

AUDIT COMMITTEE REGULAR MEETING Open (Public) Session

AGENDA JANUARY 17, 2018

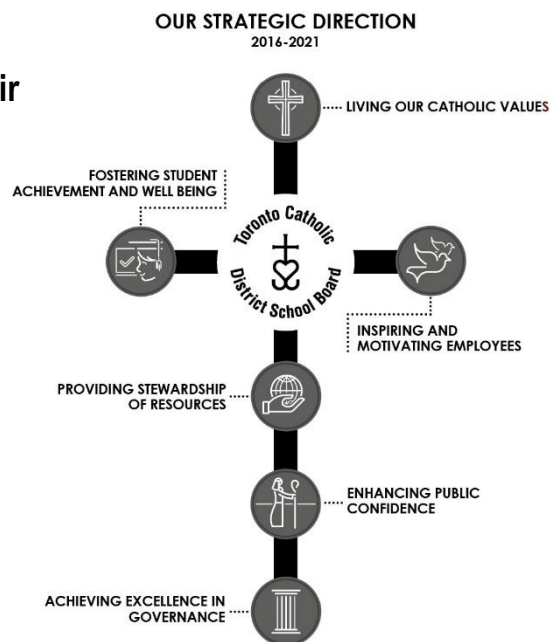
Barbara Poplawski, Chair

Michael Del Grande, Vice Chair

Maria Rizzo

Nancy Borges

Ryan Singh



MISSION

The Toronto Catholic District School Board is an inclusive learning community uniting home, parish and school and rooted in the love of Christ.

We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.

VISION

At Toronto Catholic we transform the world through witness, faith, innovation and action.

Recording Secretary: Sophia Harris, 416-222-8282 Ext. 2293

Asst. Recording Secretary: Karen Eastburn, 416-222-8282 Ext. 2298

Rory McGuckin
Director of Education

Barbara Poplawski
Chair of the Board

Summary of Terms of Reference for Audit Committee

The Audit Committee shall have responsibility for considering matters pertaining to:

(1) Related to the board's financial reporting process:

1. To review with the director of education, a senior business official and the external auditor the board's financial statements, the results of an annual external audit
2. To review the board's annual financial statements and consider whether they are complete, are consistent with any information known to the audit committee members and reflect accounting principles applicable to the board.
3. To ask the external auditor about any other relevant issues.

(2) Related to the board's internal controls:

1. To review the overall effectiveness of the board's internal controls.
2. To review the scope of the internal and external auditor's reviews of the board's internal controls, any significant findings and recommendations by the internal and external auditors and the responses of the board's staff to those findings and recommendations.
3. To discuss with the board's officials the board's significant financial risks and the measures the officials have taken to monitor and manage these risks.

(3) Related to the board's internal auditor:

1. To review the internal auditor's mandate, activities, staffing and organizational structure with the director of education, a senior business official and the internal auditor.
2. To make recommendations to the board on the content of annual or multi-year internal audit plans and on all proposed major changes to plans.
3. To ensure there are no unjustified restrictions or limitations on the scope of the annual internal audit.
4. To review at least once in each fiscal year the performance of the internal auditor and provide the board with comments regarding his or her performance.
5. To review the effectiveness of the internal auditor, including the internal auditor's compliance with the document International Standards for the Professional Practice of Internal Auditing, as amended from time to time, published by The Institute of Internal Auditors and available on its website.
6. To meet on a regular basis with the internal auditor to discuss any matters that the audit committee or internal auditor believes should be discussed.

(4) Related to the board's external auditor:

1. To review at least once in each fiscal year the performance of the external auditor and make recommendations to the board on the appointment, replacement or dismissal of the external auditor and on the fee and fee adjustment for the external auditor.

2. To review the external auditor's audit plan and confirm the independence of the external auditor.
3. To meet on a regular basis with the external auditor to discuss any matters that the audit committee or the external auditor believes should be discussed.

(5) Related to the board's compliance matters:

1. To review the effectiveness of the board's system for monitoring compliance with legislative requirements and with the board's policies and procedures, and where there have been instances of non-compliance, to review any investigation or action taken by the board's director of education, supervisory officers or other persons employed in management positions to address the non-compliance.
2. To obtain regular updates from the director of education, supervisory officers and legal counsel regarding compliance matters and that all statutory requirements have been met.

(6) Related to the board's risk management:

1. To ask the board's director of education, a senior business official, the internal auditor and the external auditor about significant risks, to review the board's policies for risk assessment and risk management and to assess the steps the director of education and a senior business official have taken to manage such risks, including the adequacy of insurance for those risks.
2. To initiate and oversee investigations into auditing matters, internal financial controls and allegations of inappropriate or illegal financial dealing.

(7) Related to reporting to the board:

1. To report to the board annually, and at any other time that the board may require, on the committee's performance of its duties.

(8) Related to website maintenance:

1. To make all reasonable efforts to ensure that a copy of Ontario Regulation 361/10 is posted on the board's website.

OUR MISSION

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AGENDA THE REGULAR MEETING OF THE AUDIT COMMITTEE

PUBLIC SESSION

Wednesday, January 17, 2018
6:30 P.M.

Pages

1. Call to Order
2. Opening Prayer
3. Roll Call & Apologies
4. Approval of the Agenda
5. Declarations of Interest
6. Approval & Signing of the Minutes of the Meeting held November 13, 2017 for Public Session. 1 - 6
7. Delegations
8. Presentation
 - 8.a David Johnston, representing the Toronto and Area Regional Internal Audit Team, regarding the Regional Internal Audit Team Update (Refer Item 13a)
9. Notices of Motion
10. Consent and Review
- 11.

Unfinished Business

12. Matters referred/deferred

13. Staff Reports

13.a	Regional Internal Audit Team Update (Refer Item 8a)	7 - 9
13.b	Schedule of 2018 Internal Audits	10 - 17
13.c	Audit Committee Self-Assessment (January 2018)	18 - 20
13.d	2017 Annual Report of the Provincial Auditor General - Section 3.08 (Ministry Funding and Oversight of School Boards) and Section 3.12 (School Boards Management of Financial and Human Resources)	21 - 109
13.e	ICT Strategy Review– Project Priority List	110 - 197
13.f	Audit Committee Annual Agenda/ Checklist	198

14. Listing of Communication

15. Inquiries and Miscellaneous

15.a	Proposed Meeting Dates for Consideration: Wednesday, March 23, 2018 and May 23, 2018	
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16. Updating of Pending List

17. Closing Prayer

18. Adjournment

**MINUTES OF THE REGULAR MEETING OF THE
AUDIT COMMITTEE
HELD MONDAY, NOVEMBER 13, 2017**

OPEN (PUBLIC) SESSION

PRESENT:

Trustees: B. Poplawski, Chair
M. Del Grande, Vice-Chair
A. Kennedy
M. Rizzo

External Members: R. Singh – by Teleconference
N. Borges

Internal Auditors: T. Ferguson
S. Finkel

Staff: R. McGuckin
D. Koenig
P. Matthews
L. DiMarco
P. De Cock
D. Bilenduke
C. Giambattista
D. De Souza
G. Sequeira
J. Di Fonzo
J. Brighton

S. Harris, Recording Secretary
K. Eastburn, Assistant Recording Secretary

3. Roll Call & Apologies

An apology was extended on behalf of David Johnston.

4. Approval of the Agenda

MOVED by Trustee Rizzo, seconded by Nancy Borges, that the Agenda, as amended to move Item 13c) Verbal Update regarding Provincial Auditor General's Value for Money Audit of School Boards to the PRIVATE Agenda, be approved.

The Motion was declared

CARRIED

6. Approval of the Previous Minutes

MOVED by Nancy Borges, seconded by Ryan Singh that the Minutes of the meeting held September 20, 2017 for Open (PUBLIC) Session be approved.

The Motion was declared

CARRIED

8. Presentation

&

13. Staff Reports

MOVED by Trustee Rizzo, seconded by Trustee Del Grande, that Items 8a) and 13a) be adopted as follows:

8a) David Johnston, representing the Toronto and Area Regional Internal Audit Team, regarding the Regional Internal Audit Team Update received.

13a) Report regarding Regional Internal Audit Team Update received.

The Motion was declared

CARRIED

MOVED by Trustee Del Grande, seconded by Nancy Borges, that Item 13b) be adopted as follows:

13b) ICT Strategy Review – Project Priority List received.

MOVED in AMENDMENT by Trustee Rizzo, seconded by Trustee Del Grande, that staff bring back a report regarding how the academic device refresh will be equitably distributed to schools.

Staff was directed by Trustee Del Grande to include a column to reflect whether or not the line item is included in the budget.

The Amendment was declared

CARRIED

The Motion, as amended, was declared

CARRIED

MOVED by Trustee Del Grande, seconded by Nancy Borges, that Item 13d) be adopted as follows:

13d) Verbal Update regarding Whistleblower Policy received.

The Motion was declared

CARRIED

MOVED by Nancy Borges, seconded by Ryan Singh, that Item 13e) be adopted as follows:

13e) Verbal Update regarding Chief Financial Officer (CFO), Chief Information Officer (CIO) and other Vacancies received.

The Motion was declared

CARRIED

MOVED by Trustee Del Grande, seconded by Trustee Rizzo, that Item 13f) be adopted as follows:

13f) Audit Committee Annual Agenda/Checklist received.

The Motion was declared

CARRIED

14. Listing of Communications

MOVED by Trustee Rizzo, seconded by Nancy Borges, that Item 14a) be adopted as follows:

- 14a) Ministry of Education's Engagement on Governance Supports** received and that staff come back to the next meeting with a response regarding why the communication took two months to be provided to the Committee and that a copy of the survey be emailed to each Committee member.

The Motion was declared

CARRIED

15. Inquiries and Miscellaneous

MOVED by Trustee Del Grande, seconded by Trustee Rizzo, that Item 15a) be adopted as follows:

- 15a) Schedule of next Audit Committee Meeting Date** tentatively scheduled for Wednesday, January 17, 2018, pending confirmation of the approval of the 2018 Calendar of Board and Committee meetings at the November 16, 2017 Regular Board meeting.

The Motion was declared

CARRIED

MOVED by Trustee Del Grande, seconded by Nancy Borges, that the meeting resolve into PRIVATE Session.

The Motion was declared

CARRIED

SECRETARY

CHAIR



Toronto Catholic District School Board

Status Update for Audit Committee

January 2018

Status Update for Audit Committee – January 2018

1.0 Internal Audit Plan Update

The following is the status of engagements included in the Toronto Catholic District School Board Regional Internal Audit Plan over the next six months.

#	Audits	Status
1	Budget Development and Management Follow Up	<p>The objectives and scope for this engagement are to follow-up on the status of management action plans arising from the Budget Development and Management Audit completed in May 2015 and the subsequent interim follow-up engagements.</p> <p>This engagement is complete and the report will be presented at this meeting.</p>
2	Monitoring and Reporting Outcomes	<p>The high-level objectives and scope for this engagement are to assess the processes for monitoring and reporting on Board outcomes.</p> <p>This engagement is in progress and is scheduled for completion in February 2018.</p>
3	Health and Safety	<p>The high-level objectives and scope for this engagement are to assess whether controls are in place to ensure that policies and procedures relating to student and employee health and safety are developed, adequate and communicated to the relevant employees. Compliance with legislative requirements will be evaluated.</p>

Status Update for Audit Committee

		<p>This engagement is scheduled to start in May 2018.</p>
4	Repairs and Maintenance Follow Up	<p>The objective of the follow-up engagement is to assess that controls are in place and are operating effectively to mitigate the risks associated with findings identified in the initial audit report.</p> <p>The audit will include an assessment of repair and maintenance backlogs including prioritization for those which may impact student and employee health and safety.</p> <p>This engagement is scheduled to start in May 2018.</p>



REPORT TO

AUDIT COMMITTEE

SCHEDULE OF 2018 INTERNAL AUDITS

“Do not store up for yourselves treasures on earth, where moths and vermin destroy, and where thieves break in and steal. But store up for yourselves treasures in heaven, where moths and vermin do not destroy, and where thieves do not break in and steal. For where your treasure is, there your heart will be also.”

Matthew 6:19-21

Created, Draft	First Tabling	Review
December 20, 2017	January 17, 2018	Click here to enter a date.

L. LePera; Senior Financial Analyst, Finance and Accounting
 C. Giambattista; Senior Manager, Finance
 D. Bilenduke; Senior Co-ordinator, Finance
 P. De Cock; Comptroller, Business Services & Finance

INFORMATION REPORT

Vision:

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Mission:

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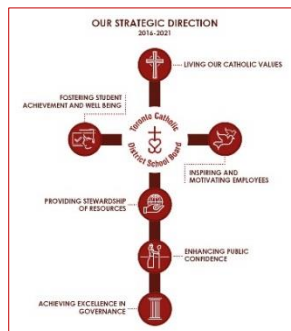
We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.

Rory McGuckin
 Director of Education

D. Koenig
 Associate Director
 of Academic Affairs

A. Sangiorgio
 Associate Director
 of Planning and Facilities

L. Noronha
 Associate Director
 of Business Services



A. EXECUTIVE SUMMARY

This report is presented to the Audit Committee to provide a schedule of the internal audits which will be carried out by the Board's Finance staff during 2018. The internal audits' scope encompasses school financial procedures and controls.

B. PURPOSE

The purpose of this report is to give the Audit Committee an opportunity to review and provide input into the audit plan.

C. BACKGROUND

1. This is the second year Business Services staff will perform field audits at selected schools which possess an overall higher risk profile (i.e. staff turnover, new principals and anomalies in their school reporting). The audit results are compiled using a procedure and controls questionnaire template to be completed by the school principal and secretary. The findings of the questionnaire, along with the sample testing, is measured for compliance against the Board Policies and Procedures. The audit will include the review over the school banking funds (including the Catholic School Parent Council (CSPC) and the Student Nutrition (SNP) accounts) and Pcard purchases.
2. Review of the KEV banking implementation and transition has been added to this year's audit scope.

D. EVIDENCE/RESEARCH/ANALYSIS

1. A schedule of school audits for the year ending August 31, 2018 is attached as **Appendix A**.
2. A sample procedure controls template and questionnaire is attached as **Appendix B**.
3. For each of the processes and questions in **Appendix B**, the following information will be provided to assess compliance:

A. School principal and secretary will:

- a. identify the control owner (if applicable),
- b. add context to the control in place.

B. The Business Services group, performing the audit, will:

- a. identify if the process is applicable,
- b. identify if a control exists and suggest frequency,
- c. determine if approval is required
- d. identify the audit test plan, the audit findings, make recommendations and follow up on action plan timeframes and update action plan completions.

E. METRICS AND ACCOUNTABILITY

1. The internal audits will be conducted from January – May 2018. The audits will examine the period of September 2016 up to the date of the audit. The audit results and findings will be compiled and measured for compliance to the Board’s Policies and Procedures. The results will be reported back to the Audit Committee and respective Superintendents highlighting any key issues of non-compliance.
2. The audit will focus on the following processes: funds collection, record keeping, reporting, security measures, approval process and general practices relating to all school funds including the general school fund, CSPC funds and the SNP funding.
3. Business Services staff will review the KEV transition for both school banking and school cash online with a particular focus on the areas outlined below.
 - a. Parent adoption rate. This identifies the number of students that have been register for online payment access by the parent.
 - b. Usage rate. This identifies the rate in which the school cash online is being used.
 - c. School Cash Catalogue usage. This identifies the rate in which schools are creating items for parents to purchase online.

F. CONCLUDING STATEMENT

This report is for the consideration of the Audit Committee.

Appendix A

	School Name	Ward	Trustee	Principal	Site visit date
Elementary Schools					
1	St. Clement	2	Ann Andrachuk	Stephen Peters	TBD
2	Mother Cabrini	2	Ann Andrachuk	Sherryann Ambrose	TBD
3	St. Brendan	8	Garry Tanuan	Arlene Martin	TBD
4	Transfiguration	1	Joseph Martino	Victoria Purri	TBD
5	St. Bonaventure	5	Maria Rizzo	James Graham	TBD
6	St. Andre	3	Sal Piccininni	Frank Termine	TBD
7	St. Norbert	4	Patrizia Bottoni	Rosa Tucci	TBD
Secondary Schools					
1	Cardinal Carter	5	Maria Rizzo	Mary Topping Keenan	TBD
2	Loretto Abbey	5	Maria Rizzo	Anita Bartolini	TBD
3	St. Michael Choir	9	Jo-Ann Davis	Linton Soares	TBD

Process	Co. ID	Question
Funds Collection	A.1	Are funds collected by the teaching staff, from the students, directed to you on day collected?
Funds Collection	A.2	If no to A.1, where are the funds stored?
Funds Collection	A.3	Describe the process followed by staff when handling funds before it arrives to person responsible for recording it.
Funds Collection	A.4	Is the process in A.3 documented? If yes, provide a copy.
Recording	B.1	Are all funds/bank accounts included in the General Ledger (i.e. nutrition program)?
Recording	B.2	Are all funds/monies collected, relating to school activities, deposited into the bank accounts?
Recording	B.3	Are there any activities which do not run through the General Ledger?
Recording	B.4	What control(s) are in place to ensure all information recorded in the General Ledger is correct?
Recording	B.5	How do you know when an invoice is paid?
Recording	B.6	Does an original invoice accompany each request for payment?
Recording	B.7	Is there any requirement to have pre-signed cheques on-hand? If yes, under what circumstances?
Recording	B.8	Are the physical cheques numbered? Do you print out cheques or issue manually?
Recording	B.9	If cheques are numbered, are all cheques accounted for, including any voided cheques?
Recording	B.10	Under what circumstances have you found it necessary to make cash disbursements instead of using a cheque?
Recording	B.11	Do School Generated Funds have a Petty Cash float? If yes, how often is a Petty Cash Reconciliation completed?
Recording	B.12	Is the bank account set up as a statement only ? (no passbook)
Recording	B.13	What deposit forms/receipt logs are used by the school? Provide copies of each.
Recording	B.14	How do revenues and expenses get tracked to ensure all is being reported and recorded relating to specific school trips?
Recording	B.15	How often are bank deposits made?
Reporting	C.1	Are all bank accounts included in the General Ledger?

Process	Co. ID	Question
Reporting	C.2.	Do you complete, review and sign the bank reconciliation on a monthly basis?
Reporting	C.3	Other than the bank reconciliation, what other reports do you review on a regular basis? Are they signed?
Reporting	C.4	Do you have any concerns or need help with anything relating to management of school funds?
Reporting	C.5	Are stamped bank deposit forms kept with the school's records?
Reporting	C.6	How is HST paid tracked and is it reported to the school board?
Reporting	C.7	What are the standard forms used by the school when collecting and/or distributing funds? Provide copies of all.
Reporting	C.8	Is your school set up for EFT transfer from the Board office?
CSPC	D.1	Do you have a Catholic School Parent Council (CSPC)?
CSPC	D.2	If yes to D.1, do they have their own bank account?
CSPC	D.3	If yes to D.1, do you do the bookkeeping in the SAP/KEV accounting system? If not, who does?
CSPC	D.4	Who is responsible for preparing monthly reporting from CSPC (including bank reconciliation and revenues and expenses)?
CSPC	D.5	Who is responsible for the review and sign-off of the reports in question D.4?
CSPC	D.6	What is the process for collecting/distributing funds from the CSPC account?
CSPC	D.7	Do you have a Fundraising Plan developed in conjunction with your CSPC?
CSPC	D.8	Who has signing authority on the CSPC bank account?
CSPC	D.9	Who reviews, signs and dates the annual CSPC financial reports?
CSPC	D.10	Do you have any reason to suspect any fraudulent activity with the CSPC funds?
CSPC	D.11	If it hasn't already, will your CSPC bank account be consolidated with the school bank account? If yes, what is the expected timeframe for this to happen?
General	E.1	Do you have any suspicions with respect to the theft of funds or other fraudulent activity?
General	E.2	Have any concerns been expressed at the CSPC meetings about the amount of collections from fundraising activities?
General	E.3	Have there been any changes in the current school year to personnel handing funds in the school?
Security	F.1	Where are school funds (cash or cheque) stored in the school before deposited into bank?
Security	F.2.	Where is the cheque stock stored in the school? Who has access to unused cheques?
Security	F.3	Who has signing authority of any school bank accounts?
Security	F.4	Who has access to the accounting records?

Process	Co. ID	Question
Security	F.5	What control(s) are in place to ensure payee name on cheque is not the same as signing authority?
Security	F.6	Do you have a bank card?
Security	F.7	Is there any requirement to make cash withdrawals from the school bank accounts?
Security	F.8	Are there at least 2 people present at all times when funds are counted in preparation of a bank deposit?
Security	F.9	Are deposit forms signed by both individuals?
Security	F.10	Who are the signing authorities on your bank accounts? Please provide bank confirmation of same.
Approvals	G.1	Does supporting documentation accompany each request for payment and reviewed by signing authority?
Approvals	G.2	Has there been a change in bank signing authorities in the current school year?
P- Card Trans.	H.1	Are P- Cards made out in the name of the school?
P- Card Trans.	H.2	Are P- Cards kept by the School Principal?
P- Card Trans.	H.3	Is a P-Card tracking sheet used to monitor the signing out of the card?
P- Card Trans.	H.4	Are P-Card statements reconciled to invoices/receipts?
KEV transition	I.2	Do you have anything outstanding with respect to the KEV transition? Opening balances, penny tests?
KEV transition	I.3	What is your KEV adoption rate? What steps have you taken to increase parents registration?
KEV transition	I.4	How many events has your school created in KEV? How does that compare to the number of events your schools held since the KEV transition? Usage rate?
KEV transition	I.5	How has handling of cash and cheque changed for your school with the introduction of KEV?
KEV transition	I.6	Have you transferred opening balances to the appropriate categories?

Approval

Principal's name (please print)

Date

Principal's signature

Audit Committee Self-Assessment

The following questionnaire will assist in the self-assessment of the audit committee's (AC) performance. The questionnaire should take less than 30 minutes to complete. When completing the performance evaluation, you may wish to consider the following process:

- Select a coordinator (perhaps the chair of the AC) and establish a timeline for the process.
- You may consider asking individuals who interact with the audit committee members (Regional Internal Audit Manager, Chair of the Board of Trustees, etc.) to also complete the assessment.
- Ask each audit committee member to complete an evaluation by selecting the appropriate response below.
- Consolidate the results into a summarized document for discussion and review by the committee.

If the answer is "Yes" for some criteria and "No" for others, check the box "No" and include comments for those criteria that were not met below each category.

1. COMPOSITION	Yes	No
<ul style="list-style-type: none"> • Has appropriately qualified members • Has appropriate sector knowledge and diversity of experiences and backgrounds • Demonstrates integrity, credibility, trustworthiness, active participation, an ability to handle conflict constructively, strong interpersonal skills, and the willingness to address issues proactively • Meets all applicable independence and conflict of interest requirements • Participates in continuing education programs for existing members and/or orientation programs for new members 	<input type="checkbox"/>	<input type="checkbox"/>
Comments: <div style="height: 40px; border: 1px solid black;"></div>		

2. PROCESSES AND PROCEDURES	Yes	No
Meetings contain the following: <ul style="list-style-type: none"> • Adequate minutes and report of proceedings to the Board of Trustees • Quorum • Well prepared members • Conducted effectively, with sufficient time spent on significant or emerging issues • Respect the line between oversight and management • Separate (in camera) sessions with management, internal and external auditors as required • Recommendations for the Board of Trustees to adopt and/or approve • Feedback to the Board of Trustees regarding their interactions with senior management, internal audit and external audit 	<input type="checkbox"/>	<input type="checkbox"/>
Meetings are appropriately planned/coordinated due to the following: <ul style="list-style-type: none"> • Preparation of an annual calendar to guide meeting discussions • Agenda and related materials are circulated in advance of meetings • Held with enough frequency to fulfill the audit committee's duties • Encouragement from the audit committee chair for agenda items from board members, management, the internal auditors, and the external auditors • Written materials provided to/and from the audit committee are relevant and concise 	<input type="checkbox"/>	<input type="checkbox"/>
An annual self-assessment is conducted and presented to the Board of Trustees	<input type="checkbox"/>	<input type="checkbox"/>
Comments: <div style="height: 40px; border: 1px solid black;"></div>		

3. UNDERSTANDING OF THE BOARD, INCLUDING RISKS	Yes	No
<ul style="list-style-type: none"> Has general knowledge about operating risks and risk appetite of the Board of Trustees (e.g. Regulatory requirements, Ministry of Education compliance rules, financing and liquidity needs, school board's reputation, senior management's capabilities, fraud control, school board pressures such as "tone at the top") Reviews the process implemented by management to effectively identify and assess significant risks, and assessed the steps taken to control such risks Reviews the Regional Internal Audit Team's risk assessment and understands the identified risks Considers the school board's performance versus that of comparable school boards in a manner that enhances risk oversight (particularly where significant differences are noted) Takes appropriate action (such as requesting and overseeing special investigations) where information was received that would lead you to believe that a fraudulent or unusual activity has taken place 	<input type="checkbox"/>	<input type="checkbox"/>
Comments: 		

4. OVERSIGHT OF FINANCIAL REPORTING PROCESS, INCLUDING INTERNAL CONTROLS	Yes	No
Reviews the financial statements for the following: <ul style="list-style-type: none"> Completeness and accuracy Significant accounting policies followed by the board Quality, appropriateness and transparency of note disclosures Identification of related-party transactions Adjustments to the statements that resulted from the external audit Recommendation to the Board of Trustees for their approval 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Is consulted when management is seeking a second opinion or disagrees with the external auditor on an accounting or auditing matter. In the case of a disagreement, the audit committee leads the parties toward resolution Receives sufficient information to assess and understand management's process for evaluating the school board's system of internal controls (environment, risk assessment, information system, control activities, monitoring) Receives sufficient information to understand the internal control testing conducted by the internal auditors and the external auditors to assess the process for detecting internal control issues or fraud. Any significant deficiencies or material weaknesses that are identified are addressed, reviewed, and monitored by the audit committee Recommends to the Board of Trustees that management takes action to achieve resolution when there are repeat comments from auditors, particularly those related to internal controls Makes inquiries of the external auditors, internal auditors, and management on the depth of experience and sufficiency of the school board's accounting and finance staff 	<input type="checkbox"/>	<input type="checkbox"/>
Comments: 		

5. OVERSIGHT OF INTERNAL AUDIT AND EXTERNAL AUDIT FUNCTIONS:	Yes	No
Understands the coordination of work between the external and internal auditors and clearly articulates its expectations of each.	<input type="checkbox"/>	<input type="checkbox"/>
INTERNAL AUDIT: <ul style="list-style-type: none"> • Reviews the annual and multi-year internal audit plans and makes recommendations for adjustments when appropriate • Regularly reviews the internal audit function (e.g. independence, the mandate, activities, structure, budget, compliance with IIA standards and staffing) • The internal audit reporting lines established with the audit committee promote an atmosphere where significant issues that might involve management will be brought to the attention of the audit committee • Ensures that there are no unjustified restrictions or limitations on the scope of any internal audit • Reviews significant internal audit findings, management's action plans to address these findings and the status of action plans presented in earlier meetings 	<input type="checkbox"/>	<input type="checkbox"/>
Comments:		
EXTERNAL AUDIT: <ul style="list-style-type: none"> • Reviews the annual external audit plan and provides recommendations, as necessary • Oversees the role of the external auditors from selection to termination and has an effective process to evaluate their independence, qualifications and performance • Reviews management's representation letters to the external auditors, including making inquiries about any difficulties in obtaining them • Reviews significant external audit findings, management's action plans and the status of action plans presented in earlier meetings • Reviews and makes recommendations to the board on the audit fees paid to the external auditors • Reviews other professional services that relate to financial reporting (e.g., consulting, legal, and tax strategy services) provided by outside consultants • Recommends to the Board of Trustees and oversees a policy regarding the permissible (audit and non-audit) services that the external auditors may perform and considers the scope of the non-audit services provided 	<input type="checkbox"/>	<input type="checkbox"/>
Comments:		
6. ETHICS, COMPLIANCE & MONITORING	Yes	No
<ul style="list-style-type: none"> • Reviews the school board's system for monitoring compliance and reviews any action taken by the board to address non-compliance (compliance with regulatory agencies, Ministry of Education, etc.) • Performs an adequate review of any findings of examinations by regulatory agencies or the Ministry of Education • Reviews management's procedures for enforcing the school board's code of conduct • Oversees the school board's whistleblower process and understands the procedures to prohibit retaliation against whistleblowers • Receives sufficient funding to fulfill its objectives and engage external parties for matters requiring external expertise 	<input type="checkbox"/>	<input type="checkbox"/>
Comments:		

Chapter 3

Ministry of Education

Section 3.08

Ministry Funding and Oversight of School Boards

1.0 Summary

The Ministry of Education (Ministry) funds 72 district school boards to provide elementary and secondary education to about two million students (as of the 2016/17 school year). The school boards comprise 31 English public boards, 29 English Catholic boards, four French public boards and eight French Catholic boards. Collectively, there are approximately 4,590 schools, 113,600 teachers and 7,300 administrators in the system.

