three month period when surplus funds could be invested outside the board's bank account. An investment policy would provide management with appropriate guidance in the management of its cash position.

The Board has consolidated its banking with one bank. The Board has not, however, compared its banking terms and conditions with those of similar boards. Although rates have recently been renegotiated, the Board intends to go to tender for banking services to ensure that its terms are competitive. It would be useful for management to do some comparisons with other school boards, to establish a benchmark of current market trends in banking terms and conditions. Based on our reviews of other boards, a competitive rate of interest on cash deposits should be in the range of prime less one and a half percent, or better.

Recommendations:

- Management should establish an investment policy for approval by the Board. A formal cash management plan should be developed, along with procedures to manage surplus cash and optimize investment income.
- Finance staff should consider comparing the terms and conditions of the Board's banking relationships to those of other school boards, to benchmark key financial terms and ensure the best possible arrangements.

4.5 Non-grant Revenue Management

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

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

Non-grant revenue management is a smaller functional area for the Board, as revenue generated outside of grants makes up approximately 1% of the Boards overall budget, or about \$2 million excluding interest income and “other grants”. The Board receives Education Programs –Other (EPO) funding from the Ministry for specific initiatives, which requires the Board to focus on the non-grant revenue line.

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

Policies to Support Non Grant Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
The board has established policies on the application of its fee structure, and obtains credit/risk assessments.	Yes

Technology to Support Registration and Collection of Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
Electronic registration and payment system are used where appropriate (e.g., ConEd, permitting of facilities, leasing, etc.).	Yes

Monitoring Procedures for all Non-Grant Revenues

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
Staff monitors all sources of revenue to ensure completeness and compliance with policies. Action plans and processes maximize collections.	Yes

Managing Education Programs – Other (EPO) Grants

Leading Practices – Non-Grant Revenue Management	Evidence of Adoption?
Board budget identifies revenue and expenditure for each EPO program. Management monitors activity to ensure compliance with terms and conditions.	Yes

Policies to Support Non-grant Revenue

The finance department tracks and reports on non-grant revenue. These revenues account for all other revenue outside of the Grants for Students Needs paid by the province. According to the 2007-08 Budget (exclusive of interest, prior carry forwards, and transfers from reserves), they make up approximately 0.8 per cent of the Board's total revenue, or about \$ 1.1 million.

The revenue is received through the Ministry of Education's Education Programs Other (EPO) funding, tuition fees paid by international students and fees for the community use of school and child care space. Board policy # 101 relates to the community use of schools and acknowledges that educational facilities are an integral part of the community.

The Board has a policy and permit fees posted on its web site to support community use of schools.

Technology to Support Registration and Collection of Revenue

The Board does not have a central, on-line registration or collection system for the community use of schools or continuing education. An Excel spreadsheet is used to track usage and payments. These activities usually involve a high volume of transactions that have a relatively small dollar value. The Board should investigate whether an investment in an automated registration and payment processing system might be offset by reduced administrative costs.

Managing the EPO Grants

The Ministry of Education’s Education Programs Other (EPO) funding for specific initiatives has added to the existing workloads of staff in order to track and control the use of the funds and the required reporting.

Finance staff have established appropriate procedures for the recording and tracking of various EPO grants received. They also track the required accountability with all individual grants, to ensure that the funds are spent for the purposes intended and that financial reporting is completed on time.

4.6 Procurement

The purpose of reviewing procurement processes is to assess:

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

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

Procurement Policies and Procedures

Leading Practices – Procurement	Evidence of Adoption?
Approved procurement policies and practices clearly communicated to staff with purchasing authority and are periodically reviewed and updated.	Yes

Participation in Buying Consortia to Reduce Acquisition Costs

Leading Practices – Procurement	Evidence of Adoption?
The acquisition strategy includes the participation in consortia/ cooperatives for cost savings.	Yes
Vendor selection criteria include elements other than lowest cost, such as total cost of ownership, value, and quality.	Yes
Regular reporting is used to monitor compliance and develop strategies to increase purchasing power and to minimize the costs of goods and services procured.	Yes

Purchasing Levels of Authority

Leading Practices – Procurement	Evidence of Adoption?
Procurement authorization levels are commensurate to job title/role, and are monitored by the department head.	Yes

Policies and Procedures for PCard/Corporate Card Use

Leading Practices – Procurement	Evidence of Adoption?
Policies and procedures for PCard and corporate credit cards are documented and communicated to users through regular training and monitoring.	Yes

Accounting for Completeness of Purchase/Payment Cycle

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

Use of Electronic Funds Transfer for Greater Efficiency

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

Procurement Policies and Procedures

The existing purchasing policy and procedures have been approved by the senior administration and the Board of Trustees. The Board also has a purchasing handbook that is a comprehensive reference for all staff who are involved in any form of purchasing activity. It includes the rules and procedures for the use of Purchasing Cards (PCards). They have been clearly communicated to staff with purchasing authority through the Board's intranet and internal memos.

The purchasing handbook includes a detailed list of the Board's purchasing objectives, which include:

- Facilitating the uninterrupted flow of instructional, plant and administrative activities by ensuring that an acceptable quality of goods and services is available at the right price and time.
- Purchasing materials and services for the Board's use while ensuring optimum value for dollars spent.
- Developing reliable and alternative sources of supply to meet the Board's requirements.
- Promoting standardization of materials, supplies, equipment and services.

