Operational Review Guide for
Ontario District School Boards

December 2007

reach every student

Ontario

Table of contents

Introduction

The Ministry of Education's priority is **Success for Students**. The Ministry's plan to promote a strong, vibrant publicly funded education system focuses on three goals:

- High levels of student achievement;

- Reduced gaps in student achievement; and

- Increased public confidence and support for public education.

To achieve these goals the Ministry is committed to:

- Identify and support effective teaching, learning and assessment practices;

- Identify and support effective gap reducing practices;

- Engage students, families and communities in building a supportive learning environment; and

- Increase system effectiveness, efficiency, transparency and responsiveness.

The Ministry of Education (the Ministry) has embarked upon a multi-year initiative to perform Operational Reviews of the 72 district school boards (DSBs) across the province. Operational Reviews do not include school authorities. This initiative is in keeping with stated Ministry goals and will contribute directly to increasing public confidence and support for public education by "increasing system effectiveness, efficiency, transparency and responsiveness". By building management capacity in all school boards, encouraging good stewardship of public resources, leveraging and sharing best practices, and identifying opportunities for cost savings and continual improvement, the public can be confident that school boards are administratively and operationally aligned to support the government's highest priority – **Student Success**.

Taking into consideration the unique characteristics of each DSB, the specific purpose of the Operational Reviews is to:

- Strengthen management capacity in school boards through the development of recommendations that support improvement in non-academic operations;

- Highlight to the sector and school board communities existing successful business practices currently being utilized by school boards;

- 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 the priority of student success ; and

- Provide the Ministry with important input on DSB capacity/capabilities for consideration in the ongoing development of policy and funding mechanisms.

Over the course of the initial reviews and subsequent follow-up assessments, the Ministry expects to identify opportunities to support continual improvement in the effectiveness and efficiency of non-academic operations of each DSB; highlight exemplary practices supported by processes that can be replicated; and, refine/enhance best practices to reflect improvements.

The purpose of this document is to define a consistent and replicable approach to operational reviews. While the review will take into account the unique context and characteristics of each DSB, this document defines a common process scope and supporting toolset to execute the operational review.

The overall purpose of the Operational Review is to strengthen and improve student achievement. The Ministry and the Operational Review Team will enhance this review process through the future development of Key Performance Indicators (KPI) for the sector. These KPIs will measure the efficiency and effectiveness of board operations and the extent to which resources directed to the classroom are being maximized. They will complement the existing student performance indicators and will eventually become part of the regular reporting system for school boards.

Operational Review – A Summary of the Review Scope and Approach

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 DSBs under each functional area.

Each of the processes will be examined based on its activities and adherence to leading practices, including alignment and support of student achievement strategies.

Governance and School Board Administration

Human Resource Management and School Staffing /Allocation

Organization	Human Resource Management	School Staffing / Allocation

Financial Management

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

School Operations and Facilities Management

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

Operational Review Summary Approach

The high level Operational Review approach is shown below. It is envisioned that, on average, the end-to-end process will take up to eight weeks, comprised of three weeks of Pre-Fieldwork, two weeks of Fieldwork and three weeks of Reporting. The schedule will vary depending on the size of the DSB.

	Pre-Fieldwork	Fieldwork	Reporting	Follow-up
Ministry	1. Develop Board Profile	9. Participate in Fieldwork	12. Review Draft Report / 15. Accept & Approve Final Report	
Operational Review Team	2. Analyze Board Profile / 5. Issue Data Request to DSB / 7. Analyze Data & Submit to Database / 3. Plan Fieldwork & Communicate to DSB	8. Conduct Fieldwork with DSB	11. Develop Draft Report / 14. Issue Final Report	17. Follow-up Review
DSB	4. Commit to Fieldwork Plan / 6. Gather Required Data	10. Assist & Participate in Fieldwork	13. Review Draft Report / 16. Communicate Final Report	

The following table explains each activity in more detail:

Activity	Description
1. Develop Board Background Data	The Ministry collects and maintains significant quantities of DSB data. The Operational Review team has developed a standardized data request from the Ministry that will be used to provide background data for each DSB.
2. Analyze Board Background Data	Prior to launching fieldwork, the Operational Review team will review DSB background data to understand the financial and operating characteristics. This review will identify specific issues and/or focus areas for the review.
3. Plan Fieldwork and Communicate to DSB	The Ministry and the Operational Review team will develop a rolling, quarterly review schedule that will be communicated to DSBs prior to the start of that quarter.
4. Commit to Fieldwork Plan	DSBs will be required to commit to the Operational Review schedule. The Ministry and the review team will attempt to accommodate scheduling constraints faced by DSBs.
5. Issue Data Request to DSB	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 DSB prior to the start of field work.
6. Gather Required Data	Upon receipt of the data request, each DSB will compile the requested data. It is envisioned that DSBs will have at least three weeks to complete this process prior to the start of the fieldwork.
7. Analyze Data and Submit to Database	The review team will analyze the data provided by each DSB, calculate key performance indicators where appropriate, and add the results to a sector-wide database that will be used to compare the results for each DSB.
8. Conduct Fieldwork	The fieldwork will be conducted for each DSB according to the previously agreed review cycle. The duration required to complete fieldwork will range between five and fifteen days, based on the size of the DSB.
9. Participate in Fieldwork	Ministry staff will support the review team in the performance of fieldwork to ensure continuity and knowledge transfer of DSB operations and upfront data support.
10. Assist and Participate in Fieldwork	DSB staff will assist with and participate in the fieldwork. The number of participants involved will vary depending on the size of the DSB.
11. 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.
12. Review Draft Report (Ministry)	The Ministry will review the draft report and provide feedback to the review team.
13. Review Draft Report (DSB)	The review team will meet with DSB senior staff to review and obtain feedback.