The Province shares responsibility with municipalities for funding school boards. Each municipality collects from its property owners the Education Property Tax, which it remits to its local school boards. In the 2016/17 school year, the Ministry and municipalities combined provided school boards with \$22.9 billion in operating funding through what is known as the Grants for Student Needs. These comprise foundation grants (intended to cover the basic costs of education common to all students and all schools) and special purpose grants (intended to address specific needs that may vary among school boards). Also, the Ministry provided an additional \$212 million in operating funding to school boards through transfer payments called Education Programs—Other (EPO). These two funding streams represent about 90% of the operating funding available to school boards.

The remaining 10% is available to school boards primarily through funds generated by the schools themselves, and grants and fees from other provincial ministries and the federal government.

Province-wide, about 30% of the GSN funding comes from the Education Property Tax while the remaining 70% comes from the Ministry.

With respect to oversight of school boards' use of operating funds, the Ministry is responsible for the development and implementation of policy for funding the boards. This includes the administration of operating grants and the implementation and monitoring of policies and programs. It is also responsible for providing advice and assistance on financial matters related to school boards. Its key oversight functions include monitoring the financial health of Ontario's school boards; conducting enrolment audits; developing audit tools and the framework for school boards' audit committees and regional internal audit teams; and establishing reporting and accountability requirements associated with administering grants to school boards.

We noted that the Ministry receives considerable information from school boards to monitor student performance and the boards' financial situation. In addition, we found that the Ministry has processes in place to check the reasonableness of financial data submitted to the Ministry electronically. Specifically, it monitors budget submissions to ensure school boards are in compliance with legislated

limits on in-year deficits. It also conducts audits of enrolment data. However, we found there are still opportunities for the Ministry to improve its oversight of school boards.

Most significantly, we found that the Ministry does not assess and address whether students with similar needs receive the same level of support no matter where they live in the province. This is for several reasons, including that the Ministry does not confirm that special purpose funding is spent as intended, does not allocate funding based on actual needs, and does not analyze whether additional funding provided for some students is actually achieving the intended results. There are often significant differences between funding allocated for specific purposes and the amounts school boards actually spend for these purposes; if the Ministry analyzed this information, it might highlight issues with the validity of its funding formula.

Also, we noted that the Ministry gives school boards considerable discretion in how they spend the funding they receive. Its justification for this is that school boards are each governed by an elected board of trustees who have responsibility for making autonomous decisions based on local needs. For the 2016/17 school year, about 84% of operating funding from the Ministry could be spent at the school boards' discretion including about two-thirds of the special purpose grants—provided for specific groups of students, for specific purposes, or “top-ups” to the foundation grants. If the majority of the funding for the 13 special purpose grants is discretionary, then the needs that these grants were originally intended to meet are potentially not being met.

Our more significant audit findings are as follows:

- **Funding formula uses out-of-date benchmarks and is due for a comprehensive external review.** In 2002, an independent task force reviewed the Ministry's complex formula for determining school boards' funding. The task force recommended that the Ministry annually review and update the benchmarks used in the formula and conduct a more comprehensive overall review of the formula every five years. Fifteen years later, the Ministry has not commissioned another independent review of the funding formula. With respect to benchmarks, although the Ministry regularly updates those benchmarks associated with negotiated labour costs, it does not regularly update others, which are based on socio-economic and demographic factors. For example, the majority of special purpose funding that is calculated and allocated based on census data, approximately \$1 billion, uses census data that is more than 10 years old.
- **Grants for specific education priorities are not always allocated according to actual student needs.** The Special Education Grant is intended for students who need special-education programs and services. However, half of the special-education funding is allocated based on a school board's average daily enrolment of all its students, instead of the number of students who are receiving special-education programs and services. But the portion of special-education students in each board is not the same. This percentage ranged from 8% to 28% depending on the board. We also noted that special education needs are generally growing faster than total enrolment—over the 10-year period ending 2015/16, total student enrolment decreased 5% provincially while special education enrolment increased by 21%. We found that if the Ministry had allocated this half of the special-education funding based on the actual number of students receiving special-education programs and services, \$111 million would have been allocated differently across the boards. Based on our calculation, 39 boards would have received an average of \$2.9 million more in funding, and 33 boards would have received an average of \$3.4 million less. One board would have received \$10.4 million

more, while another board would have received \$16.1 million less.

- **The Ministry is not ensuring that funding for specific education priorities is being spent as intended.** In 2016/17, only 35% of \$10.9 billion in special purpose funding was restricted in use; that is, it had to be spent for the purposes for which it was allocated. Except for restricted funding, the Ministry does not require boards to report how the individual grants that comprise the overall Grants for Student Needs (GSN) were spent. Rather than report expenses back to the Ministry according to how funding was allocated, school boards are required to report all expenses under five general expense categories: instruction; administration; pupil transportation; pupil accommodation; and “other.” This means that where funding is provided for a specific purpose, such as for teaching English as a second language, its use is reported back to the Ministry, combined with expenses for all other purposes, under the five categories. Further, school boards report their total expenses from all sources of funding, not only what was provided by the Ministry. This prevents the Ministry from understanding whether the funding allocations, particularly for special purpose grants, reflected the actual needs of school boards. For some school boards, we noted differences between what boards were allocated and what they actually spent. For example, about three-quarters of school boards spent at least \$100,000 less than their allocated amount for school repairs and renovations, with one board spending \$13.9 million less than allocated. On the other hand, almost 80% of school boards spent at least \$100,000 more than their allocated amount for special education, with one board spending as much as \$81 million more than allocated.
- **The Ministry does not know whether additional funding for some students is**

achieving intended results. Although the Ministry allocates significantly more money per student to some boards rather than others because of such factors as the socio-economic conditions in the area, geographic location, and the level of salaries of teachers, it does not know if this additional funding is achieving the intended results. This is, in part, because it does not compare and analyze actual expenses of school boards on a per-unit basis, such as per student or per school. The Ministry told us it does not perform such an analysis because school board unit costs can be significantly impacted by regional cost differences and demographics. However, we noted that the Ministry does not even compare boards with similar attributes, such as those located within the same geographic area, boards with similar demographics, or boards with similar population density. Such analysis could help the Ministry identify boards that are not operating efficiently or highlight where further review is necessary. Our analysis of unit costs showed significant cost variances by region. However, we also noted significant unit costs variances between boards in the same region. For example, the average instructional cost per student in rural northern boards ranged from \$11,800 to \$17,000.

- **Still unclear if correlation exists between unit costs and student performance results.** The amount school boards spend on classroom instruction does not appear to have a direct relationship to student performance. Our analysis showed boards in the north spent more per student on instruction compared with boards in the south, but performance results in northern boards was much lower. However, French-language boards spent more on instruction per student and achieved higher student performance on average than English-language boards. If the Ministry analyzed this data in greater detail, it could gain a better understanding of what additional

funding measures could potentially improve student achievement, and which ones are unlikely to positively impact student results.

- **Students performing below provincial standard in mathematics.** Students have been performing below the standard in Grades 3 and 6 math and Grade 9 applied math since at least 2008/09. However, the Ministry has not acted quickly enough to bring about improvement in math results. In fact, the elementary level math results have gotten worse. The main root causes of poor performance identified by the Ministry, following consultation with stakeholders initiated in November 2015, included the need for educators to increase their knowledge of the mathematics curriculum, related pedagogy (effective teaching strategies), and effective assessment and evaluation practices. We also noted that elementary schools have single-subject teachers for certain subjects, including French, physical education and music, but generally not mathematics. Starting in September 2016, the Ministry announced \$60 million to help support students achieve better results in math.
- **Deteriorating schools and low school utilization are posing challenges to school boards.** Between 2011 and 2015, the Ministry engaged a third party to assess the condition of each school in the province, resulting in an estimate that total repair costs needed up to 2020 would be \$15.2 billion. At the same time, almost 600 schools (or 13% out of 4,590 schools in Ontario) are operating at less than 50% capacity across the province. Such circumstances have created a situation where boards are having to decide whether to close or consolidate schools, or find alternative solutions. The Ministry's decision to phase out "top-up" grants for under-utilized schools will increase the pressure on school boards in this regard.
- **Few enrolment audits are being done by the Ministry, despite significant errors noted during audits.** Over the six-year period from 2011 to 2016, enrolment was audited at only 6% of schools—3% of all elementary schools and 18% of all secondary schools—this, despite the fact that the amount of funding allocated to each school board is based to a large extent on overall student enrolment. In the last three years alone (2014–16), based on the audit files we reviewed, audits resulted in school boards' operating funding being reduced by \$4.6 million due to errors by school boards in recording the enrolment of students.
- **There is no cap on the maximum individual class size for students in Grades 4 to 12.** Only classes for Grades 1 to 3 have a maximum class size restriction of 23 students, and starting in the 2017/18 school year full-day kindergarten has a maximum class size restriction of 32 students. For all other grades, school boards are restricted to an average class size by board, meaning that not all students will be benefitting from smaller class sizes. For secondary school classes, all boards have the same cap on the average class size by board, which is 22 students. However, for Grades 4 to 8, the Ministry has set different caps on the average class size by board depending on the board. Half have an average class size restriction of 24.5 and the other half have an average cap ranging from 18.5 to 26.4 students. In June 2017, the regulation on class size restrictions was amended to reflect the fact that starting in the 2021/22 school year, all boards will have an average class size restriction of 24.5 or fewer students. However, the amendment did not introduce a cap on the maximum individual class size for all grades.

This report contains 15 recommendations, consisting of 23 actions, to address our audit findings.

Overall Conclusion

The Ministry of Education (Ministry) needs to improve the effectiveness of its oversight procedures to ensure that taxpayer dollars it uses to fund school boards are used in relevant cases according to legislation, contractual agreements, or Ministry policy. The Ministry could not demonstrate that funding objectives were consistently being met or that funding was always being spent fully in accordance with its intent (for example, in the case of students who are at risk of poor academic achievement).

OVERALL MINISTRY RESPONSE

The Ministry of Education thanks the Auditor General and her team for their recommendations on how the Ministry can continue to improve education in Ontario.

Ontario's success as a leading education system is a result of the Ministry working closely with our education partners to improve student achievement, equity and the well-being of students and staff. The impact of this collaborative approach is reflected in higher student achievement and higher rates of high school graduation.

We know there is still work to be done to provide equitable outcomes for students with unique needs, for example, Indigenous learners and students with special education needs. That is why we are working closely with our education and community partners toward improving outcomes for at-risk students. The Ministry has also released a three-year Education Equity Action Plan that is intended to identify and eliminate discriminatory practices, systemic barriers and bias from Ontario schools and classrooms to support the potential for all students to succeed.

In addition, Ontario makes some improvements to the funding formula every year, in consultation with our partners and based on research and data. We are providing targeted and differentiated supports to improve teaching and learning in classrooms, schools and boards

across Ontario. This is evident in approaches like our Renewed Math Strategy or investments to support new staff for special education needs. The Grants for Student Needs and the Education Program—Other provides a system of funding that recognizes the diversity of learners and the differences in communities across the province.

We will continue to use research and review and assess evidence to inform policy and funding decisions. We are also committed to considering the Auditor General's recommendations in our annual funding consultations and other working groups.

Our goal is always to make the best evidence-based decisions to support Ontario's children in reaching their full potential.

2.0 Background

2.1 Overview

The Ministry of Education (Ministry) funds 72 district school boards to provide elementary and secondary education to about two million students (as of the 2016/17 school year). There are four types of school boards and each serves all areas of the province. In total, Ontario has 31 English public boards, 29 English Catholic boards, four French public boards and eight French Catholic boards. Collectively, there are approximately 4,590 schools, 113,600 teachers and 7,300 administrators in the system.

The Ministry is responsible for developing curriculum, setting requirements for student diplomas and certificates, determining the overall funding level for school boards and how the funding will be allocated to individual boards, paying the provincial portion of funding to school boards, and ensuring that school boards comply with the requirements of the *Education Act, 1990* (Act) and its regulations.

School boards and the Ministry have different fiscal periods. School boards report expenses based on the school year, which is from September 1 to August 31. The Ministry reports its consolidated financial information based on the Province's fiscal year, which is from April 1 to March 31. For this reason, funding to school boards reported in the Province's Public Accounts does not directly agree to the audited financial statements of school boards.

The Province shares responsibility with municipalities for funding school boards. Each municipality collects from its property owners the Education Property Tax, which it remits to its local school boards. In the 2016/17 school year, the Ministry and municipalities combined provided school boards with \$22.9 billion in operating funding through what is known as the Grants for Student Needs. Also, the Ministry provided an additional \$212 million in operating funding to school boards through transfer payments called Education Programs—Other (EPO). These two funding streams represent about 90% of the operating funding available to school boards.

The remaining 10% is available to school boards primarily through funds generated by the schools themselves through fundraising and tuition from foreign students, and grants and fees from other provincial ministries and the federal government.

Province-wide, about 30% of the GSN funding comes from the Education Property Tax and the remaining 70% comes from the Ministry, but this can vary significantly from municipality to municipality.

The Ministry's key oversight functions with respect to funding include monitoring the financial health of Ontario's school boards; conducting enrolment audits; developing audit tools and the framework for school boards' audit committees and regional internal audit teams; and establishing reporting and accountability requirements associated with administering grants to school boards.

2.2 Funding and Financial Information

2.2.1 Grants for Student Needs

Grants for Student Needs (GSN) is a collection of several grants, many of which are made up of two or more components, described in detail each year in a regulation under the Act. In the 2016/17 school year, the GSN comprised 15 grants with 74 components; each component has its own formula for calculating the amount of funding that each school board will receive. These grants can be grouped into four general categories:

- **Funding for classrooms**—focuses on providing classroom resources, such as teachers, education assistants, textbooks and classroom supplies.
- **Funding for schools**—provides funding for school administration and the cost of maintaining and repairing school facilities.
- **Funding for specific education priorities**—provides funding to help reduce the gap in achievement results between specific groups of students and overall student results; for example, by meeting students' special-education needs, improving language proficiency in the language of instruction and providing support to Indigenous students. The Ministry refers to this as "closing the achievement gap."
- **Funding for other specific purposes**—provides funding for school board administrative costs and other activities that support education but are not related to the categories above, such as transporting students to and from school.

The GSN is divided into two types of grants that each account for about half of the GSN's total funding—foundation grants (of which there are two) and special purpose grants (of which there are 13). Foundation grants are intended to cover the basic costs of education common to all students and schools. Special purpose grants are intended to address specific needs that may vary among school boards, taking into account such factors

as demographics, school location and special education needs.

See **Figure 1** for a breakdown of the GSN by category. The percentage of allocation in each category has been consistent over the last decade.

School boards can use any unspent funding in the following year. Unspent restricted funding must be spent on the restricted purpose in the following year. According to the Ministry, although funding may not be formally restricted (as in the case for foundation grants), compliance with regulatory requirements may effectively restrict the use of that funding. For example, class size restrictions can dictate the number of teachers and hence the level of spending.

2.2.2 Transfer Payments for Education Programs—Other (EPO) Grants

Unlike the GSN, which is established by legislation annually, the funding stream called Education Programs—Other (EPO) is funded through a series of individual transfer payment agreements between the Ministry and funding recipients, including school boards and other parties.

In 2016/17, the Ministry administered 64 types of EPO grants to school boards totalling \$212 million or 0.9% of total education operating funding.

2.2.3 Total Funding per Student

Provincially, the total funding per student has increased 24% over the past ten years, from \$9,500 in 2007/08 to \$11,800 in 2016/17. Almost all of the increase in per student funding is due to the change in salaries and benefits paid to teachers. Taking inflation into account, the increase in total funding per student has been 9%. Over the same period, enrolment has increased by only 2%.

A breakdown of the total operating funding per student provided by the Ministry and municipalities along with total enrolment over the last 10 years is presented in **Figure 2**.

For additional information on school board funding, see **Appendix 1**.

2.3 Ministry Oversight Practices

The Financial Analysis and Accountability Branch within the Ministry's Education Labour and Finance Division has primary responsibility for overseeing school boards' financial health and their use of GSN funding for operating purposes. This branch employed 35 full-time staff and incurred \$5.6 million in operating costs in fiscal 2016/17. The various oversight practices used by this branch are described in **Appendix 1**.

Other Ministry divisions and related branches that provide EPO grants to school boards through transfer payment agreements are responsible for overseeing that those funds are spent in accordance with those contractual arrangements and the government's Transfer Payment Accountability Directive.

2.4 Measuring Student Performance

2.4.1 Student Performance Indicators

The main measures used by the Ministry to gauge student performance in school boards include:

- Education Quality and Accountability Office (EQAO) assessments—annual assessments of the reading, writing and math skills of Grade 3 and Grade 6 students; of the math skills students are expected to have learned by the end of Grade 9 (different versions of the test are administered for the academic and the applied math courses); and of the literacy skills of Grade 10 students, assessed through the Ontario Secondary School Literacy Test (OSSLT). There are nine assessments in total administered by an agency of the provincial government.
- Graduation Rate—calculated by the Ministry, this measures the percentage of students who graduate with an Ontario Secondary School Diploma within four years and within five years of starting Grade 9. The first Grade 9 cohort for which the Ministry began to

Figure 1: Grants for Student Needs Funding, by Category and by Type of Grant, 2016/17

Source of data: Ministry of Education

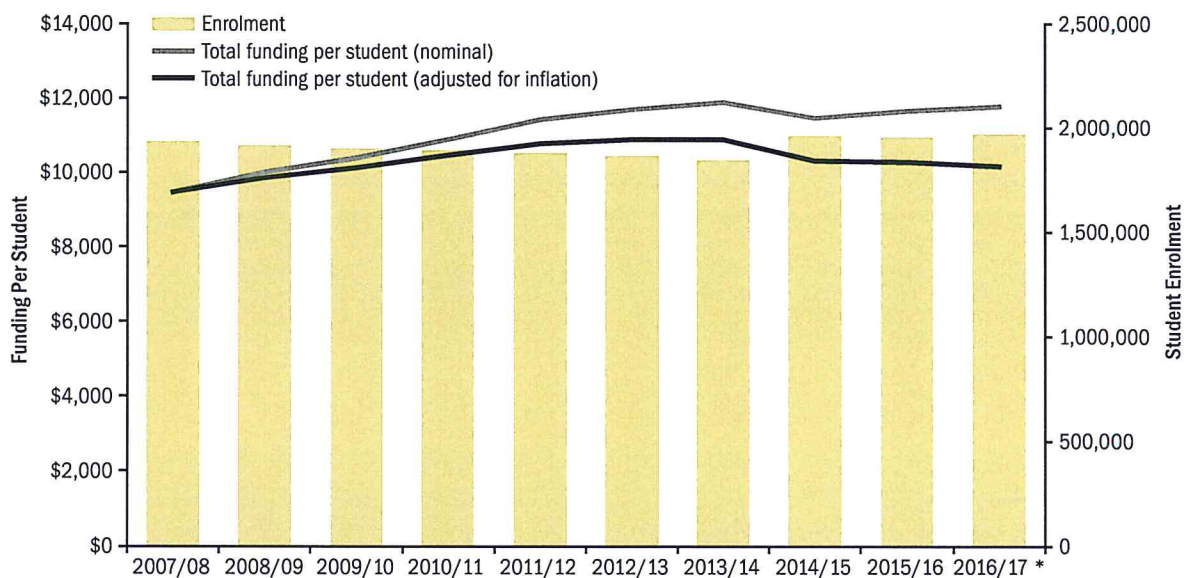
General Funding Categories	Grants for Student Needs	Grant Description	# of Grant Components	Funding Allocation for 2016/17 (\$ million)	% by General Funding Category
Funding for Classrooms	Pupil Foundation Grant*	Supports the elements of classroom education common to all students, such as salaries of classroom teachers, early childhood educators, educational assistants, and other teaching staff including librarians and guidance counsellors. It also funds textbooks, classroom supplies and classroom computers.	12	10,587.8	
	Cost Adjustment and Experience Grant	Provides additional funding to boards for classroom staff who, because of their qualifications and experience, have average salaries above the benchmark level provided through the Pupil Foundation Grant.	6	2,019.5	
	Total Funding for Classrooms		18	12,607.3	55
Funding for Schools	School Facility Operations and Renewal Grant	Supports the costs of operating (heating, lighting, cleaning), maintaining, and repairing school facilities.	2	2,414.0	
	School Foundation Grant*	Provides funding for principals, vice-principals and office support staff, as well as administrative supplies.	4	1,444.1	
	Geographic Circumstances Grant	Provides funding for the higher costs related to the remoteness of rural boards and schools.	3	190.7	
	Declining Enrolment Adjustment	Recognizes that it takes time for boards to adjust their cost structures to reflect declines in enrolment.	2	18.9	
Total Funding for Schools			11	4,067.7	18

General Funding Categories	Grants for Student Needs	Grant Description	# of Grant Components	Funding Allocation for 2016/17 (\$ million)	% by General Funding Category
Funding for Specific Education Priorities	Special Education Grant	Provides funding for programs, services, and/or equipment for students with special-education needs.	6	2,786.5	
	Language Grant	Provides funding to meet the school boards' cost for language instruction, for example, English as a Second Language and French as a Second Language.	5	714.7	
	Learning Opportunities Grant	Provides funding to help students who are at greater risk of lower academic achievement.	11	531.9	
	Continuing Education and Other Programs Grant	Supports a range of programs aimed at adult learners and day-school students, including secondary students who have completed more than 34 credits and wish to continue their studies.	6	140.7	
	Indigenous Education Grant	Supports programs designed for Indigenous students, such as Native Language and Native Studies.	4	61.4	
	Safe and Accepting Schools Supplement	Funding supports the Safe Schools Strategy and provides targeted support to secondary schools in priority urban neighbourhoods.	2	47.5	
	Total Funding for Specific Education Priorities		34	4,282.7	19
Funding for Other Specific Purposes	Student Transportation Grant	Funding to transport students to and from schools.	4	903.6	
	School Board Administration and Governance Grant	Provides funding for board administration and governance costs, including those related to board-based staff and board offices and facilities.	5	594.2	
	Debt Service	Funding to service debt provided to school boards for capital expenditures.	2	477.0	
Total Funding for Other Specific Purposes			11	1,974.8	8
Total			74	22,932.5	100

* These are classified as Foundation Grants, which are intended to cover the basic costs of education common to all students and schools. All other grants are classified as Special Purpose Grants to address specific needs.

Figure 2: Student Enrolment and Operating Funding per Student, 2007/08–2016/17

Source of data: Ministry of Education



Note: Funding includes operating funding provided by the Ministry and municipalities.

* Funding for 2016/17 based on amount estimated as of December 2016.

track board level graduation rates was the 2008/09 school year, meaning that students would have had to graduate by the end of the 2011/12 and 2012/13 school years to be included in the four-year and five-year graduation rate, respectively. The Ministry has set a provincial target for 85% of students to graduate within five years.

- Credit Accumulation by the end of Grade 10 and by the end of Grade 11—the Ministry measures the percentage of students who successfully complete 16 or more credits by the end of Grade 10 and 23 or more credits by the end of Grade 11. This is an indicator of whether students are on track to graduate with their peers.

2.5 Process for School Consolidations or Closures

School boards are responsible for making decisions about closing and consolidating (that is, merging) schools. In cases where a school board requires

capital funding to support the consolidation of schools, it must submit a template business case to the Ministry. The template includes estimated construction costs based on the project scope, historical and one-year forecasted enrolment, the five-year renewal needs for the 10 schools closest to the proposed consolidation, and forecasted enrolment by grade level (primary, junior, high school) for the current situation and under the proposed solution at the expected year of project completion, four years later, and eight years later. School boards may also submit supplementary documents to the Ministry, such as initial and final staff reports, minutes of meetings, and school information profiles. The Ministry reviews the supplementary information provided by boards as part of the project review process.

In March 2015, the Ministry revised its Pupil Accommodation Review Guideline. The guideline, which was last revised in 2009, outlines the minimum requirements, such as timelines, that boards need to follow when consulting with their communities about potential school closures, and

identifies issues that need to be considered as part of the decision-making process.

3.0 Audit Objective and Scope

Our objective was to assess whether the Ministry of Education (Ministry) has effective oversight procedures in place to ensure that operating funds provided to school boards are being used by the boards in accordance with legislation, contractual agreements and Ministry policy, and are achieving the desired education outcomes.

Before starting our work, we identified the audit criteria we would use to address our audit objective. These criteria were established based on a review of applicable legislation, policies and procedures, and internal and external studies. Senior management at the Ministry agreed with the suitability of our audit objective and related criteria as listed in **Appendix 3**.

We generally focused on activities of the Ministry in the five-year period ending in 2016/17. We conducted the audit between March 1, 2017, and July 31, 2017, and obtained written representation from the Ministry that effective November 17, 2017, it has provided us with all the information it was aware of that could significantly affect the findings or the conclusion of this report.

We did our work primarily at the Ministry's head office in Toronto. In conducting our audit work, we reviewed applicable legislation, regulations, Ministry policies and relevant files, and interviewed staff of the Ministry. As well, we met with a representative of the Council of Senior Business Officials (an organization comprising all superintendents of business operations at all school boards) to understand issues related to how school boards are funded and how funding is used. We also spoke with the external auditors of select school boards to understand whether procedures are conducted

to substantiate enrolment numbers and Education Property Tax amounts remitted by municipalities.

We researched funding models used in other jurisdictions. As well, we surveyed all 72 school boards to determine amounts spent on special purposes and whether the school boards conduct any procedures to gain assurance over enrolment numbers received from their schools. We received a 46% response rate to our survey.

We also reviewed the Ministry's summary of discussions occurring during the annual funding consultations and written comments submitted by individual stakeholders. We also reviewed the 2002 report of the Education Quality Task Force, entitled, *Investing in Public Education: Advancing the Goal of Continuous Improvement in Student Learning and Achievement*. This was the most recent review undertaken on the funding formula.

In addition, we reviewed the relevant audit reports issued by the Province's Internal Audit Division in determining the scope and extent of our audit work.

This audit on Ministry funding and oversight of school boards complements the audit we conducted on School Boards' Management of Financial and Human Resources in **Chapter 3, Section 3.12**. That report covers areas including school board use of special purpose grants, special-education services, procurement, and employee absenteeism and performance appraisals.

4.0 Detailed Audit Observations

4.1 Funding Formula May Not Be Meeting the Needs of Students

4.1.1 Comprehensive Review of the Funding Formula Is Overdue

Although the Grants for Student Needs (GSN) funding formula has had some periodic adjustments since it was first introduced in 1998, it is in need of

a comprehensive external review. Without such a review, the Ministry cannot be sure that the funds it is providing school boards are adequately allocated to meet students' needs. Nor can it have assurance that students with similar needs living in different parts of the province will receive the same amount of services and support.

Since the GSN funding formula was introduced in 1998 it underwent one comprehensive external review four years later and none since. The 2002 review, by the Education Equity Funding Task Force, was entitled, *Investing in Public Education: Advancing the Goal of Continuous Improvement in Student Learning and Achievement*. At that time, one of the key recommendations of the review was that:

“... the Ministry of Education in consultation with school boards and other members of the education community, develop mechanisms for annually reviewing and updating benchmarks in the funding formula and for conducting a more comprehensive overall review of the funding formula every five years.”

As will be explained in more detail in **Section 4.1.2**, the benchmarks are not reviewed and updated annually. Nor has there been a comprehensive overall review every five years. Instead, the original funding formula, already considerably complex when created, has simply been added to when the Ministry identifies new grant categories. Since 2013, the Ministry has undergone an annual consultation process with stakeholders to update the funding formula, but these consultations do not take the place of a fully comprehensive review.