The Board has implemented a web-based procurement system, which is a component of the School District System (SDS) used to manage the Board's finances. Requisitions for materials are generated in the system when a user selects products from the on-line catalogues and submits the requisition to a principal or supervisor for approval. Online catalogues are created based on what has been tendered. After approval from principals or managers, requisitions flow electronically to the purchasing manager, where the purchase order is created and an encumbrance is created against the budget. Once the PO has passed the budget checking process, it is dispatched as an order to the supplier via fax. This paperless process has significantly reduced both effort and turnaround time.

SDS is well configured, with standard layers of approval for purchase orders with transactions creating encumbrances against budgets. Procurement managers can review requisitions before submitting orders. In most schools, trained custodians use a computer in the custodial office to input requisitions for custodial supplies.

The Board issues tenders through newspapers, personal invitations, its website, and MERX. Management policy is to consider the total cost of ownership over "the lowest sticker price" during supplier negotiations. This factor is built into Requests for Proposals (RFPs).

Participation in Buying Consortia to Reduce Acquisition Costs

Management's acquisition strategy includes effective procurement and supplier management practices and participation in consortia/cooperatives. In addition to participation in consortia for the purchase of electricity, the Board has realized ongoing savings and stabilized the price / expenditures through the initiation of a Kawartha Cooperative Purchasing Association. A recent example of the Board's participation in consortia purchasing was a joint tender with Kawartha Pine Ridge DSB for a photocopier contract, where both boards enjoyed significant savings over individual contracts.

Purchasing Levels of Authority

Procurement procedures provide for appropriate authorization levels commensurate with job titles and roles. These are monitored for compliance by the respective department officials.

Purchasing thresholds for approval have been set-up in the SDS system and noted in the purchasing handbook:

- Items under \$1000- may be purchased from a single supplier without any other sourcing. Must be approved by school principal/superintendent/manager;
- \$1000 to \$5,000 - three verbal quotes must be recorded for future reference if requested by purchasing. Must be approved by school principal/superintendent/manager ;
- \$5,001 to \$15,000 - three written quotes from appropriate vendors must be kept on file by the ordering department. Must be approved by school principal/superintendent/manager;
- \$15,001 to \$50,000 - request for quotation issued by the purchasing department; and
- Over \$50,001 - request for tender or proposal issued by the purchasing department.

Policies and Procedures for PCard/Corporate Card Use

Purchase Cards (PCards) are issued after the procurement manager has evaluated the business case for a PCard request. These requests usually come from school staff. The Board segments its PCard program across three spending levels. Maintenance personnel have the highest limits, followed by librarians and administrators, who typically order low cost items not listed in the purchasing catalogue. The Board has also

restricted purchases by merchant category codes through an agreement with the PCard vendor.

The Purchasing Handbook documents detailed procedures for effective monitoring and control of PCard transactions. Users track their purchases in a transaction log that is reconciled to monthly card statements with the receipts attached. Statements are then approved by managers. All documentation is sent to purchasing for audit purposes and retention.

Accounting for Completeness of Purchase

The invoice matching process is manual. Finance personnel match approved invoices to approved purchase orders and, as appropriate, receiving documentation. The purchasing department has implemented a five dollar matching tolerance to ensure that payments to vendors match prices stated on the purchase order. Purchasing periodically reviews outstanding purchase orders for timely receipt and payment of invoices. Enabling automated three-way matching through the SDS System would enhance the efficiency of the matching process.

Encumbrances against the budget are created as soon a purchase order is generated and dispatched to the vendor. The encumbrance is relieved once a payment has been generated and the expense is recorded against the budget.

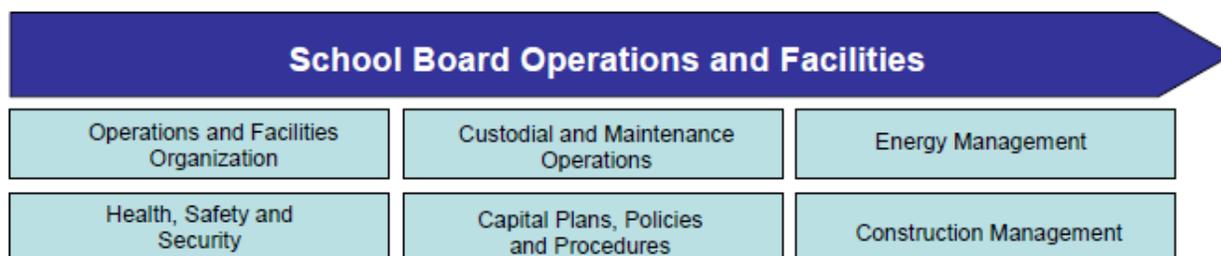
Use Electronic Funds Transfer for Greater Efficiency

The majority of high volume and large purchase vendors are available through an online catalogue and payment is set-up through EFT or through a P-Card transaction. The smaller local vendors have not yet been converted to the EFT payment process. The expansion of EFT is an opportunity for the Board to reduce the volume of transactions to be processed. It also reduces the risk of an unauthorized change to a payment prior to clearing the bank.