Activity	Description
14. Issue Final Report	The review team will incorporate the feedback from the both the Ministry and the DSB and prepare a final report.
15. Accept and Approve Final Report	The final report will be issued to the Ministry for approval and release.
16. Communicate Final Report	The Ministry will issue a final report to the DSB.
17. Follow-up Review	Six to twelve months after the submission of the final report, the review team will conduct a follow-up review to determine to what extent the DSB has adopted and implemented the recommendations.

1.0 Governance and School Board Administration

Governance and School Board Administration Overview

The effectiveness of the governance model and the administrative organizational framework contributes to the ability of the Board of Trustees, the Director, senior staff and community stakeholders to establish priorities, goals, policies and practices that support "Student Success" strategies and effective board operations.

1.1 Governance and School Board Administration

The purpose of reviewing governance and school board administration processes is to:

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

- Assess the board of trustees' and management's development of the annual plan (including goals/priorities) and associated progress reporting against the plan;

- Assess the methods and effectiveness of the board of trustees' and management's actions to engage and communicate with key stakeholders;

- Assess whether processes are in place for the generation and maintenance of policies and procedures;

- Assess whether there are appropriate staffing levels, accountability and clarity of roles within the school board's organizational structure to carry out its objectives; and,

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

For the purpose of the Operational Review, governance and school board administration is divided into the following activities:

Activities	Definition
1.1.1 Establishment of an Effective Governance Model	The governance model delineates the division of duties between the board of trustees and senior administration. The governance model contributes to and supports the achievement of the DSB's goals/priorities including student success strategies and the operational effectiveness of the management and staff.
1.1.2 Planning, Performance and Reporting Against Annual Plans	Ambitious but realistic targets have been established for student achievement, and are supported by school board operations policies and practices. Clearly established roles and responsibilities have been developed for all areas of the school board operations and school community to support the achievement of these targets. Procedures are in place to monitor, track and report on the progress achieved against the targets.

Activities	Definition
1.1.3 Engagement of Stakeholders	Community stakeholders, including school councils, students, and parents are involved in policy, planning and information sessions. Clear and accessible communication lines among the board of trustees, management, staff, and the community are in place.
1.1.4 Development and Monitoring of Policies and Procedures	Community stakeholders have been included in the development of policies and procedures to support student achievement targets and other Ministry goals. Strategies are in place to monitor adherence of policies and use of school board resources.
1.1.5 Establishment of the Administration Framework	Create and maintain clear organizational units, departments and lines of authority to maximize effectiveness and efficiencies. Development of school accountability process and measures. Determine most efficient structure to provide administrative services (i.e., centralized/shared/decentralized) and ensure that management takes ownership of student outcomes.

While the review of each DSB will take into account its unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the DSB. The Review Team will be seeking specific quantitative/qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices that relate to governance and school board administration are listed in the table below.

Leading Practices – Governance and School Board Administration
The board of trustees articulates annual goals/priorities and receives periodic/annual reports on the achievements against them.
The Director of Education and management develop annual plans reflective of the board of trustees' goals/priorities and annually reports on their outcomes to the board of trustees and stakeholders.
The board of trustees and management establish appropriate processes to facilitate decision making that address student achievement targets and operational performance.
Publicly available organizations charts that clearly and accurately reflect the organizational structure of the senior management and provide for clear roles, responsibilities and accountabilities.
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, memos, town halls, etc.).
Key senior staffs from all functional areas are members and participants in sector committees of provincial associations and/or Ministry workgroups.

2.0 Human Resource Management and School Staffing/Allocation

Human Resource Management Overview

Human Resource Management and School Staffing /Allocation

| Organization | Human Resource Management | School Staffing / Allocation |

The efficient and effective management of human resources ensures that the teaching and support staff allocated to classrooms and schools is aligned with board allocation models, that the board's collective agreements are enforced and that the Ministry of Education's requirements are met. Also, that policies and procedures are in place to develop staff through performance appraisals, professional development and appropriate support services.

2.1 Human Resource Organization

The purpose of reviewing the organization of the human resource department (H R) within the Operational Review is to:

- Assess whether the board of trustees and management have established policies and procedures that support the key H R functions, activities and the required H R priorities, and they are aligned with student achievement targets;

- Assess whether the H R supports the overall goals/priorities and accountability established by the school board in support of student achievement;

- Assess the efficiency and effectiveness of the departmental structure and whether the roles and responsibilities support the key functions and activities as well as the required H R practices; and,

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

For the purpose of the Operational Review, the organization of H R is divided into the following activities:

Activities	Definition
2.1.1 HR Goals, Priorities, and Accountability	The existence of a clear mandate/strategic direction and measurable objectives for the department that provides the guiding framework with which to develop roles and responsibilities and monitor performance. Departmental goals are aligned with the goals adopted by the board of trustees.
2.1.2 Organization and Staffing	The existence of an efficient and appropriately staffed organization structure, including roles, responsibilities and accountabilities that support the mandate of the H R department.