The need for such a review has been echoed by the Minister of Education, think tanks and educators. To illustrate:

- In February 2005, moving for a second reading of the *Education Amendment Act, 2005*, the Minister of Education stated, “We’re working our way toward a very transparent and very accountable funding formula, which we can’t say has existed in the recent past and which will take some time yet to bring about.”
- In 2009, the Canadian Centre for Policy Alternatives issued a report, entitled *No Time for Complacency: Education Funding Reality Check*, which stated, “Ontario needs a permanent, independent third-party commission to provide an ongoing assessment of the appropriate level of funding and programming Ontario requires to meet its educational objectives. A special task force or review every five to 10 years simply isn’t good enough.” The report cited problems with the formula under various categories, including the Ministry’s failure to recognize and reflect differences in needs among students and cost drivers among school boards; and its failure to distinguish appropriately between fixed costs and costs that vary with changes in enrolment.
- In 2016, the Elementary Teachers’ Federation of Ontario issued a news release “urging the... government to make good on its 2010 promise to review the education funding formula.” The primary concerns noted in the news release were that:
 - the number of special-education students identified as requiring individualized plans and support has continued to increase and outpace the grants to support special education. At least 14 public boards are struggling with cuts to special education and some are laying off education assistants, who are crucial in assisting teachers to meet the needs of all students; and
 - 73% of English-language elementary schools now have ESL students compared with 43% in 2002/03, and the number is growing with the arrival of refugees from war-torn nations, such as Syria. Provincial grants for ESL students are inadequate and overall shortfalls in the funding formula have led school boards to use their second language grants for other purposes.
- In a written submission during the 2016/17 education funding consultation process, the Ontario Public School Boards’ Association

noted that it recognizes that in recent years the Ministry has reviewed and updated several components of the funding model, such as board administration funding and special education funding, but continues to advocate for a full review of the current funding model involving consultation with all stakeholders to ensure that the model meets the needs of all students in the province.

As mentioned in **Section 2.2.3**, over the last 10 years Ministry funding to school boards has increased at a faster rate than the increase in student enrolment. That is, using constant dollars, funding has increased 9% compared to a 2% increase in enrolment. Therefore, it is unclear that the sector is underfunded. However, it is important to evaluate how funds are allocated among school boards.

We asked the Ministry why it has not undertaken a comprehensive external review of the funding formula, including a review of all grants, since 2002, even though its own task force originally recommended reviews every five years. The Ministry told us that the decision to not conduct an extensive review of the funding formula is a policy decision made by Cabinet. Further, the Ministry's view is that "over the years, new reforms have been introduced that better support student achievement and well-being, the implementation of new policies and programs, and updates to the model to better align with board cost structures and drive efficiencies." A review can inform the decision making on how funds are allocated among school boards.

4.1.2 Benchmarks Used in the Funding Formula Often Out of Date

Some cost benchmarks used in the funding formula to determine how much GSN funding each school board receives are often not regularly updated, meaning that school boards may not be receiving the level of funding for particular purposes that was originally intended. Moreover, the Ministry uses out-of-date census data—often more than ten

years old—to calculate significant amounts of funding, even though the relevant demographics may have changed.

In calculating the amount of funding each school board will receive in each of the individual grants and grant components that make up the overall GSN, the Ministry has established cost benchmarks. Benchmarks have two parts: benchmark factors and benchmark costs.

- *Benchmark factors* are the attributes or activities of a school board that trigger costs, such as the intended number of staff per 1,000 students to calculate teacher funding, or the number of eligible pupils who entered Canada in the previous five years, used in the English as a Second Language allocation in the Language Grant. Benchmark factors also take into account regulated standards, such as class size restrictions.
- *Benchmark costs* are the dollar amount assigned to each factor intended to represent a standard or average cost for a particular factor.

As school board costs change over time due to reasons, such as inflation or increases in the costs of goods and services beyond inflation, benchmark factors and costs may not reflect current circumstances unless they are regularly updated to reflect changes in the actual cost of goods and services.

All benchmarks associated with negotiated labour costs are updated regularly as part of contractual negotiations; however, many others based on socio-economic and demographic factors are not regularly updated. For example, we noted that the benchmark for computer hardware, which forms part of the Pupil Foundation Grant, has not been updated since 2009/10, at which time it was reduced from \$46.46 to \$34.52 per elementary pupil and from \$60.60 to \$45.03 per secondary pupil.

Ministry Using Census Data from 2006 to Assess School Boards' Needs in 2016/17

We also found that in allocating funding for special purpose grants, the Ministry is using census data from Statistics Canada that is more than 10 years old. Given that demographics in Ontario may have significantly changed since 2006, using this data may not fairly and equitably reflect how funding should be distributed so that students who need it most are receiving it.

Census data from Statistics Canada was used in 2016/17 to allocate \$1.146 billion for portions of special purpose grants that are intended to help close the achievement gaps for specific groups of students; these included portions of the Special Education Grant, Language Grant, Indigenous Education Grant, Learning Opportunities Grant, the Safe and Accepting School Supplement, and the Geographic Circumstances Grant.

The Ministry uses census data to estimate the relative need among boards, in order to distribute the funding to school boards that need it most. In 2016/17, only 7%, or \$83.3 million, of the special purpose grant funding that is determined using census data was based on information provided through the 2011 Census—the latest information available at the time the allocations were determined. A further 10%, or \$111.7 million, is being phased in by 2018/19 using 2011 census data. The remaining 83%, or \$951 million, was determined using 2006 census data, despite more current data being available.

Census data is collected every five years by Statistics Canada. In 2011, Statistics Canada information that was previously collected by the mandatory long-form census questionnaire was collected as part of a voluntary National Household Survey (NHS). The Ministry told us that it did not use the more up-to-date 2011 census data because the move to a voluntary survey raised concerns with data quality.

However, despite this explanation, five years after the 2011 Census was taken, the Ministry began using the 2011 census data to calculate cer-

tain allocations under the Special Education Grant, the Indigenous Grant and the Language Grant for the 2016/17 GSN allocation. Changes resulting from the use of the 2011 census data are being phased in over three years to minimize fluctuations in funding.

Statistics Canada returned to using the mandatory long-form census in 2016; results are being released throughout 2017. This will provide the Ministry an opportunity to use even more current census data.

RECOMMENDATION 1

To ensure that funds are allocated in a manner that supports school boards in providing a high standard of education to all students, we recommend the Ministry of Education:

- conduct a comprehensive external review of the funding formula, including all grant components and benchmarks, as recommended by the Education Equity Funding Task Force in 2002;
- regularly review the formula and update all benchmarks to reflect the province's changing demographics and socio-economic conditions; and
- use the more current census data available when determining allocations for grants.

MINISTRY RESPONSE

Several new committees are planned for this school year to discuss various parts of the Grants for Student Needs (GSN) in addition to the annual engagements currently under way.

The Ministry also agrees to regularly review Statistics Canada data to ensure any appropriate updates are reflected in the allocations associated with socio-economic and demographic factors, as well as engage in targeted external reviews of the factors that determine key inputs of the funding formula as needed.

Reforms have been made in the past to the GSN funding formula. Some of these

changes include the introduction of full-day kindergarten into the Pupil Foundation Grant; adjustments to a number of grants to reflect the School Board Efficiencies and Modernization initiative; a revised School Board Administration and Governance Grant; a new funding model within the Special Education Grant; the creation of a Student Achievement envelope in the Learning Opportunities Grant; and the introduction of the 34th Credit Threshold into the Continuing Education and Other Programs Grant.

In total, 87% of the grants in the GSN have been reformed since 2012/13, to varying degrees of significance.

4.1.3 Grants for Specific Education Priorities Not Always Allocated According to Actual Student Needs

We reviewed the Ministry's GSN funding formula to determine whether the basis of particular grant components was reasonable, given the objectives of providing the funding or the specific group of students the funding was intended to serve. We found that some grants are allocated in ways that do not reflect the number of students per school board that have the particular need the grant is intended to address.

Allocation of the Special Education Grant, for example, is heavily weighted toward total student enrolment, resulting in boards receiving more or less than they would have if the Ministry allocated funding according to the actual number of students receiving special-education services. Allocation of the Learning Opportunities Grant is heavily weighted on 2006 socio-economic data rather than numbers of students actually at greater risk of poor academic achievement.

Special Education Grant

The Special Education Grant is intended for students who need special-education programs and

services. However, we found that half of special-education funding is allocated based on a school board's average daily enrolment of all its students, as opposed to only the number of students who are receiving special-education programs and services. Under the current allocation method, boards that have a high number of students who need these programs and services but lower total enrolment levels compared with other boards would be penalized, while boards that have a low number of students that receive these services but high total enrolment would get more funding than they do not necessarily need.

Many school boards that participated in the 2016/17 annual education funding consultation also felt that using a board's total enrolment might not be the best approach to allocate special-education funding because, they noted, special-education needs are generally growing faster than total enrolment. We found this to be the case: over the 10-year period ending 2015/16, total student enrolment decreased 5% provincially while special-education enrolment increased by 21%.

For the portion of funding based on total enrolment, we calculated the amount each board would have received if it was funded instead on the actual number of special-education students it reported, and compared this amount with the funding provided by the Ministry. We found that if the Ministry had allocated the funding based on the actual number of students receiving special-education programs or services, \$111 million would have been allocated differently across the boards. Based on our calculation, 39 boards would have received an average of \$2.9 million more in funding, and 33 boards would have received an average of \$3.4 million less. One board would have received \$10.4 million more, while another board would have received \$16.1 million less.

The Learning Opportunities Grant

The Learning Opportunities Grant (LOG) provides school boards funding for a range of programs intended to help students who are at greater risk of

poor academic achievement. Although the grant is intended to help students who have a higher risk of academic difficulty, we found that it is not allocated to school boards based on the actual number of students at risk. Instead, the majority of funding is based primarily on 2006 socio-economic census data identifying numbers of students who come from low-income households, have recently immigrated to Canada, have a single parent, or whose parents have less than a high school diploma. The Ministry recognizes that the total number of students predicted by the census data to be at risk will not all require additional resources.

The Ministry does not have a standard definition for “risk,” leaving this to the school boards to determine. Risk could be based on a number of academic, social or emotional factors, or a combination of these. Determining which students are at risk is based on the professional judgment of schools’ student success teams; some students are deemed to be at risk only for a relatively short period of time, while others may have several risk factors and remain at risk for longer periods.

The Ministry does have data on secondary school students considered at risk of poor academic achievement because school boards report this information to the Ministry three times each year. However, the Ministry told us it does not use this data to allocate the LOG funding to school boards because the criteria for determining students at risk varies from school board to school board, and could even be different from school to school.

In our 2011 audit of student success initiatives, we recommended that the Ministry and the school boards establish a common definition for reporting Grade 9 and Grade 10 students considered at risk of not graduating. At the time of our follow-up of the recommendations from this audit, the Ministry had updated its guidelines to provide more consistency in identifying students at risk, but had not set a common definition.

Going back fifteen years, in its 2002 report, the independent task force that reviewed the funding formula recommended:

- The Ministry should review the current allocation model for the demographic component of the LOG to ensure that the distribution of the funds is fair and equitable; and
- The Ministry require school boards that receive funds through the LOG to report publicly on how the expenditures of these funds is contributing to continuous improvement in student achievement and to the reduction of the performance gap between high and low achievers in their schools, while maintaining high standards.

At the time of our audit, the Ministry had taken little action to address these recommendations.

As recently as the 2016/17 annual education funding consultations with school boards and other stakeholders, the Ministry asked for suggestions on sources of data that could be used to allocate the LOG. Stakeholders suggested additional types of data to help identify need and to determine where more resources are needed. Suggestions included local health and mental health information, such as birth rates, teenage pregnancies, drug use, addiction, student and parent mental health, access to urgent care, Children’s Aid Society referrals, and data used by police.

Stakeholders also noted that the existing funding formula has a 25% weighting factor for students who recently immigrated to Canada. There were concerns that those students, while they may need language resources, are actually highly motivated to perform well. Conversely, northern boards typically have fewer immigrants but do have many Indigenous students, who are often high-risk.

In 2014/15, the Ministry announced its intention to review the LOG in order to determine whether stronger accountability mechanisms are required to ensure that funding is meeting provincial policy objectives. At the time of our audit, the Ministry could not demonstrate to us that it had undertaken any significant work in this area.

Without incorporating into the allocations the type of information suggested during the consultations, or by not basing funding on the actual

number of students identified as being at risk, it is difficult to determine whether the funding provided to school boards is in fact providing the appropriate level of support to students across the province who are actually at risk, and meeting one of the primary objectives of the funding formula—that it is equitable.

RECOMMENDATION 2

In order to provide funding in a more equitable manner and ensure the funding meets the actual needs it is intended to address, we recommend the Ministry of Education assess whether the funding of grants intended to serve the needs of a specific group of students or for a specific purpose is achieving that purpose.

MINISTRY RESPONSE

The Ministry will continue to assess the design of the grants in relation to their purpose, and make improvements as appropriate. In the funding engagements to inform the 2018/19 school year, the Ministry is seeking feedback on a range of programs to help students who are at a greater risk of poor academic achievement to ensure funding is responsive to school boards' needs.

The Ministry continues to review and refine the Special Education Grant. The Ministry has introduced a revised need-based component that was fully implemented in 2017/18. This component is derived in part from board-reported data, and addresses a board's likelihood of having students with special education needs, and ability to meet those needs.

4.2 Ministry Does Not Ensure Funding for Specific Education Priorities Is Spent as Intended

When the Ministry provides funding to school boards for specific purposes, it does not ensure that the total amount is actually spent as intended. There are two reasons for this.

First, the Ministry gives school boards considerable discretion in how they spend the funding they receive following the principle that school boards are each governed by an elected board of trustees to make autonomous decisions based on local needs and priorities.

Second, the Ministry requires school boards to report back on their spending in a way that does not match up with how the Ministry allocated the funding, thus making it impossible for the Ministry to know how much money was spent for the intended purposes. We further found that the Ministry does not validate or audit the amount of expenses reported for restricted purposes by school boards to verify their accuracy.

4.2.1 Only 35% of Total \$10.9 Billion in 2016/17 Special Purpose Grants Must Be Spent on Specified Purposes

In 2016/17, \$10.9 billion—almost half of the funding provided to school boards through the GSN—is categorized as being for Special Purpose Grants. However, the majority of grants allocated for a specific purpose or a specific group of students is being used at the discretion of school boards, creating a potential disconnect between the Ministry's stated purposes for providing the funding and how school boards choose to spend it. **Appendix 2** highlights amounts for which funding is restricted under each grant.

About 20% (\$2.2 billion) of the Special Purpose Grants can be considered top-ups to the foundation grants because they are intended to recognize the additional costs or pressures facing school boards. These include:

- Geographic Circumstances Grant—helps cover the costs of operating small schools in remote areas;
- Declining Enrolment Grant—relieves pressure of adjusting to reduced allocations where enrolment is declining; and
- Teacher Qualification and Experience Grant—addresses situations where the cost of

teachers' salaries is higher than the average amount provided to school boards through the Pupil Foundation Grant.

However, the remaining 80% (or \$8.7 billion) of the special purpose grant funding is allocated based on a specific purpose (for example, student transportation) or for a specific group of students (for example, students with special needs). But not all this special purpose funding is restricted. That is, although the allocations are described as being for specific purposes or groups of students, the Ministry allows school boards to spend the money as they choose.

Only one grant, the Special Education Grant, is restricted in its entirety under legislation. In other words, school boards are required to spend allocations received under this grant only for purposes specific to special education.

Some special purpose grants have partial restrictions in that some individual components are restricted while others are not. For example, 34% of the Learning Opportunity Grant and 19% of the grant for Indigenous Education must be spent for purposes related to those grants while the remainder of the allocations can be spent for any purpose the school board chooses.

For many of the special purpose grants, no restrictions at all are placed on how school boards spend the funding. It is entirely at the school boards' discretion how they spend their allocations under, for example, the Language Grant (intended for English- and French-language learners), the Student Transportation Grant, and the Continuing Education and Other Programs Grant, which is designed to support programs aimed at adult learners.

The Ministry told us that this is acceptable because it is the responsibility of school boards to allocate these funds for staffing and program delivery according to their local policies while respecting the Act and any relevant regulations and policies. The Ministry indicated that school boards' accountability to it must be balanced against the need for flexibility to address local conditions.

Our concern, however, is that this can lead to inequity in services provided to students depending on where they live in the province. For example, a student requiring ESL support attending a school in one district might receive less support than a student with the same needs living in a different district simply because his or her school board has chosen to allocate some of its Language Grant allocation for other purposes. We further discuss the inequity in ESL funding in our report on School Boards' Management of Financial and Human Resources in **Chapter 3, Section 3.12**.

4.2.2 School Boards' Reporting of Spending of Special Purpose Grants Does Not Allow the Ministry to Assess Reasonableness of Allocations

The Ministry cannot track whether school boards have spent funds from special purpose grants according to the intended purpose of these grants (with the exception of amounts restricted in use) because it requires the school boards to report on their expenses using categories that do not match the original allocations. Rather than report expenses back to the Ministry in the same manner in which they were allocated, school boards are required to report all expenses to the Ministry under five main expense headings: instruction, administration, pupil transportation, pupil accommodation, and "other."

This means that where funding was provided for a specific purpose, such as to support ESL students or Indigenous students, its use is reported back to the Ministry split between the defined categories noted above rather than for the purpose for which it was provided.

Further, in reporting expenses to the Ministry, school boards report the total amount of expense incurred in each of the defined categories from all sources of funding, not only what was provided by the Ministry. The amounts reported by the school boards also include amortization of past expenses, as required by accounting standards. The combined

effect is that the expense per student (as discussed in **Section 4.3**) is much higher than the amount of funding allocated per student (as noted in **Section 2.2.3**).

The Ministry informed us that requiring school boards to report expenditures based on the source of funding would not be practical. However, requiring reporting in the way it does prevents the Ministry from understanding whether its funding allocations, particularly special purpose grants, reflect the actual spending needs of school boards or whether boards have different priorities in spending these funds.

The exception to this is funding for special education and other restricted funds, where school boards are required to report their actual expenses to the Ministry. However, even in the case of restricted funds, the Ministry does not compare the funding allocated for these restricted amounts to expenses reported by school boards to determine the reasonableness of the funding provided.

We compared school boards' actual expenditures submitted to the Ministry to allocated funding for the 2015/16 school year for all restricted operating grants and found that, for many of these grants, there was a substantial difference between what boards were allocated and what they actually

spent. See **Figure 3** for percentages of boards that spent at least \$100,000 more or less than allocated for restricted funds. The more significant differences included:

- Almost 80% of school boards spent at least \$100,000 more than was allocated to them by the Ministry for special education, ranging from \$108,000 to \$81 million for those boards that overspent. Of those boards, nine overspent by at least \$5 million. Fourteen percent of school boards spent at least \$100,000 more than provided on special equipment for students with special education needs. Three of these boards overspent by more than \$500,000. The amount for special equipment is a restricted component within the Special Education Grant. Although boards can carry forward unspent amounts to future years, we noted that 59% of the boards that spent more than allocated in 2015/16 also spent more than allocated in the prior year.
- About three-quarters of school boards spent at least \$100,000 less than the Ministry allocated to them through the School Renewal Allocation, ranging from \$105,000 to \$13.9 million less than allocated. Two boards spent at least \$10 million less than what they

Figure 3: Percentage of Boards that Spent at Least \$100,000 More or Less than Amount Allocated for Restricted Funds, 2015/16

Source of data: Ministry of Education

Restricted Funding	Total Restricted Amount Allocated for 2015/16 (\$ million)	Boards that Spent More than Allocated Amount by \$100,000 or More			Boards that Spent Less than Allocated Amount by \$100,000 or More ¹		
		#	(%)	Range (\$)	#	(%)	Range (\$)
Special Education	2,642	57	79	108,000–81 million	3	4	146,000–873,500
Special Education Equipment	71	10	14	125,600–1.5 million	23	32	100,700–2.1 million
School Renewal	365	13	18	172,800–1.1 million	53	74	105,000–13.9 million
Programs for Students at Risk ²	141	13	18	125,900–614,000	5	7	113,700–1.1 million

1. School boards are required to spend the funding for the restricted purpose in future years.

2. Relates to a portion of funding restricted under the Learning Opportunities Grant for six specific programs to help students who are at greater risk of poor academic achievement.

were allocated. This allocation supports the costs of repairing school facilities. According to the Ministry, the reason a large number of school boards underspent this funding was because the Ministry allocated an additional \$40 million for school repairs and maintenance to school boards as the end of the school year approached. However, even without this additional funding at year end, school boards would still have spent \$43 million less than what they were allocated in this area. We would expect school boards to be spending all of this funding, as the latest assessment of the physical conditions of schools in the province identified \$15.2 billion in needed repairs by 2020.

- Eighteen percent of school boards spent at least \$100,000 more than they were allocated in the restricted portion of the Learning Opportunities Grant (LOG), while 7% spent at least \$100,000 less. However, when we surveyed school boards on their use of the entire amount of funding provided through the LOG, of which two-thirds is unrestricted, 71% of respondents told us that they spent at least 10% less than they were allocated for students at risk of poor academic achievement.

The Ministry does not follow up with school boards to determine why variances exist. Such significant discrepancies between the Ministry's assessment of the school boards' needs—as determined under the funding formula—and the school boards' actual expenditures are a further indicator of the need for a comprehensive review by the Ministry of its funding formula.

4.2.3 Ministry Not Validating Reported Expenses for Restricted Purposes

For some restricted grants, the Ministry requires the school boards to report considerably detailed financial information, yet it does not validate or audit these expenses to verify the accuracy of the amounts reported for the restricted purpose or that

they were used for the restricted purpose for which they were intended.

The Program Implementation Branch, for example, receives information on the funding allocated for the Specialist High Skills Major program—a restricted fund under the Learning Opportunities Grant—by requiring boards to report financial information to the Ministry three times a year. Boards must submit an initial report in November that outlines the proposed expenses, an interim report in February of the actual expenses incurred during the first semester, and a final report in July of the actual total expenses according to six specific categories, such as capital equipment, teacher training and partnership development.

Nevertheless, we confirmed with the Ministry division that oversees all financial reporting, as well as individual program areas, that it does not validate or audit these expenses to verify that they were used for the restricted purpose for which they were intended.

Some funding is based on claims submitted by school boards. Such is the case for funding to purchase special-education equipment, such as hearing and vision support equipment, personal care support equipment and sensory support equipment. Funding for special-education equipment (both claims based and formula based) amounted to \$104.4 million in 2016/17. We noted that the Ministry reviews the listing of claims submitted by school boards to determine whether the claims reflect allowable items, but it does not verify the existence and/or use of the equipment. According to Ministry guidelines for such claims, the Ministry may review documentation and conduct classroom, school or board visits to verify the existence and use of the equipment. We confirmed with Ministry staff that they had not conducted any of these verification procedures for at least the last five years.

Further, although school boards submit audited financial statements each year to the Ministry, the Ministry cannot obtain assurance that school boards used restricted funds for the required purposes. This is because these financial

statements are not prepared using fund accounting (that is, grouping expenses by distinct function or purpose), and do not include a more detailed breakdown of expense information in a note to the financial statements.

RECOMMENDATION 3

In order for the Ministry of Education to provide funding in proportion to a school board's need, we recommend it:

- determine to what extent school boards are spending funds for specific education priorities (such as supports for ESL students and Indigenous students) on those specific purposes, and where it finds significant discrepancies, follow up with school boards to understand the reason for the discrepancies and better align funding with actual needs; and
- design and conduct validation procedures to verify the use of restricted funds.

MINISTRY RESPONSE

The Ministry agrees some funds should be restricted for specific purposes, and agrees it should continue to review and assess whether these grants meet the needs of students. Students, schools and school boards across the province are not uniform. Each has unique circumstances, different geography, unique student compositions and needs and different local policies and priorities.

The Ministry will continue to assess and review the need for validation procedures to ensure the use of funds, reporting and procedures of school boards is reasonable.

4.2.4 High Administration Costs Required to Review a Small Portion of School Board Funding

The Ministry devotes twice as many resources to administer less than 1% of its total funding allo-

cated to school boards than it does to administer the remaining 99%.

Ministry funding for Education Programs—Other (EPO) grants is made through transfer payments; school boards receiving this funding are to abide by the requirements set out in the relevant transfer payment agreement. This generally includes providing the responsible Ministry branch with an expenditure report and reporting regarding the use of funds.

For operational funding, the Grants for Student Needs (GSN) is administered by one branch, whereas EPO funding is administered by 14 branches. The Ministry estimated that 8.9 full-time equivalent (FTE) staff are required to administer the GSN, whereas 17.9 FTE staff are required to administer EPO transfer payments. Therefore, about twice the amount of resources are used to administer EPO transfer payments than GSN funding, yet in 2015/16, EPO grants accounted for less than 1% of total Ministry funding allocated to school boards.

Further, the Ministry identified issues with administering EPO grants in its business plan for transforming the management of EPO grants. Specifically, the Ministry noted that the various branches or divisions that oversee individual transfer payment programs do not always co-ordinate with each other, resulting in different branches requesting the same or similar data from school boards when they are following up on incomplete information received. This wastes administrative time at the school boards and creates duplicated efforts at the Ministry.

In November 2015, the Ministry began a multi-year project to transform the financial administration, contract management, and reporting process for transfer payments through EPO grants. By 2019—within four years of the start of the project—the Ministry expects to establish a single process for administering all EPO grants, including integrating reports coming back to the Ministry's various branches from school boards, contract management and funding management.

4.2.5 Ministry Funding through Transfer-Payment Agreements Not Temporary as Intended

According to the Ministry, the reason it provides some funding to school boards through transfer payment agreements (EPO funding) is to allow for targeted investments and flexibility in implementing new or time-limited programs and initiatives, or initiatives announced mid-year. Funding in this way allows the Ministry to pilot a program or provide temporary funding for initiatives without the need to adjust legislation, since the GSN is established by legislation annually.

However, we noted many instances in which EPO grant programs had been funded through transfer payments over a long term. We found that, during the seven-year period from 2009/10 to 2015/16, which is as far back as the Ministry had available data, the same 18 EPO grant programs had been funded through transfer payments for the entire period. Total funding for these grants over the seven years amounted to \$483 million. Examples of EPO grant programs that have been in place for at least seven years include:

- Autism Supports and Training—all boards receive funding to support training on Applied Behaviour Analysis instructional methods, for teachers and other educators working with students with Autism Spectrum Disorder; and
- School Support Initiative—focuses on building principals' leadership capacity.

There is no clear reason why programs such as these should be funded through transfer payments year after year rather than being incorporated into the GSN, given that funding through transfer payments is significantly more expensive to administer than funding through the GSN.

RECOMMENDATION 4

To reduce the overall administrative burden on both the Ministry of Education (Ministry) and school boards, we recommend that the Ministry:

- regularly review grant programs funded under Education Program—Other (EPO), and where program funding is expected to continue beyond the short term, incorporate the funding into the Grants for Student Needs; and
- complete the project to transform the financial administration, contract management, and reporting process for funding considered necessary by way of transfer payments through EPO grants.

MINISTRY RESPONSE

The Ministry will continue to evaluate opportunities to streamline and strategically bundle additional EPO programs into the GSN.

The Ministry recognizes the value in continuing to improve the EPO transfer payment management process and increase program efficiency and effectiveness. The Ministry has undertaken, and will continue to evolve, various EPO improvement initiatives to enhance accountability while minimizing administrative burdens for school boards and the Ministry.

4.3 Ministry Does Not Know Whether Additional Funding for Some Students Is Achieving Intended Results

Although the Ministry allocated significantly more money per student to some school boards rather than others, it does not know whether this additional funding is achieving the intended results as described in **Figure 1** for each of the Grants for Student Needs.

In the 2015/16 school year, the provincial cost per student was \$12,500. This varied from a low of \$11,100 per student at a mainly urban school board primarily serving a densely populated area, to \$27,800 per student at a school board in Northern Ontario.

The Ministry has no way of knowing how and to what extent the higher funding it provides to serve the needs of students facing challenging learning conditions has benefited them. We do know that overall academic achievement in rural Northern Ontario is lower than elsewhere in the province, even though expenditures are highest there. Given this, we would expect the Ministry to analyze what impact those grants designed to level the playing field are actually having on student success, and to use that information to make the grants more effective.

4.3.1 Trend in Students' Performance Results is Positive, with Exception of Mathematics

In the five years ending 2015/16, the trend in performance results for student achievement has generally been positive, except in the areas of mathematics and Grade 3 writing, as shown in **Figure 4**.