Recommendations:

- The Board should perform a cost/benefit analysis to determine the feasibility of implementing automated three-way matching in the purchase-to-pay process.
- Finance staff should expand the EFT payment process to include all appropriate suppliers.

5. Operations and Facilities Management - Findings & Recommendations



Efficient and effective management of the Board’s facilities (particularly schools) is an important factor in student achievement targets and strategies. Along with providing a positive learning environment for students, teachers and staff, it also helps the Board achieve a standard of cleanliness and maintenance that meets the expectations of the school community.

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

5.1 Organization

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

- Whether the Board of Trustees and management have established policies and procedures that support the key departmental functions and activities, strong internal controls and financial management;
- Whether the department supports the overall goals, priorities, and accountability established by the school board in support of student achievement targets and strategies;
- The efficiency and effectiveness of the departmental structure and whether roles and responsibilities support the key functions/activities and the required business practices;
- Opportunities to support continual improvement in the effectiveness and efficiency of all processes.

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

Development and Reporting of Annual Goals and Priorities

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
Departmental goals and priorities are aligned to the Board’s strategic directives and are documented in an annual department plan accessible by key stakeholders.	No

Organizational Structure and Accountability

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
Publicly available organizational charts clearly illustrate roles, responsibilities and accountabilities.	Yes
Senior operations and facilities staff have appropriate designations (e.g. P.Eng., Project Management Professional) and/or relevant field experience.	Yes

Monitoring and Communication of Policy

Leading Practices – Operations and Facilities Organization	Evidence of Adoption?
Management monitors operations and facilities department policy compliance.	Yes
Management provides scheduled policy awareness, training and education sessions.	Yes

Development and Reporting of Annual Goals and Priorities

The plant services department develops its annual strategic goals and priorities through an informal process of consultation with school principals and other senior staff within the Board, along with monitoring and inspection of facilities by staff. They are also developed from a planning session where all senior administration discuss the priorities for the system for the year ahead. The superintendent of business and finance presents

the key priorities of the department to the Director for approval and incorporation into the Director's annual system priorities.

The list of key priorities provides Plant Services staff with a high-level road map of key priorities as they relate to facilities and operations. Only significant projects, as determined by senior administration, are reported to Board.

The Director's 2007-08 priorities identify in-year priorities for Plant and Health and Safety. For Plant, the priorities are:

- Managing and completing all renewal projects;
- Installing lock and keying systems;
- Reviewing phase 2 ReCapp projects;
- Managing construction projects as identified;
- On-going management of all online work orders/maintenance budgets.

The Health and Safety priorities are addressed in the Health and Safety section of this report.

Although there is a list of high-level priorities for plant, there is no standard annual departmental planning template that formally identifies targets, timelines and assigned responsibilities.

Organization Structure and Accountability

The Operations and Facilities function resides within the board's business and finance department, with the manager of plant reporting to the superintendent of business and finance. The manager of plant has three supervisors (i.e., mechanical and electrical, health and safety and maintenance). The roles and responsibilities for these positions are clearly outlined in their respective job descriptions, and are well understood by the organization.

Monitoring and Communication of Policy

Operational policy is developed through information and regulations flowing from external groups such as the Ministry of Education and OASBO. It is incorporated into Board policy through the standing Policy Development Committee.

For example, the Ministry implemented the Community Use of Schools Program which required the Board to implement a supporting policy and set of guidelines. The Board developed a formal policy to ensure that its school facilities are available to community

users to the fullest extent possible, within established regulations. This included due regard for the preservation of the educational programs, the protection and maintenance of school property, budgetary considerations and the Board's mission.

New policies and procedures are communicated by the superintendent to the schools through principals and through other staff managers. Sub contractors are provided with the policies of the Board and compliance is mandatory within the terms of their contract. Policy adherence is monitored through regular inspections. In some cases such as Health and Safety, policy adherence is monitored through third party audits, such as the Ontario Ministry of Health for portable classrooms.

Recommendation:

- The plant services department should adopt a more formal and standardized departmental planning template that includes targets, timelines and assigned responsibilities. The plan should link to the Board's strategic directions and the Director's Priorities.

5.2 Custodial and Maintenance Operations

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

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

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

Staffing Model Supports the Board’s Cleaning and Maintenance Standards

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
The school board has set cleaning/maintenance standards for schools and reports annually on results.	No
Management’s custodial/maintenance allocation model optimizes use of staff.	Yes

Development of Annual/Multi-Year Maintenance Plan

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Using stakeholder input, management develops an annual/multi-year maintenance plan for deferred maintenance priorities and maintenance standards. Outcomes improve the learning environment. The plan optimizes the use of available funding (Annual Renewal Grant and Good Places to Learn funding) and is approved by the Board.	No

Training to Support Skills Development and Safety

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

Standardization of Cleaning and Maintenance Supplies

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
An inventory system tracks and controls major cleaning and maintenance equipment.	Yes
Common standards ensure efficient procurement of supplies to minimize costs and promote energy and operating efficiency.	Yes

Project Management, Monitoring and Support Systems

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
A work-order system and process that records, monitors, and evaluates projects ensuring the effective use of resources.	No

Leading Practices – Custodial and Maintenance Operations	Evidence of Adoption?
Management regularly evaluates the overall effectiveness and efficiency of its maintenance and custodial service practices.	Yes

Staffing Model Supports the Board’s Cleaning and Maintenance Standards

The Board currently allocates custodial staff based on a set of pre-defined criteria. There are 6 general maintenance FTEs and 4 mechanical/electrical FTEs. In order to provide full coverage of services across the Board’s area and maintain a reasonable level of flexibility in responding to unforeseen emergencies, maintenance services are delivered through a combination of staff and externally contracted trade services.