Activities	Definition
2.1.3 HR Policies and Procedures	Consultation with stakeholders in the development of policies, procedures, and performance measures should take place. A defined set of H R policies and procedures that provide guidance to staff on how to conduct the department's business processes as well as inform staff and management on relevant H R protocols. Monitor adherence to policy and use of school board resources.

While the review of each DSB will take into account its unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the DSB. The Review Team will be seeking specific quantitative/qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices that relate to H R are listed in the table below.

Leading Practices – Human Resource Organization
Goals/Priorities are documented into an annual department plan and are aligned to the DSB goals/priorities and accessible to key stakeholders.
Publicly available organizational charts for the H R organization that clearly and accurately reflect the organizational structure and provide for clear roles, responsibilities and accountabilities.
Management has process or tools in place to monitor H R policy compliance by all staff and management.
Management provides regularly scheduled H R policy awareness, training, and education sessions.
Senior H R staff has appropriate H R designation (e.g., CHRP, etc.).

2.2 Human Resource Management

The purpose of reviewing all related H R management processes is to:

- Assess whether adequate planning and processes exist to recruit the appropriate number of quality candidates to support student achievement target strategies;

- Assess whether H R has appropriate processes in place to promote the personal and professional growth of all employees;

- Assess whether H R has adequate and transparent processes in place to fairly compensate employees;

- Assess H R processes for promoting employee satisfaction and reduce staff turnover;

- Assess whether H R is accurately tracking employee qualifications and reporting them in a timely manner; and

- Identify opportunities to support continuous improvement in the effectiveness and efficiency of all processes related to HRIS and Payroll management.

For the purpose of the Operational Review, H R management is divided into the following activities:

Activities	Definition
2.2.1 Staff Recruitment and Retention	Developing goals and planning for recruitment which includes coordinating hiring days, and assisting in the selection and orientation of new staff.
2.2.2 Staff Development and Satisfaction	Managing employee commitment, development and analysis of employee satisfaction surveys, coordination of professional development, curriculum, training, and career development.
2.2.3 Manage Compensation	Management of compensation, pay equity, benefits, employee recognition programs; maintain culture of trust; stress management and work/life balance.
2.2.4 HRIS Data Management	Management of personnel records, processes, and control of data entry, systems updates, and database maintenance. Ability to report FTEs by function, department and program (budgeted versus actual).
2.2.5 Payroll Management	The management of the employee data and parameters for paying staff; overseeing the creation and distribution of salary and compensation pay.
2.2.6 Labour Relations	Managing collective agreement bargaining, handling grievances and providing legal support to schools as needed.

While the review of each DSB will take into account its unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the DSB. The Review Team will be seeking specific quantitative/qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices that relate to Human Resource Management are listed in the table below.

Leading Practices – Human Resource Management
Management has developed attendance management policies and implemented systems and processes to support employees and minimize the cost of absenteeism.
Management has established policies and procedures to minimize the incidence of grievances.
Management recruiting policies and practices are reviewed annually, and are aligned with staff planning in support of student achievement.
The new hire policies and procedures are standardized into one package for the respective staff groups.
Teacher qualifications and experience are formally tracked and scatter grams are continuously updated.
Management maintains and communicates formal disciplinary policies and procedures regarding staff (teaching and non-teaching) competency and behaviour.
Management has implemented an employee evaluation system for all teaching and non-teaching staff.
Management and the board of trustees have established labour/management committees to address management of staff and related issues.

Leading Practices – Human Resource Management
Activities and authorization relating to payroll and employee data changes are appropriately segregated from the process of payroll processing.
Management conducts independent, periodic compliance audits of the board's insurance carrier to ensure adherence to the benefit plans terms and conditions in their processing of the employee claims and other statutory requirements.
There exists an automated synchronization of data between HR benefits and payroll and external carriers including TPP and OMERS.
Staff and management have implemented policies and procedures to ensure the board's benefit plans are managed appropriately.
Confidential staff satisfaction surveys are performed periodically.
Confidential exit interviews are performed for all staff who resign, take early retirement, or transfer.
Management has implemented an approved pay equity plan which is maintained, reviewed periodically and amended as necessary.

2.3 School Staffing/Allocation

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

- Assess whether accurate and efficient processes are in place to forecast and plan for the workforce necessary to support student achievement target strategies;

- Ensure staff optimization allocation processes are in place, supported by an effective attendance management system; and

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

For the purpose of the Operational Review, school staffing/allocation is divided into the following activities:

Activities	Definition
2.3.1 Staff Planning	The forecasting and planning of school board staffing needs is based on Ministry funding and class-size standards as prescribed by the Ministry, including new curriculum/program needs, plans and requests submitted by schools and other school board departments (e.g., maintenance and custodial), succession planning, and environmental or demographic analysis.
2.3.2 Allocation of Staff	Establishment and approval of allocation plan and models for teachers and support staff that are aligned with student achievement target strategies. Ensuring alignment of staffing with collective agreements; class size requirements and mandatory student/teacher ratios as well as other allocations approved by the board of trustees.
2.3.3 Manage Staff Resource Utilization	Monitoring and adjustment of instructional and non-instructional resources across the school board; implementing the means to maximize staff utilization and maintain acceptable levels of attendance; establish utilization models for specialized resources (social workers, physical education, consultants, etc.).

While the review of each DSB will take into account its unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the DSB. The Review Team will be seeking specific quantitative/qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices that relate to school staffing/allocation are listed in the table below.