We reviewed past math EQAO results to determine how long students have been performing below the provincial standard. We noted that students have been performing below the standard in Grades 3 and 6 math and Grade 9 applied math since at least 2008/09 (see **Figure 5**). However, the Ministry has not acted quickly enough to bring

Figure 4: Student Achievement Results for All Students for Five Years, 2011/12–2015/16

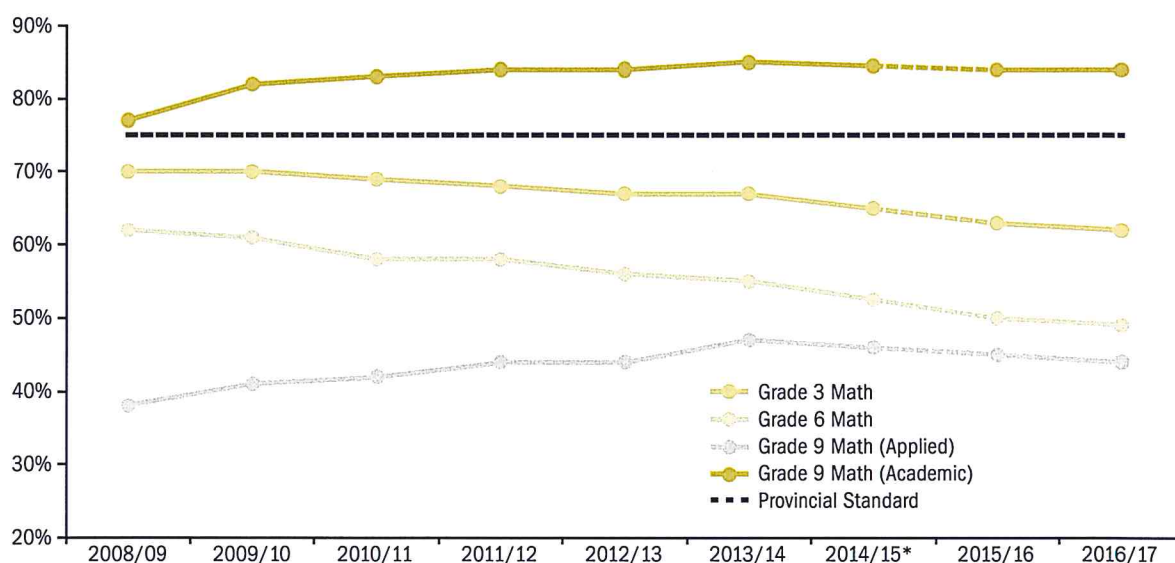
Source of data: Ministry of Education, and the Education Quality and Accountability Office (EQAO)

	Student Achievement Results (%)						Change over Five Years
Performance Indicator	Target	2011/12	2012/13	2013/14	2014/15 ¹	2015/16	
EQAO Results ²							
Grade 3 Reading	75	66	68	70	n/a	72	6
Grade 3 Writing	75	76	77	78	n/a	74	(2)
Grade 3 Math	75	68	67	67	n/a	63	(5)
Grade 6 Reading	75	75	77	79	n/a	81	6
Grade 6 Writing	75	74	76	78	n/a	80	6
Grade 6 Math	75	58	57	54	n/a	50	(8)
Grade 9 Academic Math	75	84	84	85	n/a	83	(1)
Grade 9 Applied Math	75	44	44	47	n/a	45	1
Ontario Secondary School Literacy Test ³	75	76	76	77	77	76	0
Graduation Rate ⁴							
4-Year	n/a	75	76	78	80	n/a	n/a
5-Year	85	n/a	83	84	86	86	n/a
Credit Accumulation ⁵							
Grade 10	n/a	76	78	78	79	79	3
Grade 11	n/a	78	80	81	81	82	4

1. Due to labour negotiations taking place during the 2014/15 school year, English public school boards did not participate in the EQAO testing; therefore, provincial data for 2014/2015 is unavailable.
2. EQAO results measure percentage of students to achieve a level 3 or 4—equivalent to a B grade or better.
3. OSSLT results for students to achieve provincial standard have been combined for first-time eligible and previously eligible writers.
4. Graduation rates are based on the rates of the four cohorts of students to begin Grade 9 from 2008/09 to 2011/12, graduating between 2011/12 and 2014/15 for the four-year rate and 2012/13 and 2015/16 for the five-year rate.
5. Percentage of students who successfully complete 16 or more credits by the end of Grade 10 and 23 or more credits by the end of Grade 11.

Figure 5: EQAO Math Results, 2008/09–2016/17

Source of data: Education Quality and Accountability Office (EQAO)



* No EQAO testing was performed in 2014/15.

about improvement in math results. In fact, the elementary level math results have gotten worse.

To address the performance results in math, the Ministry informed us that in November 2014, it endeavoured to understand the root cause of the issue by inviting over 100 people representing stakeholders, such as academics, curriculum leads, directors of education, school administrators and teachers, to submit hypotheses with supporting evidence of the causes contributing to the decline in math achievement. The Ministry informed us it received 44 submissions in response to the invitation.

The main root causes brought forward through the submissions included the need for educators to increase their knowledge of the mathematics curriculum, related pedagogy (effective teaching strategies), and effective assessment and evaluation practices.

This process led to the development of the Ministry's 2015 Mathematics Action Plan, which outlines strategies around seven key principles: a school board focus on mathematics; co-ordination

and strengthening of math leadership; building an understanding of effective math instruction; supporting collaborative professional learning in math; designing a responsive math learning environment; providing assessment and evaluation in math that supports student learning; and facilitating access to math learning resources.

Starting in September 2016, the Ministry announced \$60 million to help support students achieve better results in math. Key elements of the strategy include:

- 60 minutes each day dedicated to teaching math in Grades 1 to 8;
- up to three math lead teachers in all elementary schools;
- coaching for principals of select secondary schools to lead improvement;
- support for learning at home through parent resources;
- better access to online math resources and supports;
- math support for Grades 6 to 9 outside of the school day; and

- opportunities for educators to deepen their knowledge, including a dedicated math Professional Development Day.

Further to this issue, we noted that elementary schools have single-subject teachers for certain subjects, including French, physical education and music, but generally not mathematics. A teacher who is specialized in mathematics should be knowledgeable on the curriculum and on effective teaching strategies.

RECOMMENDATION 5

In order to improve students' performance in mathematics, we recommend that the Ministry of Education:

- assess the effectiveness of its 2016 math strategy and take corrective action where little or no improvement is noted; and
- assess the costs and educational benefits of having elementary school students taught mathematics by a teacher with math qualifications.

MINISTRY RESPONSE

The Ministry has contracted with external consultants to evaluate the design, implementation, process and impact of the Renewed Mathematics Strategy.

The Ministry is committed to continuing to assess the costs and educational benefits of having elementary students taught mathematics by a teacher with math qualifications.

In Ontario, educators have the opportunity to obtain Additional Qualifications (in mathematics and in other subjects). Since spring 2014, approximately 9,000 teachers and other school staff have received a subsidy from the Ministry for successfully completing a Math Additional Qualification, Math Additional Basic Qualification or pre-requisite undergraduate course. The Renewed Mathematics Strategy, which launched in fall 2016, provided newly designed subsidies that had also been provided

to principals and vice-principals for successfully completing a Math Additional Qualification course alongside teachers from their school as a team.

4.3.2 Ministry Does Not Analyze Expense Variations or Unit Costs between School Boards

The Ministry does not compare and analyze expenditures of school boards on a per-unit basis, such as per student or per school, as appropriate. Doing so would aid it in understanding where school boards are feeling financial pressures and areas where the funding, as calculated by the formula, does not meet the needs of school boards.

The Ministry does prepare a summary on each school board that includes information such as trends in student achievement results (e.g., EQAO results), class size, staffing, in-year surplus/deficit and accumulated surplus. In addition, the document summarizes the variance between the number of teachers the Ministry funds and the actual number of teachers the school board employs. It also summarizes historical spending trends in the areas of classroom teachers, supply teachers, textbooks and supplies. In some cases, information is compared with a provincial average, but the Ministry does not compare one board with another—even if boards share similar attributes, such as operating in the same geographic area (e.g., a public and a Catholic board serving the same district), or serving the same type of demographics (e.g., boards serving primarily rural areas). The Ministry informed us that these individual board summaries are prepared to provide a snapshot of the financial situation for each school board.

Ministry senior management stated that comparing the cost per student ignores factors that affect both how a board must structure its costs and the performance of students. This includes demographic and geographic circumstances, such as being in a more remote area or in a large urban centre, and the negotiated teacher salaries between individual boards and regions.

The Ministry also noted that regional circumstances and socio-economic factors affect student performance and the spending of individual school boards reflects this. For example, the EQAO measures the quality of the delivery of the curriculum, but spending is also necessary for student well-being and other much broader outcomes. However, the funding formula allocates grants that are intended to address these factors.

When we analyzed school boards' expenses for the 2015/16 school year, we noted that the total cost per student was 5% higher on average for Catholic boards compared with public boards, and 35% higher on average for French-language boards compared with English-language boards.

According to the Ministry, French-language school boards have higher costs because they typically cover a larger geographic area (that is, 12 French-language school boards cover the same geographic area as 60 English-language school boards) and have fewer schools in each board. This difference will increase in 2017/18, as the Ministry adjusted the funding formula to provide more funding to French-language boards through the school foundation grant.

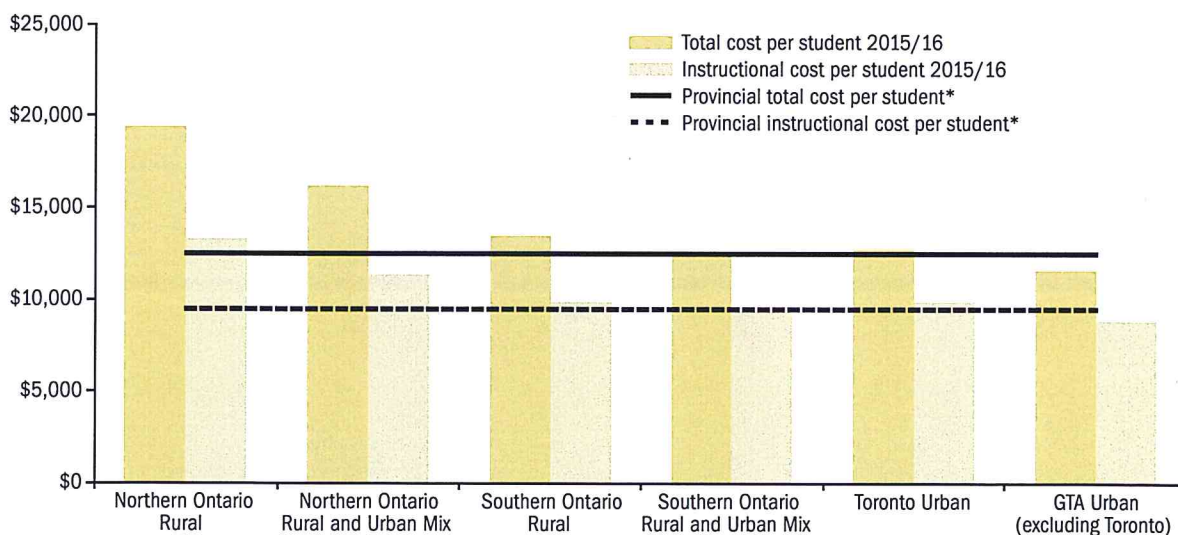
The variations in unit cost were more evident when compared regionally. For example, the five-year (2011/12 to 2015/16) average total expenses per student ranged from about \$11,400 in the Greater Toronto Area, excluding Toronto, to about \$19,500 in rural Northern Ontario. We also analyzed instructional costs separate from administrative and transportation costs—given that northern rural areas may have higher administrative and transportation costs—but found that similar regional variations existed. Refer to **Figure 6** for the 2015/16 average expenses per student by region.

We looked at the five-year average unit costs in the Ministry's five overarching expense categories—instruction, administration, transportation, pupil accommodation, and other—and noted that northern regions had the highest per-unit costs in all expense categories except accommodation, as illustrated in **Figure 7**.

However, when we analyzed the five-year average costs in the five expense categories of boards within each region, we noted significant variances in the per-pupil or per-school cost between boards even when in the same region of the province (see **Figure 8**).

Figure 6: Regional Average Cost per Student to School Boards, 2015/16

Source of data: Ministry of Education



* The difference between these two costs per student are the costs for accommodation, administration, transportation and other.

Figure 7: Five-Year Average Per-Unit Costs to School Boards by Region, 2011/12–2015/16

Source of data: Ministry of Education; calculated by Office of the Auditor General of Ontario

	Administration Costs per School (\$)	Accommodation Costs per School (\$)	Instruction Costs per Student (\$)	Transportation Costs per Student (\$)	Other Costs per Student (\$)	Total Costs per Student (\$)
Northern Ontario rural	143,095	479,729	12,899	983	756	18,638
Northern Ontario rural/ urban mix	123,428	534,555	11,049	1,003	480	15,688
Southern Ontario rural	101,910	492,654	9,669	935	442	13,285
Southern Ontario rural/ urban mix	120,412	660,186	9,136	527	393	12,142
Toronto urban	136,313	746,602	9,700	254	419	12,563
GTA urban excluding Toronto	157,576	997,018	8,610	312	292	11,270
Province-Wide	129,868	714,302	9,229	467	377	12,245

Although many of these cost drivers likely are associated with differences due to geography and negotiated collective bargaining agreements, completing this type of analysis by regional unit costs and following up with the boards on the variances would allow the Ministry to understand where the funding formula may need to accommodate for various financial pressures and where savings could be found.

Correlation between Instructional Spending and Student Performance

We compared average five-year spending for classroom instruction with average performance results for the same five-year period (2011/12 to 2015/16) by board, to determine whether there is a correlation between instructional spending and student performance. We considered the following indicators for student performance: Grades 3 and 6 EQAO assessments in reading, writing, and math; Grade 9 EQAO assessments in academic and applied math; combined results of first-time and previously eligible writers of the Ontario Secondary School Literacy Test (OSSLT); credit accumulation by end of Grade 10; and the four-year graduation rate (results only available for 2011/12 to 2014/15).

The provincial target set by the Ministry for EQAO is that 75% of students will achieve a level three or four (equivalent to a B grade or better). The Ministry has not set a target for the Grade 10 credit accumulation indicator or the four-year graduation rate. Therefore, to be consistent with the target for EQAO, we used 75% as a proxy. According to our analysis, we found that:

- French-language school boards (both public and Catholic) spent more per student on classroom instruction, and French-language students (in both public and Catholic boards) outperformed English-language students. The average instructional cost per student in a French-language board was about \$3,000 more than an English-language board. The Ministry told us that French-language boards have higher costs associated with French language instruction, such as the cost of translating textbooks. In terms of student performance, French boards on average achieved the provincial target in eight of the nine EQAO tests, whereas English-language boards on average achieved the provincial target in only six of the nine EQAO tests. As well, the four-year graduation rate in French-language boards was 89% in the public system and 82% in the Catholic system, compared

Figure 8: Five-Year Average Per-Unit Costs to School Boards within Regions, 2011/12–2015/16

Source of data: Ministry of Education; calculated by the Office of the Auditor General of Ontario

	# of Boards In Region	Administration Costs per School (\$)			Accommodation Costs per School (\$)			Instruction Costs per Student (\$)			Transportation Costs per Student (\$)			Other Costs per Student (\$)		
		Min	Max	Variance	Min	Max	Variance	Min	Max	Variance	Min	Max	Variance	Min	Max	Variance
Northern Ontario rural	7	89,900	311,800	247	368,000	680,200	85	11,800	17,000	44	740	1,100	49	350	1,052	200
Northern Ontario rural/urban mix	15	93,000	231,800	149	341,000	699,000	105	9,800	19,200	97	670	1,600	131	0	1,600	–
Southern Ontario rural	10	83,700	195,700	134	353,800	578,100	63	9,100	11,400	25	750	1,200	60	300	1,000	233
Southern Ontario rural/urban mix	30	86,100	156,600	82	449,200	876,300	95	8,500	11,100	31	0	1,200	–	260	1,500	477
Toronto urban	2	113,800	144,200	27	694,700	764,700	10	9,500	9,800	3	200	300	50	300	700	133
GTA urban excluding Toronto	8	131,000	175,000	34	724,000	1,052,900	45	8,400	9,000	7	220	1,300	491	0	470	–
Province-Wide	72	83,700	311,800	272	341,100	1,052,900	209	8,400	19,200	129	220	1,600	625	0	1,600	–

with 81% and 70% respectively in the English-language system.

- Boards in Northern Ontario also spent considerably more per student on instruction: \$12,800 compared with \$9,300 in the south. This is a factor of the number of students enrolled. However, performance results are much lower in the northern boards, which on average achieved the provincial target in three of the nine EQAO tests, whereas southern boards on average achieved the provincial target in six of the nine EQAO tests. As well, the four-year graduation rate was 73% for boards in Northern Ontario, compared with 79% for boards in southern Ontario.

RECOMMENDATION 6

To further understand cost drivers, we recommend that the Ministry of Education regularly analyze costs being spent by individual school boards with similar characteristics to identify areas where fiscal restraint or a review of their expenditures is needed.

MINISTRY RESPONSE

The Ministry will continue to analyze costs drivers and how they compare to funding. The Ministry works regularly with school boards to identify funding requirements for special purpose grants; however, cost structures vary between boards due to several factors that are unique to each school board. These factors affect the cost per student across the province such as, but not limited to, the following: demographic circumstances, geographic area of each school board, socio-economic factors, teaching experience, negotiated collective bargaining agreements and performance of students.

4.4 Sick Days for School Board Employees Up 29% over Last Five Years

In 2016, a study commissioned by 56 Ontario school boards found that over a five-year period the average number of sick days per school board employee increased 29% overall: from nine days in the 2011/12 school year to 11.6 days in the 2015/16 school year.

This study excludes absences related to Workplace Safety and Insurance Board and long-term disability benefits. According to the study, the average number of sick days has increased province-wide for each employee group, such as teachers, custodians, educational assistants and early childhood educators.

Aside from the financial costs associated with absenteeism, the report also identifies indirect costs, such as reduced productivity and decreased morale for both staff and students. For more information on this issue, refer to our audit on School Boards' Management of Financial and Human Resources in Chapter 3, Section 3.12.

RECOMMENDATION 7

To reduce the rise in the number of sick days by school board employees, we recommend that the Ministry of Education ensure that school boards develop and implement effective attendance support programs.

MINISTRY RESPONSE

The Ministry agrees that this is an important issue. While attendance support programs are a local bargaining matter for school boards, the Ministry of Education is committed to encouraging practices that support staff attendance and well-being.

4.5 Ministry Places Moratorium on School Closures

The Ministry has taken action in recent years to support school boards facing issues of declining enrolment—resulting in many schools operating at less than 50% capacity—coupled with the deteriorating conditions of many schools that need to be repaired or replaced. However, more action is necessary to help school boards wrestling with decisions about closing or consolidating schools, or finding alternative solutions.

4.5.1 Ministry Measures to Address Underutilized Schools

The 2013 provincial Budget announced that the Ministry would consult with education stakeholders on efficiencies and modernization measures beginning in the 2014/15 school year. According to the Ministry's summary of the consultations that took place with stakeholders, "participants agreed that there are a number of ways of addressing unused space. One is to consolidate schools, which can involve closures and, sometimes, the building of a new school for the consolidated enrolments. Another is to share unused space in a school with another school, service provider and/or partner."

Since the consultations, the Ministry has taken steps through the development of the School Board Efficiencies and Modernization Strategy. These include the following changes to operating funding that began in 2014/15 and are to be phased in over four years:

- eliminating base top-up funding for the School Renewal and School Operations Allocations. At the time the strategy began, schools with underutilized space could receive additional funding beyond what their actual utilization rate would warrant. This could be as much as 30% top-up for schools with a utilization rate of 65% or less. The Ministry has announced it will phase out this top-up funding over the four years 2014/15 to 2017/18, which suggests that schools will no longer

receive money to maintain unused space. This in turn will require school boards to decide which schools to close or consolidate; and

- providing additional funding for staffing where boards make the most use of space by combining elementary and secondary schools in the same building. Previously, a school that housed both an elementary and a secondary school was treated as a secondary school for funding purposes. Under the new approach, these schools are provided funding for elementary and secondary teachers separately, based on a school's corresponding elementary and secondary enrolment. This should result in more overall funding.

Beginning in 2014, capital initiatives and funding were also increased, including a four-year, \$750-million School Consolidation Capital program to encourage boards to manage their school space more efficiently. At the time of our audit, 60 schools have been closed and 130 consolidated across 43 school boards. In addition, 69 schools from school boards within the same geographic boundaries shared facilities; in one case, schools from three boards share a facility. In the cases where facilities were shared, about half involved French-language schools sharing space with English-language schools, and half involved Catholic and public schools sharing premises.

Ministry Reviewing Process of School Closures

In June 2017, however, the Ministry of Education announced plans to overhaul the process school boards use when considering school closures. While it completes the assessment, school boards will not be allowed to initiate any new reviews. The process of closing or consolidating schools is permitted to continue for schools for which the process was under way at the time the Ministry made this announcement.

The Ministry's reasoning for initiating an assessment of its school closure process was to address issues brought forward during the engagement sessions held in 10 rural and northern communities

Figure 9: Percentage of Schools with Utilization Rates at 50% or Less by School Board Type, as of December 2016

Source of data: Ministry of Education

School Board Type	Elementary		Secondary		Total	
	#	(%)	#	(%)	#	(%)
English Public Boards	192	33	146	25	338	58
English Catholic Boards	100	17	11	2	111	19
French Public Boards	22	4	30	5	52	9
French Catholic Boards	50	9	32	5	82	14
	364	63	219	37	583	100

in spring 2017, along with an online survey conducted to inform the Province's Plan to Strengthen Rural and Northern Education. Representatives at the sessions included parents, students, community members, municipal governments and school boards.

Issues the Ministry is planning to address include making the process more inclusive of community and student perspectives, and establishing principles and goals for student achievement and well-being to use when deciding on school closures and consolidations, rather than just cost savings.

The Ministry has stated that its plan is to consider revisions to its Pupil Accommodation Review Guideline, such as to provide longer minimum timelines and more recommended pupil accommodation options; clarify roles for school board trustees and municipal governments; and support an increased student voice. The Ministry also plans to develop new resources for school boards to standardize and validate data, and develop templates for stakeholders to engage school boards.

The Ministry's assessment of the physical condition of schools in the province, conducted between 2011 and 2015, found that \$15.2 billion in repairs are needed by 2020. Based on the Ministry's estimated replacement value, 19 school facilities would cost more to repair than replace. In addition, more than half a billion in repair needs over the next five years are required in school boards with less than 50% utilization. This adds to the need to make proper decisions regarding school closures and consolidations.

4.5.2 Schools across Province Are Operating at Less than 50% Capacity

Despite these ongoing measures and initiatives, many schools in the province are still underutilized.

As of December 2016, 38% of schools in Ontario—1,852 schools—had utilization rates of 75% or less; 13%, or 583, of these schools were operating at a utilization rate of 50% or less.

We analyzed the utilization data and found that most schools operating at 50% capacity or less were English-language schools within the public school sector; 63% were elementary schools, while 37% were secondary schools (see **Figure 9**).

Every region of the province had underutilized schools, with the Greater Toronto Area having the highest percentage of underutilized schools: 29%. See **Figure 10** for a regional comparison of those with a utilization rate under 50%.

RECOMMENDATION 8

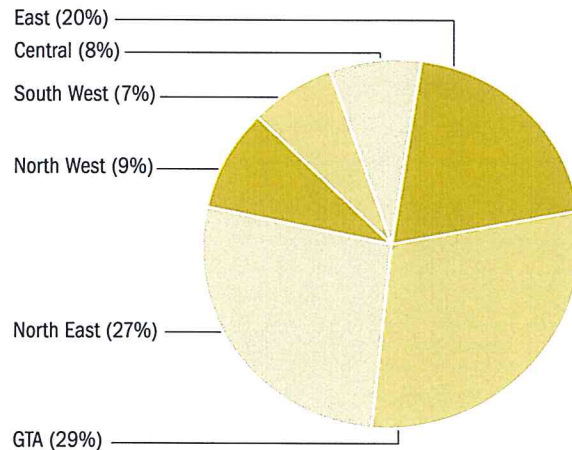
To work toward achieving the appropriate level of physical infrastructure required to meet current and future needs, we recommend that the Ministry of Education complete its review of the process school boards use when considering school closures and work with school boards to address the issues uncovered in the review.

MINISTRY RESPONSE

In June this year, Ontario launched its Plan to Strengthen Rural and Northern Education. The plan comprises process improvements

Figure 10: Regional Distribution of Schools with Utilization Rates at 50% or Less

Source of data: Ministry of Education



and funding enhancements designed to better support quality rural education, sustainable use of school space in rural communities, and decision-making around school closures.

While the spring engagement and the plan focused on Rural and Northern communities, the Ministry heard that the pupil accommodation review process requires an overhaul for all school boards across the province. The Ministry therefore began the process of revising its Pupil Accommodation Review Guideline (PARG) to promote inclusion of community impact alongside the focus on student achievement and well-being. The Ministry will also be revising the Community Planning and Partnerships Guideline (CPPG) to encourage joint responsibility for integrated community planning, with a focus on communication between school boards, municipal governments and community partners about boards' capital plans. The Ministry is currently seeking feedback on our proposed revisions to the PARG and CPPG online until December 6, 2017. In addition, we will be engaging with school board, municipal and other stakeholders at in-person meetings throughout the fall and will work with school boards to implement changes after engagements are completed in late winter 2018.

4.6 Enrolment Audits Insufficient to Show that Reported Enrolment Numbers Are Accurate

4.6.1 Ministry Audits Few School Boards' and Schools' Enrolment Numbers

Each year, the Ministry selects to audit a sample of school boards and schools from each of the selected boards. The number of schools audited depends on the number of schools within the board. The Ministry's goal is to have all 72 boards audited within an eight-year period.

The Ministry informed us that it used a risk-based approach to select school boards for enrolment audits. However, it only began formally documenting how school boards ranked against the risk factors considered beginning in 2016/17.

Risk factors considered include: the number of enrolment adjustments in previous audits; the school board's proximity to a provincial border; the size of the school board; the number of years since the board underwent an enrolment audit; and the school board's financial circumstances.

Over the six-year period from 2011 to 2016, only 260 or 6% of schools have been audited for enrolment purposes; that is, about 3% of all elementary schools in the province and 18% of all secondary schools. **Figure 11** provides a breakdown of the audits conducted over this period. However, the Ministry does not know when each school last underwent an audit as it does not maintain a list of which schools were audited and when.

At the time of our audit, the Ministry had ten full-time staff involved with enrolment audits. These staff also performed other duties.

The Ministry told us it stopped performing enrolment audits on elementary schools in fall 2015 to focus on secondary schools, which it considers to be of higher risk of inaccurate enrolment information. This higher risk of inaccuracy is due to the mobility and attendance of secondary students and alternative programs offered at the secondary level. Given the Ministry's available resources, this approach may be reasonable. However, the

Figure 11: Enrolment Audits Conducted from 2011 to 2016

Source of data: Ministry of Education

Year Audited	# of School Boards Audited	# of Elementary Schools Audited	# of Secondary Schools Audited
2011	8	23	28
2012	9	13	24
2013	18	34	26
2014	14	27	33
2015	12	4	26
2016	9	0	22
Total audited *	65	100	158
Provincial Total	72	3,712	878
% Audited	90	3	18

* Unique count as five school boards and two schools were audited twice in the six-year period.

number of audits in secondary schools actually decreased since the Ministry stopped auditing elementary schools.

Enrolment audits are conducted not only by Ministry staff, but also by school boards' internal and external auditors. However, the results of the school boards' own audits are not shared with the Ministry. Specifically:

- School boards' regional internal audit teams may also conduct enrolment audits if requested by the school boards' audit committees. These audit findings are only reported internally to school board management and the audit committee and are not shared with the Ministry. As a result, these audits do not provide any assurance to the Ministry. According to the school boards that responded to our survey, 63% have internal audit staff audit enrolment data.
- External auditors of school boards who audit the boards' financial statements also perform some procedures to gain assurance of the accuracy of student enrolment numbers recorded and reported to the Ministry. According to the school boards that responded to our survey, 61% have their external auditors

conduct some verification procedures on their enrolment data. However, no separate audit opinion or report is prepared. Although the procedures do aid school boards in gaining assurance that they are recording and reporting enrolment data correctly, the procedures are not as extensive as those conducted by the Ministry.