The Board encourages principals and custodians to work together in developing and maintaining standards of cleanliness, however, there are no documented cleaning standards. There is a Custodial Manual, which covers responsibilities, work schedules and summer clean-up. Consistent with most school boards reviewed, the custodial manual is the standard for daily and periodic cleaning requirements and work quality assessments. Currently, the Board does not document compliance reviews unless it is a necessary part of the formal employee review process.

In terms of custodial performance, there is a strong sense that schools are being well served by custodians. The monitoring process is generally a function of the effectiveness of Chief Custodian and/or Principal participation. Monitoring should include a performance evaluation process that uses standard measures for cleanliness outlined in the department’s custodial manual.

Development of Annual/multi Year Maintenance Plan

Management develops an annual maintenance plan that addresses its preventative, critical and deferred maintenance, in accordance with the Board’s standards. As part of the process school principals submit their annual requests for maintenance items to the department’s manager who prepares a Board summary. Available funding determines the selection and prioritization of projects. At present the Board does not expand its planning to a multi-year framework. The Board’s maintenance and renewal activities are re-assessed annually through individual school assessment. Priorities are then incorporated into the annual plan. This helps ensure that schools are maintained in the best condition possible to support improved student learning and facilitate employee productivity.

Management uses the ReCAPP database as one of its sources to develop the annual major maintenance and renewal priorities. This has been supported by the Ministry’s Good Places to Learn funding, enabling the Board to carry out critical renewal work on its schools.

The development of a multi-year maintenance and renewal plan of, for example, three to five years, would give the Board and its stakeholders a better understanding of the system's needs over an extended period. The annual assessment could be expanded to provide the multi-year perspective of the needs of both planned (regular) and urgent maintenance and renewal requirements. This plan could also be supported by the funding sources available for related costs, which include annual operations, renewal grants and the Good Places to Learn allocation. This would provide management and the Board with a clearer planning perspective.

Training to Support Skills Development and Safety

A training program for custodians focuses on crucial job considerations, such as use of chemicals and avoidance of back injury. The Board requires vendors to provide training, where appropriate, to minimize their own training costs. In addition, the Board has an administrative manual for custodial services that outlines their services.

Standardization and Control of Cleaning and Maintenance Supplies

Management has established common standards for the procurement of supplies to minimize costs and promote efficiency. Maintaining a standard suite of supplies through a single supplier has also shortened and simplified the procurement training process. The current vendor for cleaning and some maintenance supplies has an online ordering and delivery capability for the schools, and offers training in environmentally friendly products. The all-inclusive service helps to minimize costs and promote efficiency for the Board.

Project Management, Monitoring and Supporting Systems

The Board's current maintenance planning and work order management system is manual, and does not effectively schedule and prioritize work. The work orders include work assigned to outside parties (i.e., trades people who are not on staff). However, the majority of work is done by in-house staff. The Board's large geographic area also requires significant travel time for maintenance staff, meaning that response times vary. There are automated work order systems available that management could assess for improved efficiency in the management of the work processes.

Recommendations:

- The plant services department should consider developing standards for school cleanliness where targets can be set, performance can be measured and results reported to senior administration and the Board of Trustees.
- Management should consider establishing a multi-year maintenance and renewal plan, including the funding available to support the plan. This would provide the

senior administration and the Board and its stakeholders with a clear forecast of the Board’s critical needs over the next several years.

- The plant services department should investigate the cost/benefit of a new work order system that would streamline the management, dispatch, tracking and reporting of facility renewal and general maintenance work orders.

5.3 Energy Management

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

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

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

Energy Management Plan

Leading Practices – Energy Management	Evidence of Adoption?
Management has established a multi-year energy management plan.	No
Purchasing practices support energy conservation objectives (e.g. Energy Star products, leveraging consortia membership).	Yes
Successful conservation initiatives are shared across all schools and with other school boards.	Yes

Tracking and Reporting Energy Conservation

Leading Practices – Energy Management	Evidence of Adoption?
Management provides formal annual reporting on the conservation savings achieved against plan.	No

Leading Practices – Energy Management	Evidence of Adoption?
A comprehensive system exists to budget expenditures, track consumption and identify opportunities for further savings.	No
Billing for all board facilities is consolidated from each utility.	No
Centralized technology that automates energy regulation and conservation (e.g. light control, desktop power) is used wherever practical.	No

Energy Management Plan

The Board has recently joined the EcoSchools Program, and has distributed educational materials on energy management to all schools. It is embarking on an energy consumption benchmarking exercise to assess ongoing improvements on a school-by-school basis. An energy management plan is being developed for two schools by a consulting firm. The assessment benchmarks and the plans will be used to develop a template for all other schools and an overall energy management plan for the Board.

The plan should enable management to establish targets for each of the Board's facilities.

The Board has also developed policies governing the purchase of energy efficient products, such as lighting and HVAC systems for schools. Plant services has encouraged the use of high-efficiency light bulbs and LED lights for exit signs, low flush toilets and urinals, Energy Star appliances, programmable timers, and motion detectors for high-consumption electrical appliances such as beverage machines.