Leading Practices – School Staffing/Allocation
The board has established policies and procedures that govern the annual staff allocation models or similar staff allocation procedures.
Systems are in place to report and monitor adherence to key Ministry and/or board policy parameters (e.g., class size, prep time, collective agreement requirements, board policy and directions).
Systems and processes are in place to monitor and report on the actual allocation of staff compared to the original approved allocation plan and budget (FTE's by function, department and program, actual versus budget).
A mechanism is in place to adjust staff allocation for teachers and other school-based staff if original estimates for enrolment and/or funding change subsequent to the budget approval.
Management's plan for providing student support services and staffing is based on student-needs analysis.
Comparisons of staffing costs with similar school boards and the funding model are performed to ensure efficient use of resources.

3.0 Financial Management

Financial Management Overview

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

The financial management of the board contributes to the efficient and effective use of the DSB's fiscal resources by ensuring that the annual budget is developed within the allocation provided by the Ministry, is aligned with student achievement targets, and ensures that appropriate financial policies and procedures are in place to manage those resources. The financial and related business processes contribute to an appropriate level of transparency in the allocation and use of the budget to the various departments and the reporting of results to the board of trustees and other board stakeholders reflect on the approved goals/priorities relating to student achievement.

3.1 Finance Organization

The purpose of reviewing the organization of the finance department within the Operational Review is to:

- Assess whether the board of trustees and management have established policies and procedures that support the key finance functions, activities and the required business priorities and whether they are aligned with student achievement targets;

- Assess whether the finance department supports the overall goals/priorities and accountability established by the school board in support of student achievement;

- Assess the efficiency and effectiveness of the department structure and whether the roles and responsibilities support the key functions and activities as well as the required finance practices; and,

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

For the purpose of the Operational Review, the organization of the finance department is divided into the following activities:

Activities	Definition
3.1.1 Goals, Priorities, and Accountability	The existence of a clear mandate/strategic direction and measurable objectives for the department that provide the guiding framework with which to develop roles and responsibilities and monitor performance. Departmental goals are aligned with the goals adopted by the board of trustees.
3.1.2 Organization and Staffing	The existence of an efficient and appropriately staffed organization structure, including roles, responsibilities and accountabilities that support the mandate of the finance department.
3.1.3 Policies and Procedures	Consultation with stakeholders in the development of policies, procedures, and performance measures should take place. A defined set of finance policies and procedures that provide guidance to staff on how to perform the department's business processes as well as inform staff and management on financial management protocols. Management monitors adherence to policy and use of school board resources.

While the review of each DSB will take into account its unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the DSB. The Review Team will be seeking specific quantitative/qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices that relate to the finance organization are listed in the table below.

Leading Practices – Finance Organization
Goals/Priorities are documented into an annual department plan and are aligned to the DSB goals/priorities and accessible to key stakeholders
Publicly available organizational charts for the finance organization that clearly and accurately reflect the organizational structure and provide for clear roles, responsibilities and accountabilities.
Management has process or tools in place to monitor finance policy compliance by all staff and management.
Management provides regularly scheduled finance policy awareness, training, and education sessions.
Senior finance, treasury and procurement staffs have appropriate designations or related experience.

3.2 Budget Planning and Development

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

- Understand the linkages between the board of trustees' goals/priorities and the operational budgeting process;

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

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

For the purpose of the Operational Review, budget planning and development is divided into the following activities:

Activities	Definition
3.2.1 Collect and Analyze Data to Establish Goals/Priorities	The collection of data on the school board's operating environment, including current student achievement results, operational performance and external data and ministry goals. The understanding of the operating environment serves to inform the establishment of the coming year's goals/priorities, strategic directions, and potential cost pressures.
3.2.2 Develop Preliminary Financial Forecasts	Enrolment and Staffing forecasts form the basis of the preliminary budget. The preliminary budget is cross referenced to prior years' budgets and required changes are reflected in the new budget to accommodate for over/under spending in the current year and provision for expected new costs pressures.
3.2.3 Develop Detailed System Budget Including Departmental Budgets	The systematic roll-up of individual department's revenue and expenditure forecasts, including continuing revenue/costs, new investment expenditures, input from stakeholders, and the linking of new spending to discrete, short-term, measurable performance changes.
3.2.4 Develop Revenue Forecast and Assess Risk Areas	Forecast of grant and other revenue. Sensitivity analysis and identification of likely risk areas, assessment of the potential to utilize reserves and/or other means to address risk areas. Forecast and provision for over/under spending from prior year.
3.2.5 Management Review and Development of Mitigation Plan, if necessary	The development of mitigation strategies that support board priorities and student outcomes. Ensure management and staff take ownership of plan. Maintain effective lines of communication to board staff, board of trustees and stakeholders throughout the year.
3.2.6 Approval of School Board Budget	Ensure effective communication of budget issues to the board of trustees. Final review and approval of the budget by the board of trustees.

While the review of each DSB will take into account its unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the DSB. The Review Team will be seeking specific quantitative/qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices that relate to budget planning and development are listed in the table below.