4.6.2 Ministry Does Not Audit Enrolment of All Student Groups Used in Calculating Funding

The Ministry does not audit the enrolment of some student groups, such as those receiving special-education programs, even though such enrolment is used to calculate the amount of funding a school board receives under special purpose grants.

Enrolment audits conducted by the Ministry cover regular day-school students and ESL students. However, it does not audit enrolment in special education, Indigenous and French-language programs.

Enrolment of students receiving special-education programs and services was used to calculate 2% (or \$61.5 million) of the Special Education Grant in 2016/17. Enrolment of students in Indigenous language or Indigenous studies programs was used to directly calculate 52% (or \$32.1 million) of the Indigenous Education Grant in 2016/17. And enrolment of students in French-language programs was used to calculate 36% (or \$259.1 million) of the 2016/17 language grant.

4.6.3 Significant Funding Adjustments Resulting from Enrolment Audits

We reviewed a sample of enrolment audit files completed during the three school years 2013/14 to 2015/16, and found that they noted weaknesses in schools' internal control systems over the enrolment recording process, across many school boards. We found the following common errors made by the schools audited in our sample:

- 14% incorrectly reported students enrolled in programs that provide courses through independent learning on the regular day-school register instead of on the independent-study day-school register;
- 49% did not have appropriate documentation available to support having on the enrolment register students who were absent for more than 15 consecutive days;
- 59% did not remove students from the enrolment register after the last day they attended classes due to changing schools or leaving the school system altogether; and
- 37% did not have appropriate documentation to support students who were not removed from the enrolment register, even though they were absent for 15 or more consecutively scheduled classes. This is the maximum number of consecutive classes a student is permitted to miss without providing medical documentation.

The Ministry tracks errors in the number of full-time equivalent students resulting from enrolment audits, but prior to fall 2016 it did not track the financial impacts of those errors. Upon our request, the Ministry calculated the financial impact of audit adjustments for the enrolment audits we reviewed. Based on 22 school board audits on 71 schools (1.5% of schools in the province) conducted from 2013/14 to 2015/16, we noted that the Ministry had reduced operating grants to school boards by \$4.6 million in total. Six of these boards each had their operating grants reduced by at least \$400,000.

However, the Ministry informed us that, as a matter of practice, it does not verify or follow up on whether school boards have implemented recommendations resulting from its enrolment audits.

RECOMMENDATION 9

To increase assurance of the reliability of enrolment data used in calculating Grants for Student Needs funding to school boards, we recommend that the Ministry of Education:

- set specified audit procedures for enrolment audits that include auditing enrolment numbers of student groups used in calculating funding, such as Indigenous students and students receiving special-education programs or services; and
- assess the costs and benefits of requiring school boards to have these audits performed annually by their external auditors.

MINISTRY RESPONSE

The Ministry agrees that it should review its current audit cycle in order to try to reduce the number of years between review periods; however, this review will need to also take into consideration additional administrative costs of this approach.

The Ministry will do the following:

- review the scope of its compliance audits to assess the financial impact of all allocations that are student driven. This review will be guided by the existing Ministry risk-based approach to drive the audit selection process for all future compliance type audits; and
- assess the costs and benefits of requiring school boards to have enrolment audits performed annually by their external auditors.

RECOMMENDATION 10

To address errors found during enrolment audits and to mitigate the risk of future errors, we recommend that the Ministry of Education follow up with school boards to ensure that recommendations resulting from enrolment audits have been implemented.

MINISTRY RESPONSE

The Ministry agrees to introduce a follow-up process with school boards regarding the implementation of enrolment and teacher qualifications and experience audit recommendations.

4.7 Ministry Often Does Not Follow Up When Deficiencies Found

4.7.1 Ministry Conducted Reviews of School Board Operations but Does Not Know If Recommendations Implemented

Between September 2008 and June 2011, the Ministry commissioned operational reviews of all 72 school boards. The purpose of the operational reviews was to assess the extent to which school boards have implemented leading practices in four functional areas set out in the Operational Review Guide for Ontario District School Boards: governance and school board administration; human resource management and school staffing/allocation; financial management; and school operations and facilities management. School boards were reviewed on 145 leading practices. At the end of the review, each board received an individualized report that included an assessment of its performance related to these leading practices.

Figure 12 summarizes the level of adoption of the 145 leading practices within each of the four functional areas by all school boards combined that the reviewers felt were in place at the time of the review.

Consultants also conducted a follow-up review 12 to 18 months after the school boards received their reports. These took place between 2009 and 2012, depending on when the original board review took place. The review teams followed up with each board only on selected recommendations to deter-

mine whether further progress had been made in adopting leading practices. No additional follow-up on progress has occurred since.

RECOMMENDATION 11

In order to ensure that leading practices identified during the operational reviews of school boards have been adopted, we recommend that the Ministry follow up with school boards to identify the implementation status of key recommendations outlined in their operational reviews, and work with school boards to put best practices in place, where it has not been done.

MINISTRY RESPONSE

The Ministry will continue to engage with school boards to encourage adoption of best practices. All Operational Review Reports, leading practices guides and sector summary reports are posted and available on the School Business Support Branch's website. In addition, the Ministry, in collaboration with school boards and using the Council of Senior Business Officials Effectiveness and Efficiency Advisory Committee, has developed a library of resources to assist school boards in adopting many of the best practices identified in the Operational Reviews. These resources are also available on the School Business Support Branch's website.

Figure 12: Percentage of School Boards Adopting Leading Practices in Four Categories

Source of data: Ministry of Education

Category	# of Leading Practices Reviewed	Adopted Status (%)				Total
		Fully	Significantly	Partially	Not	
Financial Management	47	1	79	19	1	100
Governance and School Board Administration	15	0	64	29	7	100
Human Resources Management and School Staffing/Allocation	33	2	81	17	0	100
Operations and Facilities Management	50	3	56	33	8	100

4.7.2 Ministry Not Following Up with School Boards that Do Not Report in Accordance with Transfer Payment Agreements

We found that school boards' reporting as required under transfer payment agreements was often incomplete. In many instances, the missing information undermined the Ministry's ability to know if the allocation was spent as intended.

We selected 10 Education Program—Other (EPO) grants provided to school boards for the 2015/16 year and tested three transfer-payment agreements for each selected grant, for a total sample of 30 contracts. The grants were administered by five different Ministry branches, and represented almost half of total EPO funding provided to school boards in that school year.

In 30% of files reviewed, we found that the required reporting was incomplete. Although these school boards had submitted portions of what was required, they did not provide all required information. For example, a report submitted by one board, which received \$817,000 in funding for the Outdoor Education Program, did not report the number of students who participated in the program. Hence, the Ministry did not know the extent to which this program was serving students.

In another case, all three boards we tested for compliance with transfer payments for the Library Staff program had failed to report in their annual reports, as required, the number of staff hired. These three boards received a combined \$380,000 in funding for this program.

We asked the Ministry if it had followed up with the relevant school boards to receive the missing required information. It stated it had not done so.

Further, in all cases where the school board failed to provide the full required reporting, the boards received funding in the following year for the same program.

RECOMMENDATION 12

Where the Ministry of Education determines that the best form of funding a program is through transfer payments, we recommend that the Ministry develop procedures to ensure the required reporting is fulfilled, and that if reporting requirements are not met, that additional funding not be provided the following year.

MINISTRY RESPONSE

The Ministry agrees with the recommendation. As part of our modernization strategy for school board transfer payments, we will refine processes to ensure that transfer payments meet the requirements set out in the Transfer Payment Accountability Directive and Cash Management Directive. The Ministry's controllership and internal audit function will continue to provide advice and knowledge transfer to the Ministry via key forums and targeted compliance review and support.

4.8 Concerns with Class Size Requirements

The Ministry has identified smaller class sizes as a key factor in student success. Class size restrictions for all grades that were in place at the time of our audit are outlined in O. Reg. 132/12 to the *Education Act, 1990* (Act) (see **Figure 13**). These class size restrictions determine the number of teachers needed by a school board.

On June 30, 2017, the regulation was updated to include a cap on the maximum class size for students in full-day kindergarten. In the 2017/18 school year, the board average for kindergarten class size remains at 26 students, but classes will be capped at 30 students, this drops to 29 students beginning in 2018/19 with the exception that 10% of a board's classes will be permitted to have up to 32 students. In addition, the cap on the average class size per board for Grades 4 to 8 was set at 24.5 or fewer by the 2021/22 school year.

Figure 13: Class Size Restrictions per GradeSource of data: *Education Act, 1990*, O. Reg. 132/12, effective until June 29, 2017

Grade	Class Size Restrictions
Full Day Kindergarten (Junior and Senior Kindergarten)	<ul style="list-style-type: none"> Average class size per school board not to exceed 26.
Primary classes (Grade 1–3)	<ul style="list-style-type: none"> Maximum class size of 23 students. At least 90% of classes in a school board should have 20 or fewer students.
Grade 4–8	<ul style="list-style-type: none"> Regulation outlines average class size for 36 school boards ranging from 18.5 to 26.4. Remaining 36 school boards are restricted to an average class size of 24.5 students per class.
Mixed classes (Primary and Grade 4–8)	<ul style="list-style-type: none"> Maximum class size of 23 students.
Secondary school	<ul style="list-style-type: none"> Average class size per school board not to exceed 22 students per class.

4.8.1 Class Size Requirements Not Enforced Throughout the School Year

The regulation that restricts class sizes for all grades requires school boards to report compliance on pre-determined dates. For elementary schools, boards can select any day in September to calculate their class sizes. For secondary schools, boards submit data on the number of classes and students per secondary school twice, once as of October 31 and then as of March 31.

The reported data is used by the Ministry to calculate secondary class size averages for each board. The four boards visited as part of the audit of school boards (see **Chapter 3, Section 3.12**) interpreted the requirement to mean that they had fulfilled the regulation as long as they met the class size restrictions on the reporting date. School boards indicated that maintaining the class sizes throughout the year would be difficult because enrolment numbers fluctuate, and the board might not have the money to add extra classes.

The boards said that the risk that class sizes will get too large is mitigated by the fact that teachers or their unions could contact the board if the class sizes do not comply with the class sizes negotiated with the local union. However, the negotiated class size caps may be different from the Ministry's. Although negotiated class sizes are generally less

stringent than those imposed by the Province, boards are aware that the unions enforce those restrictions throughout the school year.

RECOMMENDATION 13

To monitor whether class sizes are maintained throughout the year, and not just on the reporting dates, we recommend that the Ministry of Education:

- inform school boards that class size restrictions should be in effect throughout the school year, and not just on the reporting dates; and
- verify class sizes at select schools at various times throughout the year.

MINISTRY RESPONSE

The Ministry agrees to explore a process to verify class sizes at select schools throughout the year using a risk-based approach.

The Ministry expects school boards to make best efforts to maintain class size limits throughout the year while keeping the best interest of students in mind. However, stability is critical to student success. Should a few students move into or out of a particular neighbourhood later in the school year, changes that boards make to remain compliant could result in significant

disruption, as students are required to establish new relationships with teachers and classmates. It could also require that students change schools mid-year in situations where limited space is available.

The Ministry is committed to using the current September count date to determine school board compliance with class size requirements. This reporting date helps boards make staffing and class organization decisions based on actual enrolment in the first few weeks of school and to minimize further disruption to students.

4.8.2 No Maximum Cap on Classes in Grades 4 to 12

As of the 2017/18 school year, only classes for full-day kindergarten and Grades 1 to 3 have a maximum class size restriction. For all other grades (Grades 4 to 8, and secondary school), school boards are restricted to an average class size. This means that not all students will be benefitting from smaller class sizes.

At the time of our audit, there was a cap on the average class size for Grades 4 to 8 per board. For half of the school boards, the average class size per board was capped at 24.5 students. And for the other half, the cap on the average class size ranged from 18.5 to 26.4 students (22 boards were above 24.5 and 14 boards were below). When the Ministry introduced the average Grades 4 to 8 class size restrictions in June 2012, it set the caps to match individual board's average class size at that time. A similar cap on the average class size among boards would promote equity across the system.

In April 2017, the Ministry announced that average class size restrictions for all 22 boards that were previously above 24.5, will be reduced to 24.5 by the 2021/22 school year, and the regulation was updated to reflect the change as of June 30, 2017.

However, there is no maximum class size for these grades. All other elementary school grades have a regulated class size maximum that ensures all Ontario students benefit from smaller class sizes.

RECOMMENDATION 14

In order for all students in the province to benefit from smaller class sizes, we recommend that the Ministry of Education assess the costs and benefits of implementing maximum class size restriction caps for Grades 4 to 12, similar to ones in place for kindergarten and Grades 1 to 3, to complement the restrictions on average class size.

MINISTRY RESPONSE

The Ministry agrees to continue to regularly review its policies on class sizes, in collaboration with school boards and education partners, to ensure the best outcomes for students. Changes to class size averages or limits can represent substantial financial impacts requiring extensive review.

4.9 Ministry Generally Ensuring School Boards Are Complying with Regulations

The *Education Act, 1990* has 81 regulations associated with it. We reviewed key regulations and followed up on those where the Ministry was required by the regulation to collect, review and approve information, or where we thought it would be prudent for the Ministry to provide oversight due to the potential impact on funding or student well-being. We examined Ministry processes for select regulations to determine the extent of assurance the Ministry obtains to ensure school boards are compliant.

We noted cases where the Ministry's oversight was effective in providing confidence that school boards were compliant with the requirements of the regulation. For example:

- *Budgeted deficits:* School boards can budget for an in-year deficit limited to the lesser of the school board's accumulated surplus from the preceding year or 1% of the current year's funding allocation. For deficits in excess of

this amount, school boards are required to get approval from the Minister of Education. For the period 2014/15 to 2016/17, 17 school boards budgeted for a deficit in excess of the stated limit in at least one of those years, and in all cases the proper ministerial approval was received.

- *School boards on financial recovery plans:* We reviewed the financial status for the 2016/17 school year of all eight school boards that have been on a multi-year financial recovery plan for at least one year to determine whether their financial health has improved. Based on the most recent budget information, in six of the eight cases the financial position reported by school boards has improved.
- *Special-Education Plans:* School boards are required to submit a special-education plan indicating the special-education programs and services that will be offered and how they will be delivered. The regulation also requires that the plan be reviewed and approved by the Minister. To accomplish this, the Ministry sets the standards for special-education plans and collects and analyzes the plans. For a sample of special education plans we reviewed, we noted that they had been submitted and approved by the Ministry as required.
- *School Board Audit Committees:* School boards are required to have functioning audit committees with a specified member composition. The Ministry ensures compliance through the annual submission by school board audit committees of their annual audit committee report, which lists the audits completed during the past year and those planned for the coming year. We reviewed submissions to the Ministry from all 72 school boards for each of the last five years ending 2015/16 and noted the requirements had been met in all cases.

4.9.1 Legislated Spending Caps on Governance and Administration Expenses Increased When Compliance Not Achieved

School boards are required to report governance and administration expenses in the Ministry's education finance information system, which the Ministry uses to determine whether school boards are compliant with the legislated spending cap on board governance and administration.

Based on information submitted by school boards for the 2015/16 school year, we found 13 school boards were not in compliance with the cap, meaning the boards spent in excess of the allowable limit. Seven were French-language boards and six were English-language boards. For those boards that spent in excess of the limit, the median amount overspent was \$250,300. The Conseil des écoles publiques de l'Est de l'Ontario, whose cap was \$5.9 million, overspent by \$927,000.

We also noted that of the 13 boards that were not compliant in 2015/16, 11 were also non-compliant in the prior year.

The Ministry did not penalize any of these boards for being non-compliant. Rather, for the 2017/18 school year, it increased the spending cap on board governance and administration for most school boards. The overall increase since 2015/16 was 8%, with the highest increases provided to all 12 French-language boards—their limit increases ranged from 32% to 73%. We noted that if the 2017/18 caps were applied to actual spending in 2015/16, only one board would have exceeded its limit instead of the 13 previously noted. The Ministry informed us that the adjustment to the administration and governance limit was higher for the French-language school boards in order to acknowledge the additional costs of operating in a minority language.

4.10 No Assurance Municipalities Remitting Correct Amount of Education Property Tax to School Boards

The Ministry of Education (Ministry) determines the total amount of funding each school board is entitled to receive in the year under the Grants for Student Needs (GSN). A portion of the GSN funding is remitted to school boards by municipalities through the Education Property Tax. The entire amount of funding is provided to them by the Ministry, as it is responsible for providing all remaining funding not provided through the Education Property Tax. The boards therefore have little incentive for ensuring the complete and accurate amount of Education Property Taxes is received.

The Ministry currently has no way of verifying that the amount of Education Property Taxes remitted by municipalities to the school boards is accurate. School boards submit audited financial statements to the Ministry; however, the statements are not detailed enough for the Ministry to confirm whether the education property tax revenues recorded by the boards are accurate. As part of the Ministry's validation of information submitted by school boards, finance officers perform a year-over-year variance analysis to assess the reasonableness of the amounts reported by school boards, but are unable to actually verify the amounts.

Education property tax rates are set centrally by the Ministry of Finance. However, as noted by the Ministry of Education, the collection and distribution process is cumbersome with over 400 municipalities remitting to the four school board types, four times per year, which adds up to 7,000-plus transactions per year.

In 2013, the Ministry of Education assessed other options for collecting and distributing the education portion of property tax. It noted that in British Columbia, the education portion of property tax is remitted by municipalities to the provincial government for distribution to school boards.

However, the Ministry of Finance told us there were concerns that any changes could result in less transparency and greater confusion about Educa-

tion Property Tax, as taxpayers could perceive that these taxes no longer support the education system.

RECOMMENDATION 15

To simplify the administrative process of remitting Education Property Tax funding to school boards and to ensure that all Education Property Taxes collected from taxpayers are being remitted, we recommend that the Ministry of Finance:

- assess whether there is benefit to collecting Education Property Taxes centrally on behalf of the Ministry of Education to distribute through the Grants for Student Needs; and
- develop procedures to verify the accuracy and completeness of Education Property Tax received.

MINISTRY OF FINANCE RESPONSE

The Ministry of Finance agrees that it is critical to ensure that all Education Property Taxes are being appropriately remitted.

The Auditor General's recommendation related to verifying the accuracy of Education Property Tax payments is consistent with efforts already underway by the Ministry of Finance to enhance the tracking and analysis of Education Property Tax transfers. The Ministry of Finance is committed to expanding its capacity to accurately track and verify the remittance of Education Property Taxes from municipalities to school boards, as well as between individual taxpayers and municipalities.

In response to the Auditor General's recommendation related to the collection of Education Property Taxes centrally, the Ministry of Finance will assess whether it would be beneficial to collect these revenues centrally.

When assessing options and developing additional procedures for tracking Education Property Tax revenues, the Ministry of Finance recognizes that it will be important to ensure that approaches are efficient and minimize any additional administrative burden for the Province as well as school boards and municipalities.

Appendix 1: Additional Information on School Board Funding and Oversight

Source of data: Ministry of Education

Allocation and Use of Grants For Student Needs

The amount of Grants for Student Needs (GSN) funding to be allocated to each school board is based to a large extent on overall student enrolment. But funding also takes into account many different factors, such as schools that are small, isolated, or have large numbers of students requiring special education programs or services, or who are without English or French as a first language.

Funding provided through the foundation grants can be used at the board's discretion for any purpose. A little over one-third of the funding provided through the special purpose grants is "restricted" in that it must be used for that special purpose. In some cases, funding must be spent on the specific purpose of the specific grant component; for example, funding for special equipment for students receiving special-education services or programs must be spent on such equipment. In other cases, funding for certain grant components can be spent for other purposes, as long as they are within the overall grant category. But in nearly two-thirds of cases, funding for specific components can be used for any purpose—it is not restricted to uses related to the grant category under which it is allocated. **Appendix 2** outlines whether special purpose funding for each grant component is restricted to the component, to its overall grant category, or is entirely unrestricted.

Funding Source for the Grants for Student Needs

The amount of GSN funding calculated by the Ministry of Education (Ministry) for each school board represents the maximum amount the school board is entitled to from both the Province and the school board's municipality or municipalities.

The Ministry of Finance sets education property tax rates for the entire province. Municipalities collect the Education Property Tax and distribute it to school boards in their jurisdiction. No municipality generates enough Education Property Tax to cover the entire GSN allocation to the school boards operating in their areas. In 2016/17, the range was as low as 5% for a school board with a low tax base (such as the Conseil scolaire de district catholique des Aurores boréales) to as high as 54% for a school board with a large tax base (such as the Toronto District School Board). The Province provides funding for the difference between the Education Property Tax collected and the total allocation as determined by the GSN funding formula.

Every December, municipalities provide school boards with a statement that indicates the amount of Education Property Tax remitted to the school board in the prior calendar year and a forecast for the next calendar year. Municipalities generally remit the Education Property Tax to school boards on a quarterly basis. School boards report to the Ministry the amount of the Education Property Tax expected to be received from municipalities through budget estimates at the beginning of the school year. Any adjustment resulting from a year-end reconciliation is applied to the Ministry's payments in the following school year.

Ministry's Processes for Updating the Funding Formula

Each fall, the Ministry holds annual consultations on education funding for the following school year with school boards and other stakeholders, such as school board trustee associations, teacher unions, and parent and student groups. The annual consultations provide an opportunity for school boards and stakeholders to advise the Ministry on their

concerns about education funding and provide suggestions on how to improve the funding mechanism.

Because Grants for Student Needs (GSN)—the main source of operational funding for school boards—is so large and diverse, the Ministry normally focuses on specific areas or themes of education funding each year. For example, the 2016/17 consultations focused on ways to improve specific grants intended to help close the achievement gap for specific groups of students. These included the Special Education Grant; the First Nations, Metis and Inuit Education Supplement; the Language Grant; the Learning Opportunities Grant; and the Safe and Accepting Schools Supplement. In 2017/18, the Ministry is seeking input on areas such as the renewed math strategy, digital education, Indigenous education, and compliance with the School Board Administration and Governance spending limit.

The Ministry summarizes consultation discussions in an annual document. Based on the information from the in-person discussions and any written submissions received from school boards and stakeholders, the Ministry may decide to make changes to education funding.

Ministry Oversight Practices

Budgeting and Reporting Cycle for the 2017/18 School Year

The school year runs from September 1 to August 31. In March, the Ministry releases the regulatory changes to the funding allocation to school boards for the next school year. Each school board then submits a budget estimate to the Ministry by June 30. Based on the estimates, the Ministry begins to remit funding to school boards on a monthly basis beginning in September. School boards submit revised budget estimates by December 15, and final actual expenses by November 15, following the end of the school boards' fiscal year of August 31.

The Ministry conducts a review of these estimates and actual expenses when submitted to

evaluate the accuracy, completeness, and reasonableness of the information provided. For example, staff review certain expense schedules submitted by boards, such as for school operations and maintenance and for salaries and benefits, to ensure boards have completed them. Additionally, staff compare prior years' closing balances to the current year opening balances to ensure boards have accurately inputted the data.

Staff also review year-over-year variances, such as for tax revenue and enrolment figures reported, to assess the reasonableness of the data submitted. The Ministry also assesses whether each school board is complying with the limit set on how much of an in-year deficit it can run and whether school boards are in compliance with the cap set on board administrative spending. The cap requires boards to spend on administration only what they are allocated under the School Board Administration and Governance Grant under the GSN, plus a portion of other GSN grants that support expenditures for board administration.

School boards submit all financial information to the Ministry electronically through its financial IT system. The financial IT system has built-in validation checks that are used to detect potential errors or variances in the numbers that the boards input into the system to create the financial reports. School board officials are not able to submit a report until all errors have been corrected in the system and explanations provided in response to warning messages that result from the validation checks. The Ministry's checking procedures include reviewing warning message explanations and verifying that the board's Director of Education has signed off on the submission.

After the school year ends, school boards submit audited financial statements to the Ministry by November 15. Upon receipt of these statements, the Ministry verifies that certain balances reported in the audited financial statements, such as total assets, total liabilities, total revenue and total expenses, agree with what is reported in the financial IT system.

School boards are required to report all expenses to the Ministry in defined expense categories under five main expense headings: instruction (classroom expenses and school administration costs); administration (school board administrative costs and trustees' expenses); pupil transportation; pupil accommodation (costs to operate and maintain the school); and other. The exception to this is the reporting required for restricted funding, such as for special education. For this funding, school boards must report the amount of their allocation spent for the restricted purpose.

Other Specific Reporting Requirements under the GSN

Some GSN special-purpose grants have accountability mechanisms requiring boards to report financial and non-financial information to various branches within the Ministry.

For example, in 2016/17, \$59.8 million was allocated for Student Success, Grades 7 to 12. This funding was intended to enhance preparation for students to pass the Grade 10 literacy test, and to increase opportunities for students to participate in successful school-to-work, school-to-apprenticeship, or school-to-college pathways. Boards are asked to complete a report indicating strategies used to improve literacy and numeracy, and other ways students will be supported, plus a report detailing actual spending compared with budgeted amounts submitted at the beginning of the school year.

Deficit Approvals

According to the Act, school boards are expected to submit a balanced budget for the year. However, they are permitted to have a budgeted in-year deficit. That deficit is limited to the lesser of the school board's accumulated surplus from the preceding year or 1% of the current year's operating funding allocation. The Minister of Education's approval is required if a school board's deficit exceeds this amount. If a school board has an in-year deficit—

projected or actual—that exceeds this amount or an accumulated deficit, the Ministry may order the school board to prepare a financial recovery plan.

The Financial Analysis and Accountability Branch reviews budget submissions to ensure compliance with the balanced budget requirements. It may provide school boards with external consultants to help them develop financial recovery plans. At the time of our audit, eight boards were on a recovery plan and one board was working with an external consultant to develop a recovery plan.

Enrolment Audits Conducted by the Ministry

Student enrolment numbers play a significant role in determining the amount of funding the Ministry provides school boards. It is therefore important for the Ministry to ensure that enrolment numbers reported by school boards are accurate, both in total and by groups of students.

Funding for the majority of the GSN grant components (51 of a total of 74 grant components in 2016/17) is based to a large extent on student enrolment data. For example, the largest component of the GSN, the Pupil Foundation Grant—which in 2016/17 was \$10.6 billion or 46% of the entire GSN—is based directly on school boards' reported average daily enrolment.

As well, portions of some grants are based on enrolment of specific groups of students, such as English as a Second Language (ESL), French as a Second Language (FSL), and Indigenous students. For example, in 2016/17, the number of ESL students determined 31% of the Language Grant.

Student enrolment numbers for the current school year are reported by school boards through the Ministry's student information system (OnSIS) on October 31 and March 31.

The Ministry conducts enrolment audits to ensure accurate reporting of student enrolment data by reviewing school board records and student files at select schools. In addition to total enrolment in day school, the audits are also supposed to verify enrolment numbers in ESL, FSL in French-language

boards and alternative programs. The enrolment registers are audited in the fall and spring.

Key procedures during enrolment audits include, among other things, reviewing documentation to ensure that students are correctly recorded as full-time or part-time; that students transferring schools or leaving the publicly-funded school system were taken off the register on the correct date; that students absent for 15 or more consecutive school days have been removed from the register; and that ESL students are actually eligible for ESL funding.

Reviews of School Board Operations

The Ministry commissioned external consultants to conduct operational reviews and follow-up reviews for all 72 school boards from 2008 to 2012. The Ministry's goal was to enhance management capacity within school boards by encouraging good stewardship of public resources and by leveraging and sharing best practices in the areas of govern-

ance and school board administration; human resource management and school staffing/allocation; financial management; and school operations and facilities management. The reviews cost the Ministry almost \$5.7 million in total.

The Ministry also conducted a follow-up review 12 to 18 months after the school boards received their reports. The review teams followed up with each board on selected recommendations based on the board's initial review and determined the level of adoption of the recommendations.

In 2013, the Ministry released a final report, *The Road Ahead: A report on continuous improvement in school board operations*. Although the report noted that school boards as a whole were functioning at acceptable standards of operational performance, it did identify areas of improvement needed in many school boards, such as the need to develop comprehensive attendance-support programs. The individual board reports and *The Road Ahead* are publicly available on the Ministry's website.