Energy requirements are currently locked into long-term contracts. The Board is facing an increase in the capacity of its buildings and utility budget. A review of utilities costs from 2004-05 to 2007-08 (estimates) indicates that the cost of electricity has increased 11% and the cost of gas by 45%.

A new EcoSchool Steering Committee may be positioned to assist plant services in developing the Board's energy plan for all facilities.

Tracking and Reporting Energy Conservation

Plant services reports on the annual cost of energy against budget, but the Board has only recently begun to implement mechanisms and processes to track actual consumption. Moving forward, it will be important for the Board to complete the benchmarking exercise to establish a consumption baseline for each facility, as well as monitor and report on accomplishments. There are a few boards that could provide the Board with details of their plans and processes in this area.

The utilities companies have not been helpful in providing consolidated electronic billing for the tracking of consumption. The Board should seek to expand reporting, to distinguish between unit costs versus consumption.

Another opportunity area for the Board to consider is the implementation of centralized technology that automates energy regulation and conservation (e.g. light control, desktop power). Many boards have found that the deployment of such a system is a useful tool to monitor and control energy consumption at the facility or even the room level.

Recommendations;

- The Board should continue to expand on its existing energy management initiatives and develop a system-wide, multi-year energy management plan with consumption reduction targets. The Board should ensure that it has tracking and reporting mechanisms to monitor consumption and costs to enable management to report on the system's accomplishments.
- The Board should request that the utility companies provide consolidated billing in an electronic format. This would support more efficient monitoring and forecasting of energy consumption and reduce the workload in the accounts payable department.
- The plant services department should investigate the cost/benefit of implementing a centralized technology to track and remotely control energy consumption in individual schools.

5.4 Health, Safety, and Security

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

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

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

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

Leading Practices – Health, Safety and Security	Evidence of Adoption?
The maintenance of Health, safety and security plans and policies ensure compliance with statutory health, safety and security requirements.	No
The security code policy includes alert codes that reflect the situation and threat level, and that identify departmental responsibilities.	Yes
Security incidents are tracked by type of incident (e.g. property damage, intrusion, etc.).	Yes
Safe school teams responsible for school safety (e.g. PPM 144) are implemented in every school.	Yes
Water and air quality standards are monitored and issues are reported for corrective action.	Yes

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

The 2007-2008 year priorities for the health and safety unit that resides with plant services include updating all asbestos reports; completing a School Board Cooperative Inc (SBCI) accident prevention audit; providing WHMIS training for all staff; conducting water testing; conducting a waste audit; providing custodial training; installing new chemical dispensing systems in all facilities.

The Board's policy related to occupational health and safety was updated in 2006 and is scheduled for a review in June, 2008. There is an administrative procedure related to the establishment of an occupational health and safety committee. The committee comprises eight members representing management and employee group. They identify workplace hazards, provide training, and report on employee health concerns.

The Board follows the Ministry guidelines with respect to testing water. Information on water quality is reported to the Board of Trustees. The Board met with the Regional Municipality of Durham's public health department to investigate areas of public health concern.

The Board is actively addressing health, safety and security matters; however, there is no overarching plan that defines the board's overall strategy and direction in this area. The value of a plan is to help understand this multi-faceted area, identify resources, assign responsibilities and timelines, and ensure feedback through reports to the Board.

Recommendation:

- Senior administration should develop a comprehensive plan for health, safety and security and ensure that feedback is provided to the Board.

5.5 Capital Plans, Policies, and Procedures

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

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

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

Development of Annual and Multi-Year Capital Plans

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

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

Leading Practices – Capital Plans, Policies and Procedures	Evidence of Adoption?
The school board maintains accurate and up-to-date inventories of school capacity and utilization.	Yes

Leading Practices – Capital Plans, Policies and Procedures	Evidence of Adoption?
Capital forecasts and related funding plans are assessed annually and adjusted to meet current needs and changes to original assumptions such as enrolment projections and capital grants.	Yes
An accurate and up-to-date assessment of facility conditions are maintained based on industry standards (using RECAPP methodology).	Yes
Funding allocations are analyzed to determine if they meet the current and forecasted needs of the school board’s capital requirements.	Yes
Management tracks compliance and monitors new legislation or changes to existing legislation.	Yes

Development of Annual and Multi Year Capital Plans

The Board has established an annual and multi-year capital plan (i.e., facilities needs and issues report) that identifies the Board’s capital requirements. The Board has submitted a capital plan that proposes three secondary school additions. No capital project is approved by the Board without appropriate funding. Management works closely with Ministry staff to develop their capital plans. The Board’s existing capital and debt commitments are funded from the Ministry New Pupil Place grants.

The Board has an approved pupil accommodation review policy. The Board may direct the formation of an accommodation review committee for a group of schools or for a single school. The committee would study, report, and make recommendations on the accommodation options concerning the viability of schools.

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

The monitoring and planning of school capacity is reported within the framework of the Student Facilities Inventory System (“SFIS”).

Plant staff currently use ReCAPP as a tracking tool for projects eligible for Renewal Grant and the Good Places to Learn funding. They ensure that RECAPP is up-to-date, and use regular inspections to maintain accurate and up-to-date assessments of facility conditions through regular inspections.