Leading Practices – Budget Planning and Development
The annual budget development process is transparent, clearly communicated, and incorporates input from all key stakeholders including management (with principals), board of trustees and the community.
The annual budget produced and presented for approval is in sufficient detail to demonstrate that it is linked to the board-approved goals/priorities including student achievement targets, and provides useful and understandable information for all stakeholders.
Management has adopted an integrated top-down (school board level) and bottom-up (school level) approach to enrolment forecasting to support the establishment of parameters for the staffing plan and development of the annual budget.
Management has established appropriate budget planning processes to ensure all required cost and revenue changes are accounted for.
Management identifies all significant risks during the budget planning process and develops strategies, where appropriate, to mitigate the risks of spending beyond authorized/budgeted levels.

3.3 Financial Reporting and Analysis

The purpose of reviewing all related financial reporting and analysis processes is to:

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

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

For the purpose of the Operational Review, financial reporting and analysis is divided into the following activities:

Activities	Definition
3.3.1 Manage the General Ledger and Internal Controls	The integrity and accuracy of the recording and maintenance of all financial transactions within the financial and accounting systems of the school board is essential to support reporting and accountability. Internal controls involve the oversight and monitoring of key financial processes, including controls over revenue receipt, payroll and disbursement processes.
3.3.2 Periodic Closing Transactions	Closing consists of a set of activities which are required to reflect fully all transactions and their resulting impact on the books and records of a school board for a predefined accounting period.
3.3.3 Generate and Review Financial Reports	Management has established the processes and practices for the creation of required financial reports to manage and monitor the board budget and to meet the needs of all stakeholders (including board of trustees, management, and schools) Reporting includes year-to-date reports, compliance reports and Ministry reports (e.g., Estimates, Revised Estimates, Financial Statements and Provincial Consolidation).
3.3.4 Perform Financial Analysis	The analysis of current year financial information to identify and assess deviations from budget and to support the development of go-forward projections.

Activities	Definition
3.3.5 Perform Audits	Audit activity involves the planning and implementation of internal and external audits of financial information, in order to obtain an opinion on the validity, accuracy and completeness of the recorded and the reported financial information.

While the review of each DSB will take into account its unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the DSB. The Review Team will be seeking specific quantitative/qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices that relate to financial reporting and analysis are listed in the table below.

Leading Practices – Financial Reporting and Analysis
The school board has an integrated financial information system that provides useful, timely and accurate information for management and stakeholders.
Interim financial reports are provided to management and the board of trustees in sufficient detail and with appropriate explanations to enable a clear understanding of the status of the current year's budget and the outlook for the year.
Senior management is held accountable for the integrity of financial reporting through formal sign-off and approval procedures.
Management maintains an independent internal audit function where appropriate.
Internal and external audit plans are clearly documented. Audit report recommendations are followed up and acted upon by management.

3.4 Treasury Management

The purpose of reviewing treasury management processes is to:

- Assess whether processes are in place to ensure the optimal use of cash, investments and borrowings within school boards;

- Assess whether sufficient internal controls exist to support cash management, investments and borrowings; and

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

For the purpose of the Operational Review, treasury management is divided into the following activities:

Activities	Definition
3.4.1 Cash Management	Cash management involves the planning and monitoring of short-term liquid assets, including cash and other short-term receivables. Activities include: the coordination and tracking of daily deposits, forecast and reconciliation of cash position, managing interim excess or deficit balances through investments and borrowings, conducting regular bank reconciliations, and

	fund disbursements.
3.4.2 Banking Relationship Management	Banking relationship management covers the set-up, evaluation, comparison, and fee negotiation of common bank services such as depository accounts and cash management services.
3.4.3 Investment Management	Investment management involves the investment of the school board's excess cash or the use of borrowings to finance interim cash deficiencies, all in accordance with the *Education Act*
3.4.4 Financial Risk Management	Financial risk management relates to the risks associated with the use of reserve funds, and any other financial risk.
3.4.5 Management of School-based Funds	Involves the planning and monitoring of the use of non-School Board funds by the school or by the school councils. Activities also include the coordination and annual reporting of all revenues and expenditures.

While the review of each DSB will take into account its unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the DSB. The Review Team will be seeking specific quantitative/qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices that relate to treasury management are listed in the table below.

Leading Practices – Treasury Management
The school board has an efficient cash management process that minimizes idle cash and maximizes interest income, and periodically considers short-term investment where appropriate.
Management have consolidated cash management activities with a single institution.
Staff and management document and periodically review the board's investment policy and investment performance reports.
Staff and management periodically review the board's banking terms and conditions and compare them to school boards of similar size to maximize the services offered.
Management actively monitors financial risk related to cash/investment management and has a plan to mitigate associated risks.

3.5 Non-Grant Revenue Management

Non-grant revenue is primarily generated from the following areas:

- Issuing Permits: Permitting for a single or occasional use of selected room(s) or other school facilities such as playing fields;

- Facility Leasing: Income derived through formal arrangement of leasing unoccupied facilities and/or property;

- International Students: International students are non-Canadian residents attending a whole or partial academic year in Ontario on a student visa;

- Continuing Education Programs: Adult-oriented credit and non-credit programs, including ESL/FSL, as well as other courses designed to supplement and inform students on a variety of specialized topics (e.g., computer skills, new languages, business writing, etc.);

- Tuition Agreements with First Nations: Per student funding received by DSB from native bands to cover the costs of educating aboriginal students;

- EPO Funding: Funds granted for programs approved through the EPO Program allocation;

- Property Taxes: School tax revenues generated from the municipalities based upon a DSB's school support and geographic territory;

- Management Fees: Revenues which can be earned by a DSB through the account management (invoicing, contract management, etc) of a transportation consortium on behalf of the other DSBs in the same consortium; and,

- Education Development Charges: A DSB can levy such charges after receiving ministerial permission on the adoption of a regulation in the targeted sectors/area.