Appendix 2: Restrictions on Spending of Special Purpose Grant Components, 2016/17

Source of data: Ministry of Education

			Funding		
	Funding		Restricted	Funding	Funding
Name of Grant	(\$ million)	Name of Grant Component	to Specific Component (\$ million)	Restricted to Grant (\$ million)	Fully Unrestricted (\$ million)
Fully Restricted					
Special Education Grant: Provides funding for programs, services, and/or equipment for students with special education needs	2,786.5	Special Education per Pupil Amount		1,437.9	
		Differentiated Special Education Needs Amount (Formerly High Needs Amount)		1,050.0	
		Special Equipment Amount	104.4		
		Facilities Amount		98.2	
		Special Incidence Portion		84.3	
		Behaviour Expertise Amount		11.7	
Total	2,786.5		104.4	2,682.1	
Partially Restricted					
School Facility Operations and Renewal Grant: Supports the cost of operating, maintaining and repairing school facilities	2,414.0	School Operations			2,053.0
		School Renewal	361.0		
School Board Administration and Governance Grant: Funding for administrative costs such as board-based staff, board offices and facilities, trustee compensation, parent engagement, consolidated accounting and internal audit	594.2	Board Administration			568.7
		Trustees Amount			11.2
		Reporting Entity Project			6.1
		Internal Audit	5.0		
		Parent Engagement Funding			3.0

Name of Grant	Funding (\$ million)	Name of Grant Component	Funding	Funding	Funding
			Restricted to Specific Component (\$ million)	Restricted to Grant (\$ million)	Fully Unrestricted (\$ million)
Learning Opportunities Grant: Provides funding to help students who are at a greater risk of lower academic learning	531.9	Demographic			353.0
		Student Success, Grades 7 to 12*	59.8		
		Grade 7 and 8 Literacy and Numeracy and Student Success Teachers*	21.5		
		Specialist High Skills Major*	18.7		
		School Effectiveness Framework*	18.3		
		Outdoor Education*	17.1		
		Literacy and Math Outside the School Day*	16.2		
		Library Staff	9.8		
		Mental Health Leaders	8.7		
		Ontario Focused Intervention Partnership Tutoring*	8.2		
		School Authorities Amalgamation Adjustment			0.6
First Nations, Metis, and Inuit Education Supplement: Supports programs designed for Aboriginal students, as outlined in the Ontario First Nation, Metis, and Inuit Education Policy Framework	61.4	First Nation, Métis, and Inuit Studies Allocation			23.2
		Per Pupil Amount	11.9		11.6
		Native Languages			8.9
		Board Action Plans			5.8
Total	3,601.5		556.4		3,045.1
Not Restricted					
Student Transportation Grant: Funding to transport students to and from school	903.6	Enrolment Adjustment			903.6
		Cost Update Adjustment			
		Fuel Escalator and De-escalator			
		Funding for Transportation to Provincial or Demonstration Schools			
Language Grant: Provides funding to meet school boards' costs for language instruction	714.7	French as a Second Language (English school boards)			259.1
		English as Second Language/ English Literacy Development			256.3
		Actualisation linguistique en français (only French school boards)			114.4
		French as a first language (for French School Boards)			79.7
		Programme d'appui aux nouveaux arrivants (only French school boards)			5.2

Name of Grant	Funding (\$ million)	Name of Grant Component	Funding Restricted to Specific Component	Funding Restricted to Grant	Funding Fully Unrestricted
			(\$ million)	(\$ million)	(\$ million)
Interest Expense and Non-Permanently Financed Capital Debt: Funding to service debt provided to school boards for capital expenditures	477.0	Interest on Capital Debt	411.3		
		Non-permanently Financed Capital			65.7
Continuing Education and Other Programs Grant: Supports programs aimed at adult learners and day-school students including secondary students who have completed more than 34 credits and wish to continue their studies	140.7	Continuing Education			56.7
		Summer School			32.5
		International Languages			26.8
		Adult Day School			16.6
		High Credit Day School			6.4
		Prior Learning Assessment and Recognition			1.7
Safe and Accepting Schools Supplement: Supports the Safe Schools Strategy and provides targeted support to secondary schools in priority urban neighborhoods	47.5	Safe and Accepting Schools			37.5
		Urban and Priority High Schools			10.0
Total	2,283.5		411.3		1,872.2
Top-up Funding					
Cost Adjustment and Teacher Qualifications and Experience Grant: Provides additional support for classroom staff who have qualifications and experience and average salaries above the benchmark provided through the Pupil Foundation Grant	2,019.5	Teacher Qualification and Experience			1,762.5
		Early Childhood Educator Qualification and Experience			127.7
		Labour Items and Benefits Trust			68.9
		Cost Adjustment for Non-Teaching Staff			56.6
		Non-Union Staff Reduction			(10.0)
		New Teacher Induction Program	13.8		
Geographic Circumstances Grant: Provides funding for higher costs due to remoteness of rural boards and schools	190.7	Remote and Rural			119.5
		Supported Schools			69.8
		Rural and Small Community			1.4
Declining Enrolment Adjustment: Available to school boards that adjust their costs downward	18.9	First-year component			18.9
		Second-year component			
Total	2,229.1		13.8		2,215.3
Total Special Purpose Funding	10,900.6		1,085.9	2,682.1	7,132.6
Restricted and Unrestricted (%)			35%		65%

* Boards have flexibility in how they spend these allocations as long as in total they are spent on these seven programs marked with an asterisk.

Appendix 3: Audit Criteria

Prepared by the Office of the Auditor General of Ontario

1. The allocation of funds by the Ministry of Education (Ministry) to school boards through the Grants for Student Needs (GSN) or transfer payment agreements (Education Programs—Other) should be equitable and reflect education needs across the province.
2. The Ministry should have effective procedures in place to ensure that its funding for the operation of school boards is being used as intended, particularly enveloped funding and funding through contractual agreements. Where necessary, corrective action should be taken on a timely basis.
3. The Ministry should have effective procedures in place to be able to accurately calculate the Ministry's portion of GSN funding. (e.g., School Board Operating Grant vs municipalities' Education Property Tax).
4. The Ministry should have effective oversight procedures to ensure that school boards operate in compliance with key legislated and Ministry policy requirements.
5. The Ministry should have processes in place to measure school board operating performance against established expectations, including those in the Ministry's strategic plan and mandate letter. Where necessary, corrective action should be taken on a timely basis.

Chapter 3

Ministry of Education

Section 3.12

School Boards' Management of Financial and Human Resources

1.0 Summary

There are 72 publicly funded district school boards in Ontario responsible for overseeing elementary and secondary education for about two million students. Specifically, school boards are responsible for promoting student achievement and well-being, and for effective stewardship of resources. In the 2016/17 school year, school boards were allocated \$23 billion by the Ministry of Education, of which the majority was used at the discretion of individual boards.

For the purpose of this audit, we visited four school boards in southern Ontario—Toronto Catholic District School Board (Toronto Catholic), Hamilton-Wentworth District School Board (Hamilton-Wentworth), Halton Catholic District School Board (Halton Catholic), and Hastings and Prince Edward District School Board (Hastings and Prince Edward).

We found that the boards we visited used funding restricted by legislation for the purposes for which it was provided. However, funding provided for specific purposes, but not restricted by legislation, was not always used for the specific purposes intended. School boards often used a portion of this money to offset financial pressures in other areas, such as teacher salaries and benefits and special-education program costs. From the 2011/12 to the

2015/16 school year, boards experienced added financial pressures because of an increase in sick days by board employees. A study of over 50 school boards found that for the five-year period, sick days increased by 29%, and the overall sick leave paid as a percentage of payroll increased 25%.

We found that these pressures often resulted in boards redirecting funding originally intended for students who were at risk of experiencing academic difficulty because of social and economic factors, as well as students who were not fluent in English, to other areas.

We also noted that improvements were needed in how school boards are measuring, assessing and reporting on operational effectiveness. Each of the school boards we visited has a multi-year strategic plan that outlines its goals. However, most school boards did not have measurable indicators and targets for all their stated goals. All four boards report results of standardized testing conducted by the Education Quality and Accountability Office (EQAO) in their annual reports.

On a positive note, school boards have been increasing their use of group purchasing arrangements to acquire goods and services, which should result in cost savings. For instance, we noted that the value of school board purchases acquired through supplier agreements negotiated by the Ontario Education Collaborative Marketplace increased from \$10 million in 2010 to \$112 million

in 2016. By December 2016, 71 of the 72 school boards in Ontario were participating in this group purchasing plan.

The following are some of our specific concerns regarding school boards' management of financial and human resources:

- **Sick days for school board employees increased 29% over the last five years, causing the boards financial pressures.** From the 2011/12 school year to the 2015/16 school year, three of the four boards we visited noted an increase in employee sick days ranging from 11% to 40%. Both Hamilton-Wentworth and Hastings and Prince Edward saw increases in sick days for each employee group. Halton Catholic experienced increases in some groups and decreases in others. Over the same five-year period, for three boards for which information was available, salary costs paid to employees while they were off sick increased by 32% to \$42.7 million in the 2015/16 school year. According to a study commissioned by school boards, barriers preventing the effective management of absenteeism by school board employees included the design of the centrally negotiated sick leave plan, a lack of attendance support programs, and a lack of clear accountability for monitoring sick days.
- **School boards are missing an opportunity to improve teaching quality through teacher performance appraisals.** None of the four boards we visited completed the two mandatory appraisals for all new teachers within 12 months of being hired, as required under the *Education Act, 1990* (Act). In fact, at one school board, more than 35% of new teachers were not appraised as required in their first year. The lack of timely appraisals impacts the new teachers' ability to receive feedback and seek timely professional development required to be successful in the profession. For experienced teachers, three of the four school boards we visited completed

at least 90% of the appraisals within the required five-year period. An experienced teacher can be rated satisfactory or unsatisfactory, according to the Ministry's Teacher Performance Appraisal manual. We were told that principals are hesitant to give an unsatisfactory rating unless they are working toward terminating the teacher. For the four boards we visited, fewer than 1% of the teachers evaluated were rated unsatisfactory.

- **Student achievement results are not a key factor in the allocation of resources.** The Act requires that boards allocate resources to improve student achievement in areas where students are performing below provincial benchmarks. Two of the four boards we visited agreed that smaller class sizes lead to better student outcomes, but only Hamilton-Wentworth attempted to create smaller classes in schools with lower student achievement. Board management for the other three boards was mainly concerned with meeting provincial class size restrictions. However, all four boards visited informed us of additional supports they provide or plan to provide to schools that are struggling academically. For example, one board informed us that it is planning to allocate additional reading specialists to high-priority schools identified by socio-economic factors and low Early Development Instrument (EDI) scores, starting in the 2017/18 school year. EDI scores are based on questionnaires completed across Canada by kindergarten teachers for each student, and they measure whether children are meeting age-appropriate developmental expectations entering Grade 1.
- **Funding for students at risk of academic difficulty not always spent as intended.** The Ministry provides funding for students at risk of low academic achievement through the Learning Opportunities Grant. At-risk students are identified through social and economic indicators, such as households

with low income and low parental education. The boards have discretion on how they can spend much of this funding. We noted that Toronto Catholic used only 50% of the \$46.5 million it received for at-risk students, while the remaining funds were used to support a shortfall in teacher salaries and special-education funding. Although Toronto Catholic was not in violation of funding restrictions, we did note that elementary schools in neighbourhoods with lower household incomes have consistently performed poorly compared with higher-income neighbourhood schools. This achievement gap highlights the importance of using the Learning Opportunities Grant funding for its intended purpose of focusing on students at greater risk of low academic achievement.

- **Language grant provided for English-language learners is being spent on other purposes.** The Ministry provides funding to all English school boards for English as a second language/English literacy development. The funding is to provide language instruction to recent immigrants from non-English-speaking countries. However, this funding is not restricted for use in language instruction. For the 2015/16 school year, Toronto Catholic used 58% of the \$23.9 million it received for English as a second language students, and the remainder was used to alleviate cost pressures in other areas, despite the fact that in its 2014-2018 Board Learning Improvement Plan, the board stated that "...our [EQAO performance] data indicate we will need to redouble our efforts with English-language learners and students with special needs." An analysis of EQAO results for the period of 2011/12 to 2014/15 in reading and math showed that English-language learners at Toronto Catholic elementary schools were performing worse than the average for the board.
- **Nearly a quarter of special-needs students are waiting longer than a year to receive**

psychological assessments. All four boards we visited had long lists of students waiting to be assessed or served by professionals in the areas of psychology and speech and language. For three of the four boards, 24% or more of the students on the psychological services wait lists had been waiting for more than a year. Some students had been on the wait lists for more than two years. In addition, two boards had students waiting more than a year for speech and language assessments. Timely assessments allow school boards to devise long-term plans to provide services that best meet students' needs. Despite the long wait lists, three of the four school boards we visited were not scheduling specialist assessments during the two summer months to help reduce backlogs.

- **Specialist assessment wait times differed significantly based on the school area within the same board.** Wait times for specialist assessments could vary significantly between schools in the same board. All four boards assign each of their specialists to a specific group of schools. Although all four boards compile central wait lists, specialists with smaller workloads were not reassigned to schools outside their specific group to help reduce the backlog in assessments. We noted that in the Hamilton-Wentworth board a student at one school had been waiting for more than two years (853 days) to be assessed, while in another school the longest wait was less than six months (164 days).
- **Operational improvements recommended by regional internal audits were not implemented.** Two of the four school boards we visited did not implement significant recommendations made by regional internal audit teams on a timely basis from audits completed between summer 2012 and summer 2015. Toronto Catholic and Hamilton-Wentworth had implemented only—48% and 61% respectively of the recommendations made by

their regional internal audit teams. At Toronto Catholic, internal audit recommendations not yet acted on included setting up an attendance support program and case management software for central tracking of special-education service referrals and backlogs. Our audit also noted that Toronto Catholic needed to improve wait times to assess students with special needs and to better manage costs associated with the increasing number of teacher sick days. Hamilton-Wentworth would have benefited from implementing the recommended preventive maintenance program to guard against further deterioration of school facilities, especially since one of its strategic goals is to reduce the number of schools in poor condition by 2020.

This report contains 11 recommendations, consisting of 23 actions, to address our audit findings. Although the recommendations are aimed at the four school boards we visited, other school boards should also consider implementing them to help them better manage their financial and human resources.

Overall Conclusion

We concluded that the school boards in southern Ontario we visited did not ensure that all funding provided for specific education priorities, such as students at risk of poor academic performance, were used for those purposes. As well, they can improve their assessing and reporting of operational effectiveness by setting measurable targets for their strategic goals and reporting on them annually.

The boards were in compliance with Ministry guidelines on the use of restricted funding and class sizes, but did not meet the legislated requirements for appraising some new teachers within 12 months and to a lesser extent experienced teachers and principals within the required five-year period.

School boards were also not able to provide the most suitable services to students with special

needs, as a significant number of these students were waiting longer than a year for psychological and/or speech and language assessments. In addition, school boards need to develop effective attendance support programs to manage the increase in sick days taken by school board employees. School boards could also improve operations by sharing best practices identified by regional internal audit teams.

2.0 Background

2.1 Overview

Under Ontario's Ministry of Education (Ministry) there are 72 publicly funded district school boards responsible for overseeing elementary and secondary education for about two million students. All areas of the province are served by four types of school boards—English public boards, English Catholic boards, French public boards and French Catholic boards. There are approximately 4,590 schools, 113,600 teachers and 7,300 administrators in the system.

The role of school boards is to promote student outcomes and student well-being; develop and manage budgets in line with funding allocations; allocate staffing and financial resources to individual schools; approve school textbooks and learning material; supervise school operations and teaching programs; develop and implement a capital plan, including decisions to open new schools or close old or underutilized schools; and comply with the requirements of the *Education Act, 1990*, and its regulations.

2.2 Governance Structure of School Boards

Appendix 1 outlines the governance structure of a typical school board. The four key leadership roles in school boards are explained.

Municipally **elected trustees** form the board of trustees for each school board and are responsible for the governance and oversight of their individual school boards. Trustees are elected every four years in accordance with the *Municipal Elections Act, 1996*. The number of elected trustees can range from five to 22, based on the electoral population. Trustees represent the interests of parents and students in their local area. Individual trustees do not have the authority to make decisions or take action; decisions are based on a majority vote of the board of trustees. The responsibilities of the boards of trustees include: developing a multi-year strategic plan aimed at promoting student achievement and well-being; ensuring effective stewardship of board's resources; ensuring delivery of effective and appropriate education programs to students; approving the board's budget; and hiring and evaluating the performance of the board's director of education.

The **director of education** is the chief executive officer of the school board. The director of education reports to the board of trustees, usually through the board chair. He/she is responsible for the following: advising the board of trustees on operational matters; implementing board policies; managing all facets of school board operations, such as hiring superintendents to oversee various program areas and school operations; allocating operating funds and resources to schools; implementing and monitoring the board's multi-year strategic plan; implementing Ministry policy; and transmitting to the Ministry all required reporting information. All school board staff report either directly or indirectly to the director of education. The school board's administrative office staff provide administrative and other assistance to senior management in carrying out their responsibilities. Boards also have professional staff in the areas of special education, such as psychologists and speech pathologists.

Superintendents report to the director of education and are responsible for implementation, operation, and supervision of educational programs in their assigned schools. The number of superintendents per school board varies across the prov-

ince. A typical school board has superintendents for education, human resources, and finance. Most school boards have more than one superintendent for education, focusing on various education programs, such as student success, special education, and leadership and equity.

A **Principal** is responsible for the overall management and leadership of an individual school. His/her responsibilities include setting direction, supervising teachers and staff; admitting students; overseeing the teaching curriculum; ensuring approved textbooks are used in classrooms; and maintaining school discipline. The principal's role in a school may be supported by a vice-principal, depending on the size of the school. The school staff includes classroom teachers; early childhood educators (for kindergarten classes); educational assistants (primarily for special-education students); administrative assistants; lunchroom supervisors; hall monitors; library staff and custodians. Other staff who provide support to the school include attendance counsellors, social workers, child/youth workers, community workers, computer technicians and classroom consultants (program specialists who help teachers or students directly by providing support and guidance on designing lessons, teaching strategies, and assessment practices) who typically support a group of schools.

2.3 School Board Funding

2.3.1 Sources of School Board Funding

The Grants for Student Needs (GSN) funding is the largest component of funding for school board operations. It represents about 90% of annual funding to school boards. In the 2016/17 school year, funding through the GSN totalled \$22.9 billion. GSN funding comes from the Ministry and from education property taxes, which are collected and distributed by municipalities. The Ministry also provides funding to school boards through transfer payment agreements for programs and initiatives being piloted or designed to be short-term in nature. These grants,

funded through Education Programs—Other (EPO) totalled \$212 million in 2016/17.

The remaining almost 10% of school board revenue comes from other provincial ministries, the federal government, tuition from foreign students, or is school-generated through, for example, field trips, fundraising events, cafeteria sales and rental income.

2.3.2 Composition of GSN Funding

The (GSN) has two major components—foundation grants and special purpose grants—and each component accounts for about half of the total GSN funding. Foundation grants are intended to cover the basic costs of education common to all students and schools. Special purpose grants are intended to take into account the unique needs of school boards such as demographics, school locations, and special-education needs to help reduce any gap in achievement results between specific groups of students and overall student results.

Funding provided under the foundation grants can be used at the boards' discretion. Funding provided under special purpose grants may or may not be used for discretionary purposes, depending on the specific grant.

School boards can use any unspent funding in the following year. Unspent restricted funding must be spent on the restricted purpose in the following year.

2.4 School Board Use of Funds

2.4.1 Management of Board Funds

The majority of school board expenditures occur at the individual school level, but the school board administration maintains control over most of these funds. The board pays for all staffing costs, transportation costs, and school utilities directly from these central funds. The school board administration also determines the allocation of teachers and other staff to each school, based on student enrolment and regulated class size restrictions.

A small amount of funding is transferred to individual schools for specific purchases, such as textbooks, printing and photocopying, or other learning resources. Schools may also generate additional funds directly through activities, including fundraising, field trips, and donations. These funds remain at the school and are to be used only for their specific purposes. The school board consolidates these funds and reports them to the Ministry.

2.4.2 Breakdown of Board Expenditures

Figure 1 provides a breakdown of expenses for school boards. In the 2015/16 school year, the latest year for which expenditure information is available, almost 80% of expenses for school boards were employee-related costs. School boards spent 15% on purchases of goods and services, and the remainder were expenses related to capital assets.

2.5 Education Goals and School Board Strategic Planning

The Ministry's April 2014 strategic plan—*Achieving Excellence: A Renewed Vision for Education in Ontario*—outlines the Province's four overarching goals for the education system as follows:

- **Achieving Excellence:** Children and students of all ages will achieve high levels of academic performance, acquire valuable skills and demonstrate good citizenship. Educators will be supported in learning continuously and will be recognized as among the best in the world.
- **Ensuring Equity:** All children and students will be inspired to reach their full potential, with access to rich learning experiences that begin at birth and continue into adulthood.
- **Promoting Well-Being:** All children and students will develop enhanced mental and physical health, a positive sense of self and belonging, and the skills to make positive choices.
- **Enhancing Public Confidence:** Ontarians will continue to have confidence in a publicly

Figure 1: 2015/16 School Board Expenditures in Total, by Region and by School Boards Visited (\$ million)

Source of data: Ministry of Education

Expense Categories	Region			School Boards Visited			
	All School Boards	Northern Boards	Southern Boards	Halton Catholic	Hamilton-Wentworth	Hastings and Prince Edward	Toronto Catholic
Salaries, Wages and Benefits	19,457	1,286	18,171	290	466	153	915
Supplies and Services ¹	2,059	174	1,885	37	48	17	89
Fees and Contractual Services ¹	1,290	141	1,149	12	23	15	40
Amortization ² and Loss on Disposal of Assets ³	1,100	94	1,006	16	35	7	49
Interest Charges on Capital ³	433	29	404	10	7	2	17
Other Expenses ¹	299	32	267	5	7	1	9
Total Expenses	24,638³	1,756	22,882	370	586	195	1,119
% spent on employee-related costs	79	73	79	78	80	79	82
% spent on other goods and services	15	20	14	15	13	17	12
% spent on capital-related charges	6	7	7	7	7	4	6

1. Represents purchases of goods and services for school boards.

2. Amortization is the process of expensing the cost of an asset, such as a building, over its projected life.

3. Capital-related charges

funded education system that helps develop new generations of confident, capable and caring citizens.

Key documents for school boards' long-term planning and oversight include a multi-year strategic plan, a board improvement plan for student achievement and well-being, and school improvement plans, each of which is described below.

Multi-Year Strategic Plan

The *Education Act, 1990* requires all school boards to have a multi-year plan of three years or longer that is aimed at:

- promoting student achievement and well-being;
- promoting a positive school climate that is inclusive and accepting of all pupils;
- promoting the prevention of bullying;
- ensuring effective stewardship of board resources; and

- delivering effective and appropriate education to its students.

School board trustees are required to annually review the plan with the director of education. The plan must include measures that direct resources toward improving student outcomes that fall below key provincial goals such as: that 75% of students achieve the provincial Education Quality and Accountability Office (EQAO) standard for Grades 3 and 6, and that 85% of secondary school students graduate within five years of starting Grade 9. Each board is required to report to the public and to its employees on its progress in implementing the strategic plan.

The legislation also requires school boards to conduct surveys of staff, students and their parents or guardians at least once every two years to measure the effectiveness of policies developed to promote a positive school climate of inclusivity and bullying prevention.

Board Improvement Plan for Student Achievement

The Ministry requires each board to have a Board Improvement Plan for Student Achievement (BIPSA) to support the multi-year strategic plan. The plan focuses on identifying specific, measurable, attainable and relevant student achievement goals through comprehensive needs assessment of student strengths and learning needs. For example, one school board had a goal of reducing the gender gap for Grade 6 EQAO writing from 11% to 3% by June 2016 through targeted, evidence-based teaching strategies, such as small group instruction focused on writing. Boards are expected to track progress against these goals.

As part of the BIPSA, teachers are expected to look for evidence of improvement in student achievement in the areas identified by the plan. Where improvement is not visible, teachers are expected to adjust the method of instruction to bring about the intended outcomes through various evidence-based teaching strategies, such as presenting new material in small steps with student practice after each step, and instruction in smaller groups.

Annual School Improvement Plan

The Ministry recommends all schools develop an annual school improvement plan. This plan is developed by the principal in consultation with teachers that sets out the changes a school needs to make to improve student achievement, and shows how and when these changes will be made. Superintendents are responsible for ensuring that all schools submit school improvement plans based on accurate information to the board, such as student achievement data and summaries of responses to parent surveys. Superintendents must also ensure that professional development of school staff focuses on helping schools achieve their improvement goals, and they must monitor implementation of school improvement plans.

2.6 Measuring Student Achievement

2.6.1 Student Performance Indicators

The main measures used by the Ministry to gauge student performance include:

- the results of province-wide assessments on nine standard tests conducted annually by the Education Quality and Accountability Office (EQAO) to assess reading, writing, and math skills for students in Grades 3, 6, and 9, and literacy skills through the Ontario Secondary School Literacy Test (OSSLT) for students in Grade 10;
- the percentage of students who graduate high school in four years and in five years; and
- the number of course credits students are able to accumulate by the end of Grades 10 and 11.

2.6.2 Comparison of Latest Performance Results for 2015/16

For the province overall, performance results for student achievement have generally met provincial targets, except in the area of Grades 3, 6, and 9 (applied only) mathematics and Grade 3 reading and writing, as shown in **Figure 2**. Of the four boards we visited, Halton Catholic had the best performance results among those four boards.

2.7 Special Education

Students can receive special-education supports and services whether they have been formally identified or not. Formal identification is performed by each school board's Identification, Placement, and Review Committee (IPRC). These committees identify a student's strengths and needs based on assessment information available, determine the student's exceptionality and recommend appropriate placement, such as in a special-education class or a regular classroom. The committees review their decisions annually, unless the parents agree to waive the annual review. Individual Education

Figure 2: 2015/16 Student Achievement Results, by Region and by School Boards Visited

Source: Ministry of Education, and the Education Quality and Accountability Office (EQAO)

Performance Indicator	Results by Region (%)				Results for School Boards Visited (%)				
	Target (%)	All School Boards (%)	Northern Boards ¹	Southern Boards ¹	Halton Catholic	Hamilton-Wentworth	Hastings and Prince Edward	Toronto Catholic ²	
EQAO Results ^{3,4}									
Grade 3 Reading	75	72	67	75	85	68	61	71	
Grade 3 Writing	75	74	69	77	88	66	63	81	
Grade 3 Math	75	63	59	65	79	52	51	65	
Grade 6 Reading	75	81	80	84	89	77	75	80	
Grade 6 Writing	75	80	75	82	90	76	67	82	
Grade 6 Math	75	50	50	54	65	40	36	53	
Grade 9 Academic Math	75	83	77	84	89	81	81	84	
Grade 9 Applied Math	75	45	44	49	56	40	53	46	
Ontario Secondary School Literacy Test ⁵ (OSSLT)	75	76	71	77	85	67	61	71	
Graduation Rate ^{4,6}									
4-Year (cohort 2011/12)	n/a	80	74	82	90	70	70	84	
5-Year (cohort 2011/12)	85	86	82	88	92	79	76	90	
Credit Accumulation ⁷									
Grade 10	n/a	79	79	80	85	63	56	78	
Grade 11	n/a	82	79	82	92	71	70	82	

1. Represents the average results for boards in that region.

2. 2014/15 EQAO results for Grades 3 and 6 as elementary schools in the Toronto Catholic board did not participate in 2015/16 due to labour issues.

3. EQAO results measure percentage of students who wrote the exams and achieved a level 3 or 4—equivalent to a B grade or better.

4. Bolded results meet or exceed the provincial target.

5. OSSLT results have been combined for all writers.

6. The four-year graduation rate is based on students who began Grade 9 in 2011/12 and graduated by 2015/16, and the five-year graduation rate is based on students who began Grade 9 in 2011/12 and graduated by 2015/16.

7. Percentage of students who successfully complete 16 or more credits by end of Grade 10 and 23 or more credits by end of Grade 11.

Plans (IEPs) are developed for all special-needs students who have been identified by the IPRC. An IEP identifies the student's specific learning expectations and outlines how the school will address these expectations through appropriate accommodations, program modifications and/or alternative programs, as well as specific instructional and assessment strategies.

Figure 3 contains key statistics regarding students with special-education needs at the four school boards we visited.

3.0 Audit Objective and Scope

Our objective was to assess whether select Ontario district school boards in southern Ontario had effective systems and procedures in place to ensure that:

- their use of operating funding from the Ministry of Education (Ministry) complies with legislation, government directives and transfer payment funding arrangements and is achieving desired education outcomes;
- resources are acquired with due regard for economy and are used efficiently; and

- operational effectiveness is measured, assessed and reported on publicly.