5.6 Construction Management

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

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

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

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

Cost Effective Practices in the Design and Construction of Facilities

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

Monitoring and Reporting on Progress of Construction Projects

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

Maintaining Current Approved Professional Service Providers

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

Cost Effective Practices in the Design and Construction of Facilities

The Board assembles a design team composed of superintendents, principals, trustees, an architect, and other board staff early in the planning stage. The team considers factors such as previous school designs, existing standard footprints, and energy requirements. The Board follows the benchmarks established by the Ministry. They use a tendering process for capital projects. The resulting bids and evaluations are reviewed by management and recommended to the Board of Trustees for approval.

Although construction has not been a significant activity within the Board, and there are no formal policies or procedures governing capital construction, the Board does rely on existing policies and procedures for procurement to control school renewal and construction project costs. The cost for school Board facility construction is benchmarked against other school board data, including coterminous boards.

Monitoring and Reporting on Progress of Construction Projects

The Manager of Plant has been the on-site project manager, working with contractors and reviewing change orders submitted by the architect. Cost over-runs (i.e., easement, municipal needs) do occur, but generally contractors have satisfied the standard cost guidelines established in the bid and by the Board. The Board conducts a post construction analysis of each project before considering vendor/contract renewals.

Maintaining Current Approved Professionals Service Providers

The Board does not have an automatic refresh cycle that requires staff to seek updated information on the services provided by these professionals. However, the Board has demonstrated an informal adherence to the regular review and evaluation of its external construction management professionals and services. This year, the Board has plans to refresh its contractual relationships, in order to meet the Board guidelines related to costs, quality and the notion of maintaining a standard design.

Appendix

Appendix A: Overview of the Operational Review

Operational Review Objectives

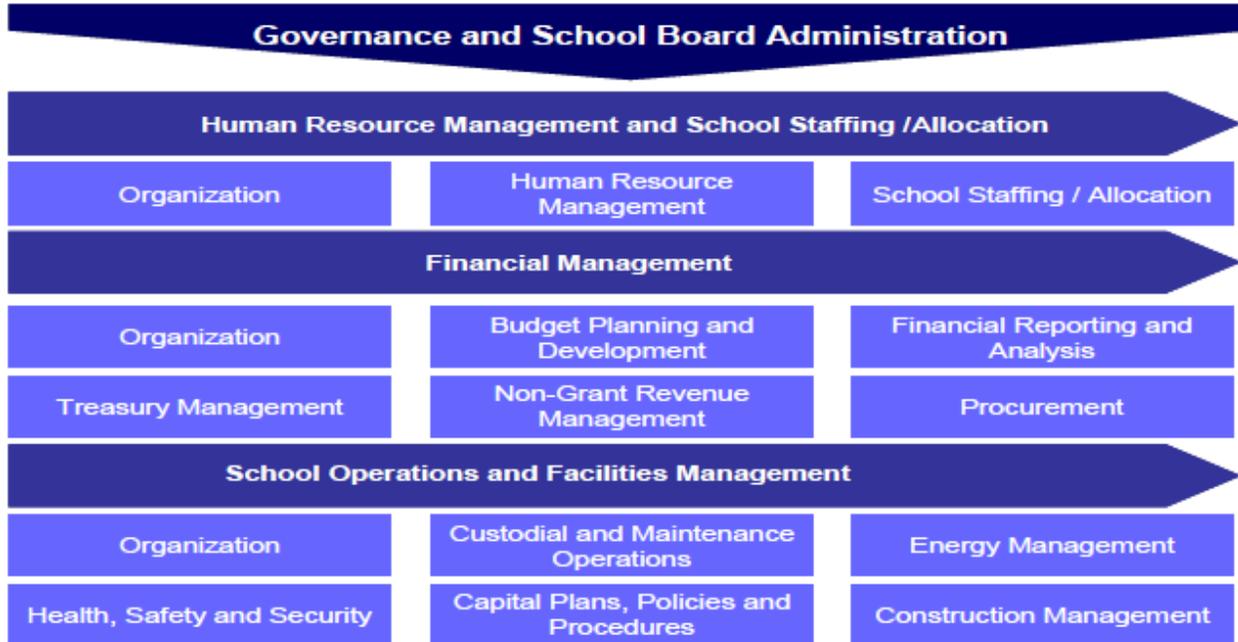
In order to perform an effective and consistent operational review the Ministry has worked with independent consultants to develop a Sector Guide that defines consistent standards and leading practices against which the operational reviews and analysis will be based.