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

- Assess whether processes 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; and

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

For the purpose of the Operational Review, the non-grant revenue management process is divided into the following activities:

Activities	Definition
3.5.1 Planning for Non-Grant Revenue	Activities associated with forecasting demand and aligning service delivery.
3.5.2 Service Request and Credit Authorization	Processes in place to deal with the provision of service requests from other parties and ensuring the credit worthiness of users where appropriate (e.g., for leases of property).
3.5.3 Record Transaction	Maximizing cash flow and minimizing bad debt requires the timely processing and entry of non-grant revenue transactions.
3.5.4 Deliver and Invoice for Services	After the service is delivered, an invoice should be generated and sent to the customer per agreed upon billing terms and conditions. Once the customer invoice is generated, all necessary accounting transactions should be processed including customer receivables and revenue postings to the general ledger.
3.5.5 Payment Receipt and Receivables	The receipt of payments from whatever source and the recording of those receipts within the accounting system will help to ensure the completeness of the respective revenues.

Activities	Definition
3.5.6 Evaluation of Non-Grant Revenue Program Spending	Evaluation of the processes and supporting activities associated with the delivery of non-grant revenue.

While the review of each DSB will take into account its unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the DSB. The Review Team will be seeking specific quantitative/qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices that relate to Non-Grant Revenue Management are listed in the table below.

Leading Practices – Non-Grant Revenue Management
The board has established policies on the levying of permits, fees, and the application of the fee structure, and obtains credit/risk assessment where appropriate.
Use of electronic registration and payment system where appropriate (e.g., ConEd, permitting of facilities, leasing, etc.).
Staff monitors all sources of revenue to ensure the completeness of what the board is entitled to receive and establishes receivables, where appropriate, and has action plans and processes in place to maximize collections.
Board budget identifies revenue and expenditure for each EPO program. Management receives reports and monitors activity during year on an ongoing basis and ensure compliance with the terms and conditions.

3.6 Procurement

The purpose of reviewing all related 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;

- Assess whether appropriate internal controls exist to support the procurement and related payment process;

- Assess whether school board processes ensure that they receive value for money from all acquired goods and services; and

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

For the purpose of the Operational Review, procurement is divided into the following activities:

Activities	Definition
3.6.1 Procurement Policies and Practices of Goods and Services	The processes that govern the purchasing of both planned (recurring) and unplanned (non-recurring/emergency) purchases including the creation of purchase requisitions, approvals, use of PCards, and encumbrance accounting.
3.6.2 Supplier Relationship Management	The development of a plan, policies and procedures to support all aspects of supply chain management.
3.6.3 Strategic Sourcing	The processes used to coordinate, execute, and manage contracts once they have been executed. The extent to which the school board's procurement practices include consortia participation, cooperatives, or other arrangements.
3.6.4 Receipt of Goods and Services	The physical receipt of goods and/or services to ensure the right items and quantity are received by comparing deliveries to orders, addressing and recording overages, shortages, and any damage by item within appropriate tolerances. Warehousing and distribution practices would apply to the control over receipts where they exist.
3.6.5 Process Accounts Payable	The recording of the liability associated with the purchase of goods and/or services.
3.6.6 Disburse Supplier Payment	Payment to the supplier including the use of electronic payment methods.

While the review of each DSB will take into account its unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the DSB. The Review Team will be seeking specific quantitative/qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices that relate to procurement are listed in the table below.

Leading Practices – Procurement
Management and the board of trustees have approved procurement policies and practices in place. Policies and practices have been clearly communicated to staff with purchasing authority and are periodically reviewed and updated.
Management's acquisition strategy includes the participation in consortia/cooperatives where it benefits the school board.
Management's vendor selection criteria include elements over-and-above lowest cost, such as total cost of ownership, value, and quality.
Authorization levels commensurate to job title/role exist and are monitored for compliance by department head.
There exist management-approved policies and procedures for PCard/corporate credit cards that are documented and communicated to users and are re-enforced through regular training and monitoring for compliance.
Automated three-way matching (purchase order, receipt/invoice and inspection) is in use.
Commitment accounting is in place to monitor budget utilization.

Leading Practices – Procurement
Management has implemented electronic supplier interface for ordering, processing, and payment, including the use of supplier portals to better support system users.
Management maximizes its use of EFT for payments.
Regular reporting is used to monitor compliance and develop strategies to increase purchasing power and to minimize the costs of goods and services procured.

4.0 School Operations and Facilities Management

School Operations and Facilities Management Overview

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

The efficient and effective management of the facilities of the board, particularly schools, is an important contributor in support of student achievement targets and strategies by providing a positive learning environment for students, teachers and staff. The effective management of the allocated resources also contributes to the ability of the board to achieve a standard of cleanliness and maintenance that meets the expectations of the school community.