Before starting our work, we identified the audit criteria we would use to address our audit objective (see Appendix 2). These criteria were established based on a review of applicable legislation, directives, policies and procedures, internal and external studies, and best practices. Senior management at the Ministry and school boards we visited reviewed and agreed with the suitability of our objective and related criteria.

We focused on activities of the school boards in the five-year period ending in 2016/17.

We conducted the audit between December 1, 2016 and July 31, 2017, and obtained written representation from the school boards on November 17, 2017 that they have provided us with all the information they are aware of that could significantly affect the findings or the conclusion of this report.

This audit focuses on four school boards in southern Ontario. Southern Ontario is the region generally south of North Bay. School boards in southern Ontario receive 93% of the operating funds allocated by the Ministry for elementary and secondary education and account for 95% of students enrolled in provincially funded schools in Ontario. The four school boards selected for

Figure 3: Number of Students Receiving Special-Needs Services (Excluding Gifted Students) at School Boards Visited

Source of data: Ministry of Education, Toronto Catholic District School Board, Hamilton-Wentworth District School Board, Halton Catholic District School Board, Hastings and Prince Edward District School Board

School Board	Date of Special Educational Data	Students Receiving Special-Needs Services (A)	Special-Needs Students Identified through an IPRC* (B)	% of Special-Needs Students Identified through an IPRC* (B/A)	Avg. Daily Enrolment for 2016/17 (All Students) (C)	Special Education Students as % of All Students (A/C)
Halton Catholic	June 2017	3,905	2,965	76	33,300	12
Hamilton-Wentworth	May 2017	12,668	3,299	26	49,200	26
Hastings and Prince Edward	June 2017	4,000	1,671	42	14,900	27
Toronto Catholic	March 2017	14,738	6,640	45	90,600	16

* Identification, Placement, and Review Committee

detailed review were selected on the basis of the relationship between instructional costs per student and student performance results over a five-year period (2011/12 to 2015/16). We picked an equal number of public and Catholic boards, with various population densities (urban only, and urban and rural mix) across various regions in southern Ontario. See **Appendix 3** for the five-year trend in instructional costs per student and student achievement.

The four boards reviewed were:

- Halton Catholic District School Board (Halton Catholic)
- Hamilton-Wentworth District School Board (Hamilton-Wentworth)
- Hastings and Prince Edward District School Board (Hastings and Prince Edward)
- Toronto Catholic District School Board (Toronto Catholic)

Figure 4 shows student enrolment, funding allocated by the Ministry and expenditures for the 2015/16 school year for these four boards, the latest school year for which both funding and expenditure information was available at the time of our audit.

We did our work primarily at the four boards selected for the audit. In conducting our audit work, we conducted detailed testing of the financial and operational records, and interviewed senior staff of the school boards. As well, we met with a representative of the Council of Senior Business Officials (COSBO), which comprises school board superintendents of business, to understand operational and financial issues that boards face, and to discuss collaboration among school boards on best practices and group purchasing arrangements.

We also met with the Educational Computing Network of Ontario (ECNO) and Ontario Education Collaborative Marketplace (OECM) to discuss challenges to and advantages of collaboration on information systems and procurement of goods and services. In addition, we spoke with the School Boards Co-operative Inc. (SBCI) about challenges faced by schools boards with the increase in

employee sick days. SBCI is a not-for-profit co-operative owned by Ontario school boards that provides advice and guidance on attendance/disability management, Workplace Safety and Insurance Board claims management and actuarial services. It also analyzes school board sick leave data on a standard basis to enable comparison among boards.

Further, to gain the perspective of stakeholders, we also spoke with representatives from three teacher unions (the Elementary Teachers' Federation of Ontario, the Ontario English Catholic Teachers' Association, and the Ontario Secondary Schools Teachers' Federation) and three trustees associations (the Ontario Catholic School Trustees' Association, the Ontario Public School Boards' Association, and Association des conseils scolaires des écoles publiques de l'Ontario, which represents French-language public school boards).

We also surveyed all 72 school boards to obtain information on their use of funding for special purposes. Thirty-three school boards responded to our survey (a 46% response rate).

In addition, we reviewed relevant audit reports issued by the Province's Internal Audit Division and audit reports issued by the regional internal audit teams for all four boards to identify areas of risk and inform the scope and extent of our audit work.

This audit on school boards' management of financial and human resources complements the audit we conducted on Ministry funding and oversight of school boards in **Chapter 3, Section 3.08**. That report covers areas including allocation of funding to school boards, review of the funding formula, and verification of student enrolment.

Figure 4: Funding, Expenditures and Student Enrolment in 2015/16 for Ontario School Boards

Source of data: Ministry of Education

	# of School Boards	# of Schools (March 2016)	Grants for Student Needs			GSN Funding Per Student	Expenditures (\$ million)	Average Daily Enrolment (All Students) ¹	Per Student Expenses (\$)
			(GSN) Funding (\$ million)	Average Daily Enrolment (Funded Pupils)					
Province-Wide	72	4,590	22,587.0²	1,956,600		11,500	24,638.4²	1,970,300	12,500
Northern Boards	22	461	1,563.2	101,500		15,400	1,756.0	104,700	16,800
Southern Boards	50	4,129	21,023.8	1,855,100		11,300	22,882.4	1,865,600	12,300
Four Boards Visited	4	412	2,085.1	184,700		11,400	2,269.9	186,300	12,200
Halton Catholic		55	336.6	32,300		10,400	369.9	32,400	11,400
Hamilton-Wentworth		106	536.3	48,700		11,000	586.2	48,900	12,000
Hastings and Prince Edward		47	179.8	14,700		12,200	195.0	14,900	13,100
Toronto Catholic		204	1,032.4	89,000		11,600	1,118.8	90,100	12,400

1. Enrolment figures for all students include students who pay tuition, such as foreign students.

2. School boards report the total amount of expenses incurred from all sources of funding, not only what is provided by the Ministry. In 2015/16, school boards' income from sources other than the Ministry and Education Property Taxes totalled \$2 billion. Hence, school board expenses totalled \$24.6 billion compared to \$22.6 billion in GSN funding.

4.0 Detailed Audit Observations

4.1 Significant Increase in Sick Days Causing Financial and Resource Allocation Pressures for Boards

4.1.1 Sick Days for School Board Employees Up 29% over the Last Five Years, Causing Financial Pressures for School Boards

A study commissioned by school boards found that over a five-year period, the average number of sick days per school board employee increased 29% overall, from nine days in the 2011/12 school year to 11.6 days in the 2015/16 school year, as shown in **Figure 5**. This study excludes absences related to WSIB and long-term disability benefits. The study was conducted by School Boards' Co-operative Inc. (SBCI), a not-for-profit co-operative owned by Ontario school boards that provides advice and guidance on attendance issues.

The Toronto Catholic board did not participate in the SBCI study as the board was not a member of the organization at the time. However, its own method of tracking sick days also showed an 11% increase in sick days from 2011/12 to 2015/16 for all employees in the school board.

According to the study, the average number of sick days has increased province-wide for each employee group (see **Figure 6**). Custodians/main-tenance employees and educational assistants had the highest average number of sick days in 2015/16 (more than 16 days), and educational assistants and early childhood educators had the largest increase in the average number of sick days with 37% and 41% respectively. Two of the four boards we visited experienced increases in sick days for each of their employee groups. All of the boards we visited told us that changes in the sick leave plan contributed to the increases. Representatives of the various school board trustee associations we spoke with echoed this view. Changes to the sick leave plans are discussed in **Section 4.1.3**.

According to some boards, sick days for custodial or maintenance workers are typically higher due to the physical nature of the job, and education assistants are more susceptible to getting sick because they have closer physical contact with students.

For comparative purposes, we obtained sick day data for employees working in Provincial Schools—these are schools for the deaf or blind that are operated directly by the Ministry—and noted that employees working at the Provincial Schools reported a lower average use of sick days as compared with school board employees in every employee group in the 2015/16 school year. For example: 7.1 days versus 9.6 days for secondary

Figure 5: Average Sick Days for Ontario School Board Employees, 2011/12–2015/16

Source of data: School Boards Co-operative Inc. (SBCI), Toronto Catholic District School Board

	2011/12	2012/13	2013/14	2014/15	2015/16	% Change in Avg. Sick Days Over 5 Years
All boards participating in study ¹	8.99	8.78	9.73	10.56	11.56	29
For the Boards Visited						
Halton Catholic	11.16	9.73	10.19	10.86	11.03	(1)
Hamilton-Wentworth	9.54	8.35	12.28	13.24	13.39	40
Hastings and Prince Edward	9.54	9.12	n/a ²	10.98	11.61	22
Toronto Catholic	12.80	11.50	11.70	13.10	14.20	11

1. The number of school boards participating in the SBCI study increased from 49 in 2010/11 to 56 in 2015/16. Toronto Catholic Board did not participate in the study, but prepared its own sick-days data.

2. School board did not participate in SBCI study in 2013/14.

Figure 6: Sick Day Trends by Employee Group, 2011/12–2015/16

Source of data: School Boards Co-operative Inc. (SBCI), Toronto Catholic District School Board

Employee Type	All Boards Participating in Study ¹			Halton Catholic			Hamilton-Wentworth			Hastings and Prince Edward			Toronto Catholic ¹		
	Avg. # of Sick Days		%	Avg. # of Sick Days		%	Avg. # of Sick Days		%	Avg. # of Sick Days		%	Avg. # of Sick Days		%
	2011/12	2015/16	Change	2011/12	2015/16	Change	2011/12	2015/16	Change	2011/12	2015/16	Change	2011/12	2015/16	Change
Custodians/ Maintenance	13.38	16.51	23	12.62	11.12	(12)	16.08	24.04	50	11.13	12.97	17	15.30	14.20	(7)
Educational Assistants	11.37	16.03	41	11.70	15.95	36	12.85	19.85	54	13.05	14.78	13	15.60	20.70	33
Early Childhood Educators	9.83 ²	13.42	37	9.16 ²	12.25	34	13.93 ²	18.09	30	n/a ³	15.69	n/a ³	n/a ²	n/a ²	n/a ²
Elementary Teachers	8.78	11.32	29	11.60	10.88	(6)	9.19	12.01	31	9.81	12.43	27	13.90	14.00	1
Secondary Teachers	7.66	9.61	26	11.31	9.80	(13)	7.86	10.23	30	8.02	10.19	27	11.10	12.20	10
Other School Board Employees	7.26	8.31	15	8.88	9.00	1	6.32	8.58	36	7.07	7.43	4	9.50	12.80	35

1. The number of school boards participating in the SBCI study increased from 49 in 2010/11 to 56 in 2015/16. Toronto Catholic did not participate in the study, but prepared its own sick-days data.

2. Data for early childhood educators available from 2013/14 to 2015/16 only. Data for Toronto Catholic unavailable.

3. Data available for only two school years. Not enough to show a trend.

teachers; 9.7 days versus 14.8 days for educational assistants; and 9.8 days versus 16.5 days for custodial workers.

4.1.2 Employee Absenteeism Costs the Education System Money

The SBCI study found that for the five-year period the overall sick leave paid as a percentage of payroll increased from an average of 4.22% for the 2011/12 school year to 5.28% for the 2015/16 school year—an increase of 25%.

Absenteeism costs include both direct and indirect costs. The direct costs of absenteeism are defined as the direct salary costs of employees off sick and the cost of paying for replacement workers, such as substitute teachers. These costs result in less funds being available for student services. For the 2015/16 school year, salaries paid to absent board employees for sick days for three of the four school boards we visited that participated in the SBCI study totalled \$42.7 million, as shown in Figure 7. For the same school year, based on Toronto Catholic's records, this board paid \$48.8 million to employees who were off sick.

For the four boards combined, the additional costs of substitute teachers totalled \$52.3 million in 2015/16, for an increase of 17%, from 2011/12 to 2015/16. However, the costs of substitute teachers do not solely relate to replacing teachers who are off sick, but also replacing those attending work-

related activities, such as professional development and field trips.

Indirect costs related to absenteeism include the time to organize temporary or replacement workers, management time, reduced productivity and decreased morale for both staff and students. The SBCI study did not quantify such indirect costs.

4.1.3 School Boards Have Been Ineffective in Addressing the Increase in Sick Days

According to SBCI, a number of factors prevent boards from effectively managing absenteeism, including the design of the centrally negotiated sick leave plan, lack of attendance support programs, a lack of clear accountability for monitoring sick days, and a lack of commitment from the senior management of boards. The study recommended that senior board management increase commitment to and accountability for managing the problem, including developing an attendance support program with union collaboration, and instituting timely and accurate absence reporting and early intervention for return to work.

Sick leave plans in the education sector were changed during the 2012 central bargaining process. Prior to the 2012/13 school year, teachers were allowed 20 sick days per year paid at 100% and were able to carry them forward and get paid for any unused sick days (up to 200 unused sick days) at retirement, something known as a retirement gratuity. Union contracts since the 2012

Figure 7: Salary Paid to Absent Employees for Sick Days at School Boards Visited (\$ million)

Source of data: School Boards Co-operative Inc. (SBCI)

School Board	2011/12	2012/13	2013/14	2014/15	2015/16	% Increase in Cost of Absent School Board Employees Over 5 Years
Halton Catholic	9.5	9.9	11.1	11.8	12.1	27
Hamilton-Wentworth	16.7	14.6	21.5	22.7	23.4	40
Hastings and Prince Edward	6.1	5.7	n/a*	6.9	7.2	18
Total	32.3	30.2	n/a	41.4	42.7	32

Note: Toronto Catholic did not participate in the SBCI study.

* School board did not participate in SBCI study in 2013/14

central bargaining process include a provision that, on an annual basis, all school board employees are allowed 131 days on a sick leave/disability plan: 11 days paid at 100% plus 120 days paid at 90%. Any employees who had banked sick days prior to 2012 are eligible to be paid out at retirement for those banked days or can choose to cash out earlier at a discounted rate. In comparison, short-term sick leave/disability plans for other public servants are less generous, as shown in **Figure 8**.

All three trustee associations we spoke with agreed that the new sick leave plan that allows education-sector workers, including teachers, up to 131 days (11 days at 100% pay and 120 days at 90% pay) was contributing to the increase in sick days taken. The associations commented that 90% pay is not a penalty when you factor in cost savings for travel and meals. One trustee association questioned why the teachers are getting 131 sick days when there are only 194 school days in a year, allowing a teacher to use sick leave benefits for up to two-thirds of each school year. Some trustee associations told us that since education-sector workers lost the ability to bank sick days, they were more likely to use the sick leave that they would no longer be able to bank. The Halton Catholic board also told us that prior to 2012, its staff could not have unused sick days paid out to them at retirement according to their local union agreements. So after the harmonization happened through the central bargaining process in 2012, it acquired a

much more expensive and generous short-term sick leave/disability plan.

A representative of the Council of Senior Business Officials told us that when retirement gratuities disappeared, the unions negotiated that attendance support programs, designed to reduce employee sick days, could not be enhanced. We found that under some collective agreements, employees are required to provide medical confirmation for absences of five consecutive working days or longer. All four boards we visited were not requesting a doctor's note for absences less than five consecutive days. Under the Province's proposed legislation, *Bill 148, Fair Workplaces, Better Jobs Act, 2017*, employers such as school boards will be prohibited from requesting a doctor's note from an employee for the first ten days he/she is absent in the year, starting January 2018.

Except for Toronto Catholic, the school boards we visited had a formal attendance support program. The three boards have a dedicated attendance support supervisor and various procedures aimed at addressing employee absenteeism, such as meetings with employees when they miss 10 or more accumulated days of work, and they offer workplace accommodation to encourage an earlier return to work. With the maximum number of sick days for school board employees being 11 days, it would be reasonable for boards to reach out to employees earlier for attendance support purposes.

Figure 8: Short-Term Sick Leave/Disability Plans for Various School Board and Government Employee Groups, June 2017

Source of data: Union contracts and Treasury Board Secretariat

Employees	Short-Term Sickness Plan Details		
	Total Days	Days Paid at 100%	Days Paid at <100%
School Board Employees	131	11	120 at 90%
Provincial Schools operated directly by the government (e.g., schools for the deaf)			
• Teachers	131	11	120 at 90%
• Education Assistants and Custodial/Maintenance Staff	130	6	124 at 75%
Association of Management, Administrative and Professional Crown Employees of Ontario (AMAPCEO)	130	6	124 at 75%
Ontario Public Service Employees Union (OPSEU)	130	6	124 at 75%

RECOMMENDATION 1

To reduce the rising direct and indirect costs associated with sick days, we recommend that school boards develop and implement effective attendance support programs that can include timely and accurate absence reporting, tracking and data analysis, and early identification of illness or injury to allow for early intervention for the safe return to work.

RESPONSE FROM SCHOOL BOARDS

School boards agree that attendance management has been an area of concern. Three of the four boards plan to review their current attendance support programs and look for areas of improvement to better manage the increase in employee sick days. The fourth, Toronto Catholic, has started early implementation of an attendance support program in collaboration with School Boards Co-operative Inc.

4.2 Opportunities to Improve Teaching are Missed Because of Delays in Teacher Performance Appraisals

High-quality teaching is essential to improving student outcomes and reducing gaps in student achievement. Performance appraisals are used to identify areas in which teachers can improve and to highlight professional learning opportunities for teachers that can then benefit students in the classroom.

According to the *Education Act, 1990*, new teachers are part of the New Teacher Induction Program. The purpose of the New Teacher Induction Program is to provide support and professional development for the new teachers in the areas of classroom management, curriculum implementation, and instructional strategies. These new teachers must be appraised by the principal or vice-principal twice within the first 12 months of their hiring date. If a teacher does not receive two satisfactory appraisals

during the first 12 months, he or she will be re-appraised during the next 12 months. Those who are unsuccessful in completing the New Teacher Induction Program cannot continue in the profession. After 24 months of teaching, the teacher is considered to be experienced. Experienced teachers must be appraised by the principal or vice-principal every five years after they complete their initial new-teacher appraisals.

Principals and vice-principals are to be appraised once every five years from their hiring date.

4.2.1 Performance Appraisals for New Teachers Not All Completed within 12 Months

None of the four boards we visited completed the two mandatory appraisals for all new teachers within 12 months of being hired, as required. Three of the boards we visited completed the two appraisals for at least 90% of their new teachers within the first two years. One of the boards struggled to meet the standard of performing two performance appraisals within 12 months for newly hired teachers. As seen in **Figure 9**, at Hamilton-Wentworth, more than 35% of new teachers were appraised after they had already completed their first year of teaching. In addition, we noted cases where teachers who had not been assessed twice within 24 months remained as new teachers until the two appraisals were completed.

The New Teacher Induction Program is intended to provide support and feedback on their performance so they can receive the required professional development for improvement. Lack of timely appraisals impacts the new teachers' ability to receive feedback and seek professional development required to be successful in the profession. For the 2016/17 school year, the Ministry provided \$13.7 million of restricted funding to Ontario school boards to be used only on the New Teacher Induction Program.

Figure 9: Timeliness of Appraisals for New Teachers at the Boards Visited, as of June 30, 2017

Source of data: School boards visited

School Board	# of New Teachers Hired (Sep. 1, 2011–June 30, 2015)	% of New Teachers Who had Two Appraisals Completed				% of New Teachers Not Assessed as of June 30, 2017
		Within 12 Months of Being Hired (Requirement)	Within 12–24 Months of Being Hired	Within 24–36 Months of Being Hired	Longer Than 36 Months After Hiring	
Halton Catholic	334	79	11	<1	<1	9
Hamilton-Wentworth	183	64	17	5	1	13
Hastings and Prince Edward	53	79	21	0	0	0
Toronto Catholic*	974	89	7	1	0	3

* Appraisal data as of April 30, 2017.

4.2.2 Majority of Experienced Teachers Were Appraised within Last Five Years

Three of the four school boards we visited completed at least 90% of the appraisals of experienced teachers within the required five-year period. As shown in **Figure 10**, the completion rate for the boards ranged from 76% at Hamilton-Wentworth to 97% at Hastings and Prince Edward. For all four boards visited, the previously completed appraisal was not always tracked in the system if the last appraisal was completed more than five years ago. Therefore, for some teachers it was not possible to know how much time had elapsed since their last appraisal.

4.2.3 Almost All Teachers Rated Satisfactory

One school board told us that the teacher performance appraisal process is time-consuming but effective in providing feedback to teachers. Another board told us that union involvement in isolated cases can adversely impact the length of the process and the integrity of the performance rating.

The typical teacher appraisal process requires one meeting prior to classroom observation, one in-classroom observation session, one post-observation meeting, and preparation of the written appraisal. Some teachers request union representatives to be present for performance appraisal review meetings; typically teachers who have had unsatisfactory

performance appraisals. The scheduling and co-ordinating of review meetings with union representatives adds to the length of the process.

According to the Ministry's Teacher Performance Appraisal manual, an experienced teacher can be rated satisfactory or unsatisfactory. If an experienced teacher is rated unsatisfactory, the principal must create an improvement plan in collaboration with the teacher and perform another performance appraisal within 60 days. If the second appraisal is also deemed unsatisfactory, the teacher is put on a review status and a third appraisal is required within 120 days of the review status notification. If the third appraisal results in an unsatisfactory rating, the teacher is recommended to the board of trustees for termination. Based on our discussion with the four boards, teachers' unions become heavily involved once a teacher receives an unsatisfactory rating. Any unsatisfactory rating for an experienced teacher leads to additional administrative work, meetings with unions and additional performance appraisals for the principal. One board indicated that grievances often follow an unsatisfactory rating. These grievances more often than not are resolved at arbitration, which again is a costly and time-consuming process.

The value of teacher appraisals is reduced because all classroom observations occur on a predetermined date and teachers are able to select the lessons for the evaluation in advance. Teachers

Figure 10: Timeliness of Appraisals for Experienced Teachers at the Boards Visited, as of June 30, 2017

Source of data: School boards visited

School Board	# of Experienced Teachers with at Least 5 Years Experience	% Evaluated Within 5 Years (Requirement)	% Who Have Been Evaluated in 7 Years	% Who Have Not Been Evaluated in 7–10 Years	% Who Have Not Been Evaluated in More Than 10 Years or No Evaluation Date Available
Halton Catholic	1,819	93	5	1	1
Hamilton-Wentworth	2,575	76	5	1	18
Hastings and Prince Edward	740	97	3	0	0
Toronto Catholic*	4,321	90	7	2	1

* Appraisal data as of April 30, 2017.

are most likely to prepare more and select their strongest subject matter for the evaluation session, so it may not be a true representation of their teaching performance.

In the four boards we visited, fewer than 1% of the teachers received unsatisfactory ratings in their appraisals. One trustee association we spoke with told us they thought the percentage of teachers who should be given an unsatisfactory rating should be higher. We were told that principals hesitate to give unsatisfactory ratings unless they are working toward terminating a teacher. Over the last five years, three unsatisfactory teacher appraisals for experienced teachers at one board were overturned to satisfactory as part of grievance settlements with the teacher unions. Over the same period, this board only rated three other experienced teachers unsatisfactory.

The performance appraisal process is designed to identify those teachers who are underperforming and provide them with the necessary supports to improve. Therefore, the additional administration time to complete unsatisfactory reviews in these cases is not a good reason to avoid doing an appraisal or providing a satisfactory rating. If the teacher is not meeting expectations, the principal should give the teacher an appropriate rating and outline an improvement plan to help the teacher.

4.2.4 Principal and Vice-Principal Appraisals Were Not Completed On Time

For two of the four boards, there were cases where principals and vice-principals did not receive their performance appraisal within the five-year period. School boards are not ensuring that the performance of people in these key leadership positions is regularly evaluated. According to one board, a strong and committed principal can significantly impact student achievement at his or her school. The compliance rate for the timely completion of principal and vice-principal appraisals ranged from 68% at Hamilton-Wentworth to 98% at Hastings and Prince Edward.

4.2.5 Improvement Needed in Monitoring Implementation of School Improvement Plans

All schools are required to submit an annual school improvement plan to their school board that focuses on improving student achievement through evidence-based professional development of their teachers. Most schools are submitting their school improvement plans to their superintendents and reporting back on the training provided to the teachers. However, there was little evidence of review by superintendents to ensure that the training actually occurred in the areas identified through student achievement gaps. The boards also

do not monitor the impact of classroom teacher training on student achievement.

On a positive note, one of the boards visited, Halton Catholic, lists all of the school improvement plans on the board's website, leading to transparency. However, none of the boards provide results on the school improvement plans publicly.

4.2.6 No Guidance Is Provided for Superintendent Performance Appraisals

There are no requirements that superintendents' performance be evaluated. These senior officials are responsible for overseeing all school board operations. Their performance should be evaluated regularly, and they should receive feedback on areas in which they could improve. Based on our review of the four boards we visited, the directors of education were conducting ad hoc performance reviews of their superintendents. None of the boards visited had established guidelines for periodic performance appraisals of their superintendents.

In comparison, each board's director of education must be evaluated regularly by the board of trustees. Toronto Catholic and Hastings and Prince Edward boards evaluate their director's performance every two years, while Halton Catholic and Hamilton-Wentworth perform an annual review. For all four boards visited, the director submits a self-assessment and the trustees provide a final appraisal. At Halton Catholic and Toronto Catholic, all trustees provide a performance rating for the director in key areas, such as leadership, communication, and staff relations. The ratings are then summarized into an overall rating and results are provided to the director. At the other two boards, the trustees provide an overall assessment for the director without a performance rating.

RECOMMENDATION 2

To better ensure staff requiring additional training and/or assistance to be more effective in their job receive it, we recommend that school boards:

- put in place an effective performance appraisal system for all groups of employees, including superintendents; and
- complete performance evaluations as required.

RESPONSE FROM SCHOOL BOARDS

The school boards value the role that a timely and comprehensive teacher evaluation process plays in addressing instructional effectiveness.

With respect to evaluating superintendents, three school boards have committed to reviewing and implementing a periodic performance appraisal process. Halton Catholic committed to reviewing its current appraisal process for superintendents.

Toronto Catholic is also considering introduction of an appraisal process for non-union management and other employees.

All four school boards plan to review their current performance evaluation processes to identify areas for improvements that will ensure more timely completion of all employee appraisals.

RECOMMENDATION 3

To ensure teachers are receiving evidence-based professional development that focuses on student achievement, we recommend that school boards:

- have all schools complete the school improvement plans based on their student achievement results and achievement gaps;
- review and analyze all school improvement report-backs to reconcile the actual training to the school improvement plans; and
- monitor student achievement in the areas where professional development was provided to measure effectiveness of the training and report these results publically.

RESPONSE FROM SCHOOL BOARDS

School boards agree that school improvement plans should be completed and monitored to assess their effectiveness. The school boards agree that all school improvement plans should address achievement gaps and outline proposed training for staff to improve instructional effectiveness. The school boards plan to continue to utilize data analysis in order to identify student learning needs and existing learning achievement gaps.

School boards plan to continue using school visits by superintendents to focus on ensuring that local professional development is timely and appropriate in order to address the learning needs identified in the school improvement plans.

Hastings and Prince Edward plans to develop measures for effectiveness of training and will publicly report aggregate results. The other three boards plan to monitor the effectiveness of their professional development efforts and its impact on student achievement.

When it came to allocating teacher positions to schools, school board management at three of the four boards informed us that their decisions were primarily based on meeting provincial class size restrictions. The fourth board, Hamilton-Wentworth, used a differentiated staffing model for the 2015/16 school year that reduces average class sizes for schools with lower academic achievement. In Ontario, class size restrictions are the same for all students in the same grade, with the exception of special-education classes. We noted that the Quebec Government has proposed smaller class sizes for elementary students in disadvantaged areas (20 versus 26).

Staffing costs account for approximately 80% of boards' expenditures. The largest employee group is classroom teachers. Boards have little control over employee costs for teachers and other unionized education-sector employee groups because these costs are determined through central negotiations at the provincial level. As a result, boards that have smaller class sizes run the risk of going into a deficit, as happened in the Toronto Catholic board in 2014/15 (see **Section 4.6.1**).

4.3 Allocation of Staffing Resources

4.3.1 Student Achievement Not Considered a Key Factor in Allocating Teachers

Each board is responsible for promoting student achievement and for effective stewardship of resources. Board management we spoke to at Toronto Catholic and Hamilton-Wentworth agreed that smaller class sizes lead to better outcomes for students than larger classes because teachers can give each student more attention. Similarly, a study by the Canadian Education Association, funded by the Ministry in 2010, found that teachers can teach more competently and effectively in smaller classes, and students can learn more academically and socially and be more engaged and less disruptive in smaller classes.