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

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

Operational Review Summary Scope

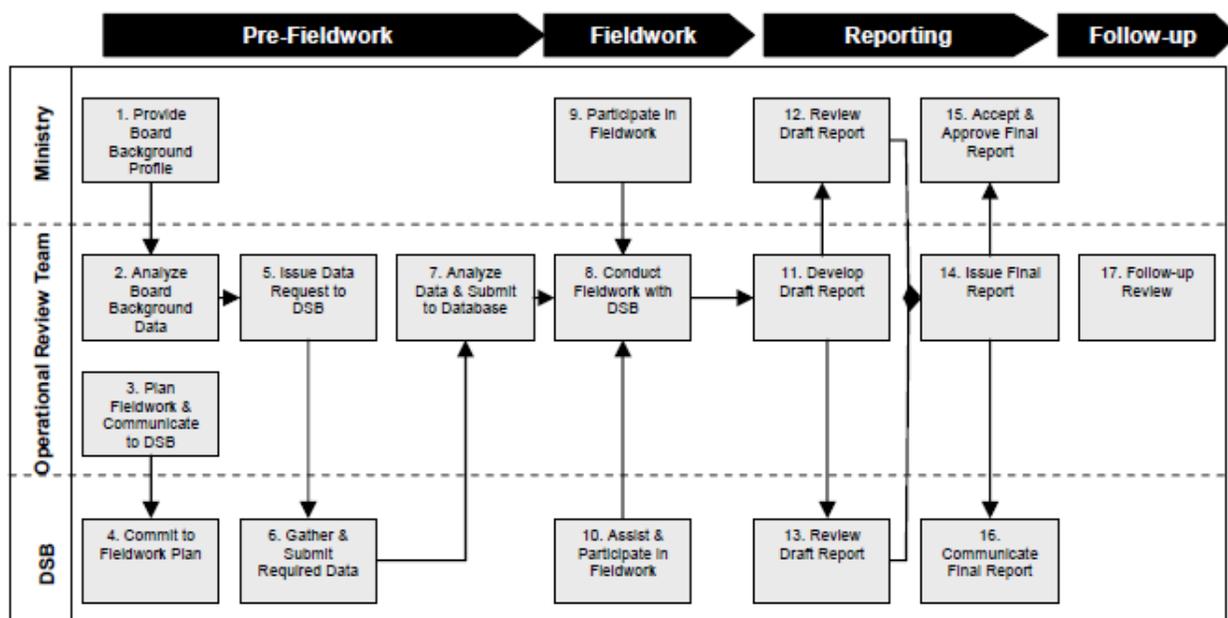
The scope of the Operational Review consists of the following functional areas that have been divided further into key processes as shown below. The processes represent the end-to-end lifecycle of activities performed by Boards under each functional area. Each of the processes was examined based on its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



Operational Review Summary Approach

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

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



The Table below defines the key phases and activities which comprise the Operational review Methodology.

Phase: Initial Planning and Analysis

Key Activity	Description
Provide Board Background Data	The Ministry collects and maintains significant quantities of Board data. The Operational Review team has developed a standardized data request from the Ministry that will be used to provide background data for each Board.
Analyze Board Background Data	Prior to launching fieldwork, the Operational Review team will review Board background data to understand the financial and operating characteristics. This review will identify specific issues and / or focus areas for the review.
Plan Fieldwork and Communicate to Board	The Ministry and the Operational Review team will develop a rolling, quarterly review schedule that will be communicated to Boards prior to the start of that quarter.
Commit to Fieldwork Plan	Boards will be required to commit to the Operational Review schedule. The Ministry and the review team will attempt to accommodate scheduling constraints faced by Boards.
Issue Data Request to Board	Prior to the start of fieldwork, a data request will be generated to gather operating and other information for each of the focus areas. The review team will use this data to enhance its understanding of the Board prior to the start of field work.
Gather Required Data	Upon receipt of the data request, each Board will compile the requested data. It is envisioned that Boards will 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 will analyze the data provided by each Board, calculate key performance indicators where appropriate, and add the results to a

Key Activity	Description
	sector-wide database that will be used to compare the results for each Board.

Phase: On Site Review

Key Activity	Description
Conduct Fieldwork	The fieldwork will be conducted for each Board according to the previously agreed review cycle. The duration required to complete fieldwork will range between five to fifteen days, based on the size of the Board.
Participate in Fieldwork	Ministry staff will support the review team in the performance of fieldwork to ensure continuity and knowledge transfer of Board operations and upfront data support.
Assist and Participate in Fieldwork	Board staff will assist with and participate in the fieldwork. The number of participants involved will vary depending on the size of the Board.

Phase: Develop Final Report

Key Activity	Description
Develop Draft Report	Based on the results of the fieldwork and data analysis, the operational review team will prepare a draft report. The draft report will contain a synopsis of findings and, where appropriate, recommendations for improvement.
Review Draft Report (Ministry)	The Ministry will review the draft report and provide feedback to the review team.

Phase: Board Report Review

Key Activity	Description
Review Draft Report (Board)	The review team will meet with Board senior staff to review and obtain feedback.

Phase: Final Report

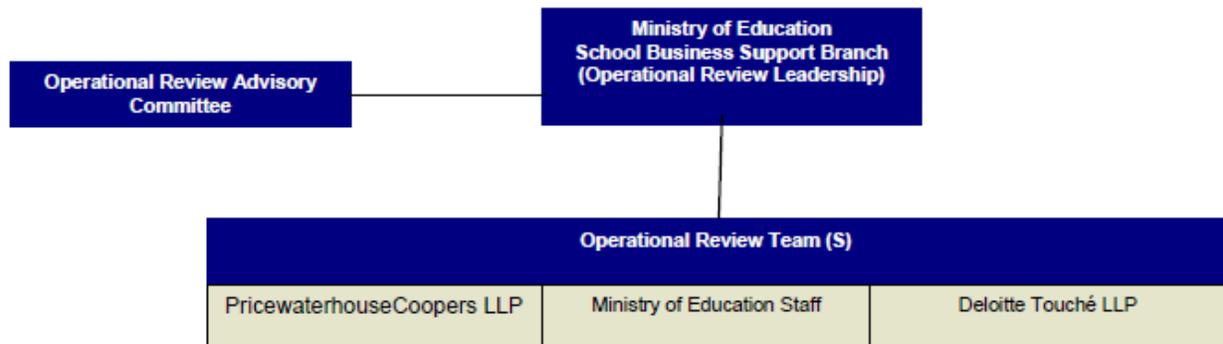
Key Activity	Description
Issue Final Report	The review team will incorporate the feedback from the both the Ministry and the Board and prepare a final report.
Accept and Approve Final Report	The final report will be issued to the Ministry for approval and release.
Communicate Final Report	The Ministry will issue a final report to the Board.