4.1 Operations and Facilities Organization

The purpose of reviewing the organization of operations and facilities within the Operational Review is:

- Assess whether the board of trustees and management have established policies and procedures that support the key departmental functions, activities, and the required business priorities that are aligned with the student achievement targets;

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

- Assess the efficiency and effectiveness of the departmental structure and whether roles and responsibilities support the key functions/activities as well as the required custodial and maintenance practices; and

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

For the purpose of the Operational Review, the organization of operations and facilities is divided into the following activities:

Activities	Definition
4.1.1 Goals, Priorities and Accountability	The existence of a clear mandate/strategic direction and measurable objectives for the department that provides the guiding framework with which to develop roles and responsibilities and monitor performance. Departmental goals are aligned with the goals adopted by the board of trustees.
4.1.2 Organization Structure	The existence of an efficient and appropriately staffed organization structure that includes roles, responsibilities, and accountabilities that support the mandate of the department.
4.1.3 Policies and Procedures	Consultation with stakeholders in the development of policies, procedures, and performance measures should take place. A defined set of Operations and Facilities policies and procedures that provide guidance to staff on how to conduct the department's business processes as well as inform staff and management on relevant protocols. Management monitors adherence to policy and use of school board resources.

While the review of each DSB will take into account its unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the DSB. The Review Team will be seeking specific quantitative/qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices that relate to the Operations and Facilities Organization are listed in the table below.

Leading Practices – Operations and Facilities Organization
Goals/Priorities are documented into an annual department plan and are aligned to the DSB goals/priorities and accessible to key stakeholders.
Publicly available organizational charts for the department that clearly and accurately reflect the organizational structure and provide for clear roles, responsibilities and accountabilities.
Management has process or tools in place to monitor policy compliance by all staff and management.
Management provides regularly scheduled operations and facilities policy awareness, training, and education sessions.
Senior operations and facilities staff have appropriate designation (e.g., P.Eng, etc.) and/or relevant field experience.

4.2 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 maintain an optimized learning environment for students ;

- Assess whether the department has the appropriate organizational structure to effectively manage the service delivery;

- Assess whether appropriate internal controls exist to effectively manage custodial and maintenance operations and expenditures; and

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

For the purpose of the Operational Review, custodial and maintenance operations is divided into the following activities:

Activities	Definition
4.2.1 Awareness and Training	Awareness and training concerns the promotion of best practices regarding facilities upkeep, maintenance and safety standards among staff and students through the training and education of maintenance and custodial staff within each school.
4.2.2 Condition Assessment and Preventative Maintenance	Condition assessment involves the periodic appraisal and review of key facilities and equipment including buildings, portables, machinery, and other assets to support maintenance priorities. Preventative maintenance covers the scheduling and delivery of upkeep and maintenance services, such as minor repairs, renovations, regulatory compliance measures, upgrades and grounds care.
4.2.3 Custodial Management	Custodial management is the provision of ongoing cleaning services and other maintenance services, including cleaning standards, and absenteeism practices.
4.2.4 Supplies Management	Supplies management concern the purchase and procurement of equipment and supplies required for maintenance and custodial operations.

While the review of each DSB will take into account its unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the DSB. The Review Team will be seeking specific quantitative/qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices that relate to the Custodial and Maintenance Operations are listed in the table below.

Leading Practices – Custodial and Maintenance Operations
The school board has adopted cleaning/maintenance standards for schools and reports annually on results.
Management develops, with appropriate stakeholder input, an annual/multi-year maintenance plan that addresses its deferred maintenance priorities and the school board's maintenance standards directly linked to a positive school climate and improving the learning environment for students. The Plan optimizes the use of available funding (Annual Renewal Grant and Good Places to Learn funding) and is approved by the board.
Management's custodial/maintenance allocation model provides for the optimal use of staff in support of the school board's cleaning/maintenance standards and practices.
Management has an annual training plan for its custodial and maintenance staff to address ongoing skill development and emerging regulatory issues and evaluates the plan's effectiveness.
Management has established an inventory system for the tracking and control of its major cleaning and maintenance equipment.
Management has established common standards for the procurement of supplies to minimize costs and promote energy and operating efficiency.
The board has implemented a work-order system and process that records, monitors, and costs projects and ensures the effective use of resources.
Management regularly evaluates the effectiveness and efficiency of its maintenance and custodial service delivery model and practices.

4.3 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;

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

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

For the purpose of the Operational Review, energy management is divided into the following activities:

Activities	Definition
4.3.1 Establish Policy and Strategy	Energy management strategy is the creation of goals and establishing metrics and tracking tools to manage outcomes. The strategy includes the development of policies, guidelines, goals (conservation targets), and priorities for energy management and resource conservation.
4.3.2 Formulate Energy Management Planning	The identification of areas for potential savings as well as the identification of enablers such as capital investment and skills. Energy management includes establishing short term and long-term opportunities with milestones, roles, responsibilities, and budgets with a process for ensuring community buy-in.

Activities	Definition
4.3.3 Manage Energy Usage and Procurement	The implementation and monitoring of energy management projects and plans. Monitoring includes performing energy audits and capturing energy consumption data for analysis and planning. Management may also include monitoring and compliance initiatives to support their energy management policy.
4.3.4 Communicate and Educate	Raising awareness and influencing behaviour through various communication strategies and channels to all stakeholders.
4.3.5 Analyze and Report	The identification of the structure, process, and frequency for analyzing data and reporting is followed by the analysis of energy management data using the tools and metrics established in the planning phase. Results and conclusions are then reported to key stakeholders and incorporated into the next planning cycle.

While the review of each DSB will take into account its unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the DSB. The Review Team will be seeking specific quantitative/qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices that relate to energy management are listed in the table below.