Key Activity	Description
Follow-up Review	Six to 12 months after the submission of the final report, the review team will conduct a follow-up review to determine to what extent the Board has adopted and implemented 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 Peterborough Victoria Northumberland and Clarington Catholic District School Board.

The Review has been conducted using the methodology as previously described. The Review is not of the nature or scope that constitutes an audit made in accordance with generally accepted auditing standards.

Appendix B: Summary of Recommendations

Governance and School Board Administration

No.	Recommendation
1.	To facilitate its reporting to the Board, the senior administration should expand the format of the annual operating plan to include specific targets, timelines and assigned responsibilities.
2.	The Board should consider providing training and orientation to the senior administration and trustees for their re-defined roles and responsibilities, based on the recent review of Board governance.

HR Management and School Staffing/Allocation

No.	Recommendation
3.	The HR department should adopt a more formal and standardized departmental planning template that includes targets, timelines and assigned responsibilities. The plan should link to the Board's strategic objectives and the Director's priorities.
4.	The HR department should continue to develop an attendance management strategy, with policies and procedures supporting all staff categories. A comprehensive system will provide timely and accurate data to improve management of this critical area.
5.	The HR department should investigate automating the processes that synchronize data between Finance, HR / Payroll and benefit provider systems. This would minimize inefficiencies and the potential for human error.
6.	The Board should consider conducting confidential exit interviews and periodic staff satisfaction surveys across all staff groups. This will contribute to improved communication and provide input into the development of professional development plans and HR policy.
7.	The Board should perform a salary benchmarking exercise with peer boards for management and support staff, to ensure its compensation packages are competitive.

Financial Management

No.	Recommendation
8.	The Business and Finance department should adopt a more formal and standardized annual departmental planning template that includes targets, timelines and assigned responsibilities. The plan should link to the Board's strategic direction and the Director's priorities.
9.	The Board should formally communicate the annual budget process to all its stakeholders to ensure it is transparent and incorporates input from all parties. The process should clearly identify roles, responsibilities and timelines. It should also include a method for prioritizing initiatives and highlighting the risks of postponing or eliminating any particular initiative.
10.	Finance staff should consider providing an expanded level of interim reporting in the format suggested in section 4.3 of this report. This would improve the financial reporting of the year-to-date results.

No.	Recommendation
11.	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 for each option. Management's assessment of need and cost would be a useful first step.
12.	The Board should consider establishing a standalone audit committee. At present, the Governance Committee acts in the capacity of an audit committee when required. Management and the Board should also consider expanding the membership of the audit committee to include external advisors who would contribute to the committee's accountability.
13.	Management should establish an investment policy for approval by the Board. A formal cash management plan should be developed, along with procedures to manage surplus cash and optimize investment income.
14.	Finance staff should consider comparing the terms and conditions of the Board's banking relationships to those of other school boards, to benchmark key financial terms and ensure the best possible arrangements.
15.	The Board should perform a cost/benefit analysis to determine the feasibility of implementing automated three-way matching in the purchase-to-pay process.
16.	Finance staff should expand the EFT payment process to include all appropriate suppliers.

School Operations and Facilities Management

No.	Recommendation
17.	The plant services department should adopt a more standard annual departmental planning template that includes targets, timelines and assigned responsibilities. The plan should link to the Board's strategic direction and the Director's priorities.
18.	The plant services department should consider developing standards for school cleanliness where targets can be set, performance can be measured and results reported to senior administration and the Board of Trustees.
19.	Management should consider establishing a multi-year maintenance and renewal plan, including the funding available to support the plan. This would provide the senior administration and the Board and its stakeholders with a clear forecast of the Board's critical needs over the next several years.
20.	The plant services department should investigate the cost/benefit of a new work order system that would streamline the management, dispatch, tracking and reporting of facility renewal and general maintenance work orders.
21.	The Board should continue to expand on its existing energy management initiatives and develop a system-wide, multi-year energy management plan with consumption reduction targets. The Board should ensure that it has tracking and reporting mechanisms to monitor consumption and costs to enable management to report on the system's accomplishments.
22.	The Board should request that the utility companies provide consolidated billing in an electronic format. This would support more efficient monitoring and forecasting of energy consumption and reduce the workload in the accounts payable department.
23.	The plant services department should investigate the cost/benefit of implementing a centralized technology to track and remotely control energy consumption in individual schools.

No.	Recommendation
24.	Senior administration should develop a comprehensive plan for health, safety and security and ensure that feedback is provided to the Board.