Leading Practices – Energy Management
Management has established a multi-year energy management plan that incorporates measures to be implemented and the tools to monitor and manage effectively and efficiently.
Management provides formal annual reporting on the conservation savings achieved against plan.
Comprehensive system is established to track consumption and budget expenditure, and identify opportunities for further savings.
Consolidated billing for all board facilities where possible from each utility.
Purchasing practices that reflect energy conservation objectives are followed (e.g., Energy Star products, leveraging consortia membership).
Successful conservation initiatives are shared across all schools and with other school boards.
Centralized technology that automates energy regulation and conservation (e.g., light control, desktop power) in new facilities, retrofit facilities and existing facilities where practical.

4.4 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;

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

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

For the purpose of the Operational Review, health, safety and security are divided into the following activities:

Activities	Definition
4.4.1 Health, Safety and Security Development	The development of school board standard policies, guidelines, and priorities to enhance health, safety and security across both panels.
4.4.2 Implement and Manage School Health, Safety and Security	The implementation of health, safety and security plans in every school. The plans would include assigning roles and establishing baselines, targets, and performance thresholds. Periodic measurement of security plan is necessary.
4.4.3 Communicate and Educate Stakeholders	Communicating directly to parent, community and other stakeholders through various channels. Communication also includes educating parents about their responsibilities regarding the issues of health, safety and security.
4.4.4 Analyze, Report and Refine	The identification of the structure, process, and frequency for analyzing data and reporting. Results and conclusions are then reported to key stakeholders and incorporated into the next planning cycle.

While the review of each DSB will take into account its unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the DSB. The Review Team will be seeking specific quantitative/qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices that relate to health, safety and security are listed in the table below.

Leading Practices – Health, Safety and Security
Creation and maintenance of a health, safety and security plan and policies that ensure compliance with statutory health, safety and security requirements.
Establish a security code policy, including alert codes that reflect the situation and threat level, and identifies departmental responsibilities.
Track security incidents by type of incident (e.g., property, intrusion, etc.).
Implement safe school teams in each school responsible for school safety (e.g., PPM 144).
Water and air quality standards are monitored and issues are reported for corrective action.

4.5 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 and 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; and

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

For the purpose of the Operational Review, capital plans, policies, and procedures include the following activities:

Activities	Definition
4.5.1 School Facilities Inventory and Utilization Management	The monitoring and planning of school capacity and inventories within the framework of the Student Facilities Inventory System (SFIS).
4.5.2 Capital Needs Projections and Forecasts	The projection of future capital requirements based on demographics, enrolment, capacity, renewals, and other. .planning considerations within the framework of the school board capital plan and the Ministry's web-based capital plan.
4.5.3 Capital Asset Management	The assessment and monitoring of facility condition and renewal needs within the framework of the ReCAPP system and board policies and procedures.
4.5.4 Capital Funding	The processes and procedures followed to ensure capital programs are fully funded and that projected capital requirements have funding plans identified.

4.5.5 Capital Debt Management	The process of planning and managing prior capital commitments and debt charges to ensure the board can continue to fund its existing debt.

While the review of each DSB will take into account its unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the DSB. The Review Team will be seeking specific quantitative/qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices that relate to capital plans, policies, and procedures are listed in the table below.

Leading Practices – Capital Plans, Policies and Procedures
Management optimizes available capital grants and uses available Ministry tools and board processes to establish an approved annual and multi-year capital program that includes the related funding plan.
The school board has an approved pupil accommodation review policy.
The school board maintains accurate and up-to-date inventories of school capacity and utilization.
Annually reassess the accuracy of capital forecasts and related funding plans to readjust to meet current needs and changes to original assumptions such as enrolment projections.
Maintain accurate and up-to-date assessments of facility conditions based on industry standards (using RECAPP methodology).
Perform analysis on how well funding allocations are meeting the current and forecasted needs of the school board's capital requirements.
Management tracks compliance and monitors new legislation or changes to existing legislation.

4.6 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; and

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

For the purpose of the Operational Review, construction management is divided into the following activities:

Activities	Definition
4.6.1 Design Facilities	Processes related to the design and building specifications of new school facilities.
4.6.2 Procure External Contractors	Procurement policies and procedures that govern the hiring of external contractors to construct the new facilities, and to manage/oversee the construction phase.

Activities	Definition
4.6.3 Monitor Construction Development	Monitoring, review, and reporting processes to oversee the construction phase and ensure that the project is delivered on time and on budget.

While the review of each DSB will take into account its unique context and characteristics, there is a set of leading practices that should exist at some level in every board. These practices promote the required level of sophistication and management rigour for administrative and operational excellence within the DSB. The Review Team will be seeking specific quantitative/qualitative information to determine that the practices are in place. Where appropriate, recommendations will be considered for improvements. The leading practices that relate to Construction Management are listed in the table below.

Leading Practices – Construction Management
Management minimizes construction and future maintenance as well as operation costs through the use of cost effective designs, standard footprints, energy conservation, and economical construction practices.
Management maintains standard policy and procedures to rationalize construction projects including benchmarking against other school board construction costs and design standards (including coterminous boards).
Management has an effective management process to monitor and control construction projects and their costs including post construction project evaluation and provides periodic project status updates to the board of trustees.
Management evaluates and updates its approved list of contractors, architects, and related professionals periodically (ideally 5-year cycles).