4.3.2 Compliance with Class Size Restrictions

Class size restrictions for all grades that were in place at the time of our audit are outlined in a regulation to the *Education Act, 1990* (see **Figure 11**).

For the 2015/16 school year—the latest school year for which we had complete financial and non-financial information at the time of our audit—we reviewed class sizes as of September 2015 for all elementary school grades (kindergarten, Grades 1 to 3, and Grades 4 to 8). All four boards we visited were compliant with the class size regulations on the compliance date.

Based on data provided by school boards, we also reviewed class size averages for Grades 1 to 3 on two other days between October 31 and June 30 for each board. Based on our testing of these subsequent dates, we found that all four boards

Figure 11: Class Size Restrictions per GradeSource of data: *Education Act, 1990*, O. Reg. 132/12, effective until June 29, 2017

Grade	Class Size Restrictions
Full Day Kindergarten (Junior and Senior Kindergarten)	<ul style="list-style-type: none"> Average class size per school board not to exceed 26.
Primary classes (Grade 1–3)	<ul style="list-style-type: none"> Maximum class size of 23 students. At least 90% of classes in a school board should have 20 or fewer students.
Grade 4–8	<ul style="list-style-type: none"> Regulation outlines average class size for 36 school boards ranging from 18.5 to 26.4. Remaining 36 school boards are restricted to an average class size of 24.5 students per class.
Mixed classes (Primary and Grade 4–8)	<ul style="list-style-type: none"> Maximum class size of 23 students.
Secondary school	<ul style="list-style-type: none"> Average class size per school board not to exceed 22 students per class.

* Regulation maximum class sizes for Grades 4 to 8 for the four boards we visited: Halton Catholic, 25.2; Hamilton-Wentworth, 25.1; Hastings and Prince Edward, 24.32; Toronto Catholic, 25.7

exceeded the restriction that allows for only 10% of the boards' Grades 1 to 3 classes to exceed 20 students. The number of classes exceeding 20 students ranged from 14% to 29% for the four boards visited, but almost all of these Grades 1 to 3 classes were at or below the maximum size of 23 students.

4.3.3 Impact of Demographics on Student Achievement

The Ministry provides additional funding to school boards with the largest number of students who are at risk of poor academic achievement due to social and economic factors, including being from low-income households, having immigrated from a non-English-speaking country within the last five years, having parents with low levels of education, and living in single-parent households.

Using these factors, the Ministry calculates an Education Opportunities Index (EOI) value for each school. A higher EOI value means that students are experiencing fewer or lower educational opportunities, and a lower EOI value means that students are experiencing higher educational opportunities.

For the four boards visited as seen in **Figure 12**, we noted that school boards with proportionately more special-needs students and students from low-income families and with other social and eco-

nommic risk factors, had lower student performance outcomes on average.

4.3.4 Boards Are Providing Other Supports to Schools with Lower Academic Achievement

On a positive note, all four boards visited informed us of additional supports they provide or plan to provide to schools that are struggling academically.

The Halton Catholic board identified its itinerant teacher and teaching consultant model as a key to its students' success. Itinerant teachers and teaching consultants are subject-matter experts who work full-time visiting each school once a week to offer instructional coaching to classroom teachers who request coaching or who are identified by the school principal to receive coaching. Hastings and Prince Edward also assigns teaching consultants to schools struggling academically to provide targeted professional learning. Based on statistics provided to the Ministry for the 2014/15 school year, there were over 1,200 teaching consultants in Ontario with a combined estimated salary of over \$120 million annually.

As well, at the time of our audit, Toronto Catholic had a literacy intervention program for Grade 1 and 2 students in one-quarter of its elementary

Figure 12: Comparison of Demographic Factors and EQAO Results for the Four School Boards Visited, 2015/16 School Year

Source: Ministry of Education and the Education Quality and Accountability Office

	Province	Halton Catholic	Hamilton-Wentworth	Hastings and Prince Edward	Toronto Catholic ¹
Social and Economic Statistics (Median for the Board)					
Education Opportunities Index ²	14	9	16	16	21
% of low income households (income below \$43,546)	18	10	21	21	27
% of students with special needs	15	8	15	18	14
% of newcomers (who have been in Ontario for the last 5 years)	2	4	2	<1	9
2015/16 EQAO Results^{3,4}					
# of EQAO tests where at least 75% of students achieved a passing grade	4	7	3	2	4
# of EQAO tests where the percentage of students who passed exceeded the provincial average	n/a	9	0	0	6

1. Used 2014/15 EQAO results for Grades 3 and 6 as Toronto Catholic board did not participate in 2015/16 EQAO testing.

2. A higher Education Opportunities Index (EOI) value means that students are experiencing fewer or lower educational opportunities, and a lower EOI value means that students are experiencing higher educational opportunities.

3. EQAO results measure percentage of students who wrote the exams and achieved a level 3 or 4—equivalent to a B grade or better. There are nine EQAO tests in total.

4. OSSLT results have been combined for first-time eligible and previously eligible writers.

schools that provides 60 minutes per day of additional support focused on reading skills to students for 16 weeks. Student achievement and socio-economic factors were used to identify recipients for these services.

At the time of our audit, Hamilton-Wentworth was planning to allocate additional reading specialists and strategically re-allocate principals and vice-principals to high-priority schools identified by socio-economic factors and low Early Development Instrument (EDI) scores, starting in the 2017/18 school year. EDI scores are based on questionnaires completed by kindergarten teachers across Canada, and they measure whether children are meeting age-appropriate developmental expectations. The goal is to provide additional resources to help students achieve developmental expectations by Grade 1.

RECOMMENDATION 4

In order to support student achievement and effective stewardship of resources, we recommend that school boards:

- where needed, allocate additional teacher and other supporting resources to schools with lower student achievement; and
- monitor the impact and effectiveness of the additional resources on student achievement and make adjustments where desired results are not achieved.

RESPONSE FROM SCHOOL BOARDS

School boards agree additional resources should be provided to schools with lower student achievement.

- Three boards plan to continue to provide additional resources to schools with lower academic achievement within the resources available. Halton Catholic plans to focus on

building teacher capacity at its board and continue using its teaching consultant model to provide support to schools that require it.

- All school boards are planning to monitor the impact and effectiveness of additional resources on student achievement and make adjustments as needed.

4.4 School Boards Redirecting Funding Intended for At-Risk Students and Students not Fluent in the Language of Instruction

4.4.1 Not All Funding Provided for At-Risk Students is Being Spent as Intended

The Ministry provides additional funds through the Learning Opportunities Grant (LOG) to school boards with the intention of helping students who have a higher risk of academic difficulty due to social and economic factors. These factors include low-income households, recent immigration, low parental education and single-parent households. The largest component of the LOG is not restricted, and boards have discretion over the programs and supports they offer. Examples of programs offered by school boards include breakfast programs, homework clubs, reading assistance programs, and individualized student support. But school boards can also use the funding for other unrelated purposes.

As seen in **Figure 13**, for the 2015/16 school year, Toronto Catholic used only 50% (\$23.1 million) of the \$46.5 million of its LOG funding for at-risk students, while the remaining funds were used to support a shortfall in teacher salaries and special-education funding. Although the board reallocated half of the LOG funding, it did spend more than the restricted requirement of \$6.6 million on at-risk students.

According to a report supported by Toronto District School Board's Inner City Advisory Committee, the Toronto District School Board, which also serves the same area of the province, also redirected 42% (\$61 million) of \$144 million in total learning opportunities funding for the 2014/15 school year to cover shortfalls in teacher salaries and benefits, special-education and supply teacher costs. For the 2015/16 school year, the two Toronto boards accounted for \$189.4 million or 38% of the overall LOG funding in the province. The majority of this funding to these two boards was unrestricted, with only 14% being restricted for at-risk students for Toronto Catholic and only 11% for Toronto District School Board.

We also noted that Hamilton-Wentworth under-spent its learning opportunities allocation on at-risk students by \$1.3 million. The school board's records indicated that some of the learning opportunities funding was spent on special-education services and music teachers.

Figure 13: Learning Opportunities Grant (LOG) Funding and Use by School Boards Visited, 2015/16 School Year

Source of data: Ministry of Education, and school boards visited

	Total LOG Funding (\$ million)	Unrestricted (\$ million)	Restricted (\$ million)	% Restricted	Amount of Total LOG Funding Not Spent on Students at Risk (\$ million)	% of Total LOG Funding Not Spent on Students at Risk
Province	500.3	350.5	149.8	30	n/a*	n/a*
Toronto Catholic	46.5	39.9	6.6	14	23.4	50
Hamilton-Wentworth	16.6	13.4	3.2	19	1.3	8
Hastings and Prince Edward	2.6	1.4	1.2	45	1.4	53
Halton Catholic	2.4	0.4	2.0	82	0.1	4

* Data not tracked by the Ministry.

Figure 14: Comparison of Elementary School Education Quality and Accountability Office (EQAO)¹ Results for Students Living in High- and Low-Income Areas, within the Toronto Catholic District School Board, 2012/13–2014/15²

Source of data: Toronto Catholic District School Board

	Average EQAO Pass Rates (%)					
	Grade 3			Grade 6		
	Reading	Writing	Math	Reading	Writing	Math
2014/15 School Year³						
High-income schools – average	81	89	78	88	90	68
Low-income schools – average	64	75	57	70	71	41
Achievement gap – difference	(17)	(14)	(21)	(18)	(19)	(27)
2013/14 School Year³						
High-income schools – average	86	91	84	84	88	70
Low-income schools – average	63	75	56	67	73	41
Achievement gap – difference	(23)	(16)	(28)	(17)	(15)	(29)
2012/13 School Year³						
High-income schools – average	80	87	82	84	86	73
Low-income schools – average	61	74	59	63	70	43
Achievement gap – difference	(19)	(13)	(23)	(21)	(16)	(30)

1. EQAO results measure percentage of students to achieve a level 3 or 4—equivalent to a B grade.

2. Toronto Catholic did not participate in 2015/16 EQAO testing due to labour issues.

3. We selected 25 schools in the lowest household income areas and 25 schools in the highest household income areas based on 2013 median household income. The same 50 schools are compared in all three years. This board has 168 elementary schools.

Of the four boards we visited, Toronto Catholic receives the highest amount of learning opportunities funding on a per student basis because it has a higher percentage of students at risk of poor academic achievement.

Although Toronto Catholic was not in violation of funding restrictions, we did note that elementary schools in neighbourhoods with lower household incomes have consistently performed poorly compared with schools in the higher-income neighbourhoods. As **Figure 14** shows, there is a significant achievement gap between high-income and low-income elementary schools at Toronto Catholic. This gap highlights the importance of using designated learning opportunities funding for its intended purpose of focusing on students at greater risk of poor academic achievement.

4.4.2 Some Funding Aimed at English-Language Learning Students Redirected, While These Students Continue Performing Below Provincial Standards

The Ministry provides an English as a Second Language/English Literacy Development (ESL/ELD) allocation. The funding is intended to provide language instruction to recent immigrants from non-English-speaking countries and to children whose language spoken most at home is neither English nor French. Despite the clear purpose for this funding, no portion of the ESL/ELD allocation is restricted for use on language instruction focused on recent immigrants.

As seen in **Figure 15**, for the 2015/16 school year, two of the boards we visited (Toronto Catholic and Halton Catholic) spent less than they were allocated for English-language learners. Toronto Catholic told us that it used \$10 million of its

Figure 15: ESL/ELD¹ Funding and Use by Four School Boards Visited, 2015/16 School Year

Source of data: Ministry of Education, and School Boards visited

School Board	ESL/ELD Funding (\$ million)	Amount Spent on Language Training of English Language Learners (\$ million)	Amount Over/ (Under) Spent on ESL/ELD (\$ million)	% of Total Funding Over/ (Under) Spent on ESL/ELD
Toronto Catholic	23.9	13.9	(10.0)	(42)
Hamilton-Wentworth ²	4.6	4.6	0	0
Halton Catholic	3.0	2.7	(0.3)	(10)
Hastings and Prince Edward ³	0.1	n/a	n/a	n/a

1. English as a Second Language/English Literacy Development.

2. This board also spent an additional \$284,000 on Syrian newcomers funded through a transfer payment agreement.

3. Hastings and Prince Edward does not track how ESL/ELD funding is spent.

Figure 16: Toronto Catholic English-Language Learners Education Quality and Accountability Office (EQAO)¹ Results Compared with Board Average, 2011/12–2013/14

Source of data: Toronto Catholic District School Board

	EQAO Pass Rates (%)			
	Grade 3 Reading	Grade 3 Math	Grade 6 Reading ²	Grade 6 Math ²
2014/15 School Year				
All participating students	71	65	80	53
English-language learners	63	57	n/a	n/a
Achievement gap – difference	(8)	(8)	n/a	n/a
2013/14 School Year				
All participating students	73	68	75	55
English-language learners	62	61	57	41
Achievement gap – difference	(11)	(7)	(18)	(14)
2012/13 School Year				
All participating students	70	69	74	56
English-language learners	56	58	60	50
Achievement gap – difference	(14)	(11)	(14)	(6)
2011/12 School Year				
All participating students	68	70	73	59
English-language learners	57	55	55	46
Achievement gap – difference	(11)	(15)	(18)	(13)

1. EQAO results measure percentage of students to achieve a level 3 or 4—equivalent to a B grade.

2. EQAO data for Grade 6 reading and math for English-language learners is not available for the 2014/15 school year.

\$23.9 million ESL/ELD funding to alleviate cost pressures created by underfunding of teacher salaries and higher special-education costs, despite the fact that in its 2014–18 Board Learning Improvement Plan, the board stated that “...our

[EQAO performance] data indicate we will need to redouble our efforts with English-language learners and students with special needs.” Figure 16 shows that English-language learners at Toronto Catholic elementary schools have performed worse than

the board average for Grade 3 reading and math from 2011/12 to 2014/15 and Grade 6 reading and math from 2011/12 to 2013/14. These are the most recent EQAO results available for the Toronto Catholic board. In the 2016/17 school year, this school board continued to redirect ESL/ELD funding, as \$10.8 million of its \$25.3 million for ESL/ELD was used elsewhere.

4.4.3 Restricted Funds Used as Intended

At each of the boards we visited, we tested a sample of transactions for the last two years (2014/15 and 2015/16) from the following funding envelopes that restrict the use of the money to just that specific purpose:

- funding allocated for board and administration costs;
- the Learning Opportunities Grant, which is intended for students at risk of poor academic achievement; and
- the Special Education Grant, which is intended for students with special needs.

We examined whether the funds were being spent appropriately and were being reported as per Ministry guidelines. Our testing indicated that the school boards used the restricted portion of the funding it received for the purposes for which it was intended.

RECOMMENDATION 5

To ensure funding for specific education priorities are used for their intended purposes, we recommend that school boards focus the use of the funding on evidence-based areas where the at-risk students and English-language learners are performing below provincial standards.

RESPONSE FROM SCHOOL BOARDS

Toronto Catholic acknowledges the varying degrees of socio-economic needs across the Toronto region and its impact on the ability of at-risk students to meet achievement targets.

The board plans to modify resource allocations, within its available resources, to areas where the needs are greatest. Hamilton-Wentworth plans to review funding for specific education priorities for at-risk students and English-language learners that are performing below provincial standards, especially for the Syrian newcomers.

Hastings and Prince Edward states that funding not restricted to a specific purpose will be used to improve student achievement in accordance with local priorities.

Halton Catholic spent 96% of LOG funding on students at risk and 90% of ESL/ELD funding on language training of ESL students, in the 2015/16 school year.

4.5 Special Education – Inequitable Resource Allocations and Long Wait Times for Services

4.5.1 Special-Needs Students Not Receiving Services Tailored to Their Needs

All four boards we visited had lists for special-needs students waiting to be assessed or served by professionals in the areas of psychology or speech and language. At all four boards, special-needs students are usually offered preliminary services in the suspected area of need by the classroom teacher in consultation with the specialists before they are formally assessed by the specialists. However, the assessments by specialists provide insight into a student's unique needs that allows the school board to devise a long-term plan for services that best meet the student's needs.

These assessments are used by each board's Identification, Placement and Review Committee (IPRC), which determines whether a student meets the criteria of a specific exceptionality, and recommends the appropriate placement for receiving special-needs supports and services.

A psychological assessment evaluates thinking, learning and behaviour, and a psycho-educational assessment focuses on identifying

a student's learning challenges. The assessment may include interviews, observation, testing and consultation with other professionals involved in a student's care.

None of the four boards we visited performed all specialist assessments in a timely manner, as shown in **Figure 17**. At three boards, a quarter to about a third of the students on the wait lists had been waiting for a psychological assessment for over a year. Some students had been on the wait lists for more than two years. Toronto Catholic had ten students on the psychological assessment wait list that had not received an assessment for over four years because, according to the board, other students were considered to have more need. By the end of June 2017, these ten students received their assessments.

In addition, two boards had students waiting more than a year for speech and language assessments. We noted that four students at Hastings and Prince Edward had been waiting for a speech and language assessment for more than three years. The board explained that these students were referred for issues that are not as impactful on classroom performance, such as lisp or mild articulation, and other more urgent assessments were completed first.

The school boards we visited and the trustees associations we spoke with told us that specialist assessments were not being done on a timely basis because it was difficult to recruit specialists due to the lack of specialists in the area, less competitive salaries offered by school boards, and in the case of Catholic and/or French boards, it was difficult to find specialists who meet the religious and/or language requirements to work in those boards.

4.5.2 Parents Pay for External Assessments to Avoid Wait Lists

At Halton Catholic, the number of external psychological assessments increased by 78%, from 354 in the 2012/13 school year to 631 in 2016/17. According to the board, this could be due to parents paying for a private assessment of their child in order to avoid wait times or being able to have the assessment done by a specialist of their choosing. Although these external assessments have to be reviewed by board staff before they are incorporated into student education plans or IPRC decisions, these special-needs students can receive services tailored to their unique needs sooner. The other three boards did not track external assessments.

Figure 17: Students Awaiting Specialist Assessments at Four School Boards Visited

Source of data: School boards visited

	Toronto Catholic	Hamilton-Wentworth	Halton Catholic	Hastings and Prince Edward
Psychological or Psychoeducational Assessments				
# on wait list	1,063	386	295	37
# on wait list longer than one year	292	134	70	0
% on wait list longer than one year	27	35	24	0
Median wait time on list (days)	n/a*	184	184	87
Longest wait time on the list (days)	1,876	853	768	199
Speech and Language Assessments				
# on wait list	645	97	48	235
# on wait list longer than one year	34	0	0	75
% on wait list longer than one year	5	0	0	32
Median wait time on list (days)	135	66	60	221
Longest wait time on the list (days)	1,400	199	197	1,528

* Since data is recorded manually by area psychologists at this board using different formats, average wait time was not readily available.

4.5.3 Most Boards Do Not Perform Summer Assessments to Reduce Wait Lists

Three of the four school boards we visited were not scheduling specialist assessments during the summer months when schools are not operating, something that would help reduce backlogs. Only Halton Catholic told us it conducted some psychological assessments in the summer, but only to the extent that funding was available. The collective agreement for only one of the other three boards restricted psychologists and speech-language pathologists to work only during the 10 months of the year when schools are operating.

4.5.4 Assessment Wait Times Differ Significantly, Even Among Schools in the Same Board

The wait times for specialist assessments can vary significantly based on the school the student attends. All four boards assign each of their specialists to a specific group of schools. The wait lists for Halton Catholic, Hamilton-Wentworth and Hastings and Prince Edward are consolidated electronically at the board level. Although the wait lists are centrally collated, the specialists only work to serve the schools assigned to them. The work was not shared among specialists with smaller workloads to reduce the backlogs. At the time of our audit work, six psychologists in the Hamilton-Wentworth board had more than 30 cases outstanding while six others had less than 10 assessments outstanding. In one area of Hamilton-Wentworth, at the time of our audit, one student had been waiting for more than two years (853 days) for an assessment, while in another school the longest wait was less than six months (164 days).

Toronto Catholic does not consolidate wait list information at the board level. It has 48 area psychologists responsible for performing psychological assessments, and they keep their own wait lists using different formats for the schools to which they are assigned. These lists are reported

to the superintendent of special education twice a year. Because the wait-list information is not consolidated, the board cannot properly prioritize students for assessments. Based on our review of Toronto Catholic's wait list, the longest wait time per student is significantly different among the board's psychologists. The longest wait on one area psychologist's list was more than five years (1,876 days), while in another area the longest wait to be assessed was less than one month (23 days). The number of outstanding assessments also varied significantly between psychologists, as one psychologist in one area had 70 outstanding assessments while four other psychologists in different areas each had less than 10 assessments outstanding. Without a central consolidation of wait lists and reallocation of cases, services related to psychological assessments cannot be provided to students in an equitable and more timely manner.

RECOMMENDATION 6

To ensure all special-needs assessments are completed in a timely and equitable manner, we recommend that school boards:

- establish reasonable timelines for completing psychological, and speech and language assessments;
- have access to all assessments wait lists at the board level and use this information to reassign assessments to specialists who have smaller workloads;
- implement a plan to clear backlogs; and
- track use of external assessments to better gauge demand.

RESPONSE FROM SCHOOL BOARDS

All four boards agree that timely completion of special-needs assessments is critical in providing the most suitable services to special-needs students. School boards will review the tracking of their special-needs assessments in regards to timely completion within the context of current resources.

Toronto Catholic agrees that an appropriate case management system designed for educational purposes will ensure a more equitable delivery of services. Hamilton-Wentworth and Hastings and Prince Edward agree to use their centrally aggregated wait lists to reassign assessments to specialists in their boards with smaller workloads. Halton Catholic plans to continue reassigning assessments between specialists when needed.

Halton Catholic plans to reduce the wait times and review supports dedicated to this assessment process annually and allocate additional resources where needed. Toronto Catholic believes that a new case management system will allow for enhanced oversight and ensure a more equitable and timely delivery of services to students. The other two boards are planning to look at ways to eliminate the backlog.

Halton Catholic monitors the use of external assessments by special-needs students at the board. The other three boards plan to monitor this information moving forward.

4.5.5 Education Assistant Allocations to Schools Can Be Improved

For each of the school boards we visited, we compared the number of formally identified special-needs students to the number of education assistants—someone who assists students with disabilities in the classroom. We found that this ratio ranged from 5.6:1 at Hamilton-Wentworth to 7.4:1 at Halton Catholic for the boards we visited.

Each board first allocates educational assistants to the special-education classes where an educational assistant is required. The remaining educational assistants are allocated to schools—for their integrated classrooms—based on each board's individual allocation methods. All the boards we visited had ways of prioritizing educational assistant support to special-needs students in integrated classes. At Hamilton-Wentworth and Hastings and Prince Edward, a special-education consultant or

co-ordinator, in consultation with the principal, determines the support a student needs. However, we found that the process is subjective and can lead to the inequitable allocation of educational assistants across schools.

In contrast, both Toronto Catholic and Halton Catholic use a standard scoring method to consider students' behaviours, ability to communicate and level of independence with daily activities, to determine the level of support needed, and assign educational assistants to each school. However, we noted that the actual allocation of educational assistants by Toronto Catholic does not match the level of support determined by the scoring tool. In the 2016/17 school year, around 50 (31%) of the elementary schools were either overstaffed or understaffed by more than one full-time educational assistant, when compared with the staffing levels calculated by the scoring tool. One school was overstaffed by four full-time educational assistants while another was understaffed by a similar amount.

The board stated that any drastic changes in staffing could result in additional pressures. School board officials told us that they hear from parents who want only one-on-one educational assistant support for their children. The board's goal is to avoid drastic changes in staffing and move educational assistants over time to match the model and avoid public backlash that comes with removing an educational assistant from any school.

4.5.6 Special-Needs Teachers and Staff are Often Assigned to Students with Exceptionalities They Do Not Specialize In

Each type of special-needs exceptionality presents unique challenges. By specializing in the student's exceptionality the teacher and educational assistants can provide services most suitable for the student.

The *Education Act, 1990* lists five general categories of exceptionalities that can apply to special-needs students: behavioural; communicational (autism and speech impairment); intellectual (mild intellectual and developmental disability);

physical; and multiple exceptionalities. In three of the four boards visited, teachers and education assistants assigned to special education classes are not required to have any specialized training other than basic special-education training.

In contrast, starting in the 2014/15 school year, Hamilton-Wentworth started hiring special-education teachers and educational assistants with additional training focused on students with autism and/or behavioural problems. A four- to five-year commitment is expected from the specialized staff to ensure continuity with students. Professional development is provided annually, focusing on those exceptionalities.

Hastings and Prince Edward requires educational assistants who are assigned to special education classes or students with complex needs to attend mandatory therapeutic crisis intervention training, which trains staff to help students learn constructive ways to handle crisis.

The boards we visited agreed that specialization in the area of exceptionality was desirable, especially when teaching students with autism or behavioural problems. All boards we visited indicated that they offer professional development training in relation to special-needs students, however participation by teachers is voluntary.

RECOMMENDATION 7

To ensure that special-education students are provided with support that best meets their needs, we recommend that school boards:

- implement objective measures to allocate staffing resources to special-education students based on their needs; and
- hire and train staff to ensure they are best equipped to provide support for the types of student exceptionalities to which they are assigned.

RESPONSE FROM SCHOOL BOARDS

Toronto Catholic plans to refine staff allocations through its objective assessment tool. Halton

Catholic plans to continue utilizing its resource allocation process using an objective, transparent and equitable scoring and allocation tool. The other two boards will review the allocation of staffing resources and work to improve resource allocation processes, including staffing to special-education students based on their needs and within the allowable funding.

Hamilton-Wentworth plans to continue reviewing the assignment of specialized staff and provide ongoing training, to ensure staff understand and meet the needs of students. Toronto Catholic and Hastings and Prince Edward will continue to monitor and adjust support staff allocations to ensure proper matches due to the fluid movement of students between schools or school boards, as well as the ever-changing needs of students within schools. Halton Catholic plans to continue hiring non-teaching staff with specific qualifications such as board-certified behavior analysts who help build teacher capacity to support students with autism and behavioral strategies.

4.5.7 Impact of Special-Education Services is Not Measured or Reported

For the 2016/17 school year, the Ministry allocated \$2.76 billion in special purpose grants for special-needs students across Ontario. However, the Ministry and the boards have not established key indicators to measure student improvement as a result of the specialized services provided by the funding, aside from monitoring EQAO results for special-education students.

All four boards visited use EQAO results for special-needs students and compare them year over year. Toronto Catholic also monitors EQAO results by each special-needs exceptionality type. However, comparatively a greater proportion of special-needs students do not write EQAO tests. For example, in 2015/16, 10% of special-needs students were exempted from the Grade 3 reading test compared to just 3% of all students combined. The school

boards we visited told us that EQAO testing may not be the best measure to assess effectiveness of special-needs services because it is not tracking progress for the same group of students. We noted that the EQAO office has the ability to track progress for a cohort of special-needs students, but school boards were not using this type of information.

We noted that boards are able to track a student's progress on their individual education plans and report cards. However, this information is not aggregated at the board level to assess whether special-education services are having the desired impact for special-needs students.

Further, we noted that school boards did not know what happened to their special education students once they left secondary school. According to the regulation on the identification and placement of exceptional students, the individual education plan for a student who is 14 years of age or older must contain a plan for the transition to post-secondary education, or the workplace, or to help the student live as independently as possible in the community. However, school boards do not have measures to assess the effectiveness of the transition plans because other than collecting data on applications for post-secondary education, the school boards do not conduct any other type of follow-up to track their students once they leave high school.

The four boards agreed that both academic and non-academic performance measures (post-secondary employment, community integration, self-sufficient) are needed to track the progress and improvement of special-needs students. However, currently no board is using non-academic measures for special-needs students.

RECOMMENDATION 8

To better ensure that the special-educational support services meet the needs of special-needs students, we recommend that school boards establish and publicly report on key academic and non-academic performance indi-

cators to track student improvement for each type of exceptionality.

RESPONSE FROM SCHOOL BOARDS

Hastings and Prince Edward plans to develop aggregated reports of key academic and non-academic performance indicators, and will publicly report on student improvement by exceptionality in a manner that avoids privacy issues. The other three boards are looking to develop consistent measures that can be used to inform and influence the achievement of students receiving special-education services.

4.6 Oversight, Best Practices and Collaboration

4.6.1 Strategic Goals Not Measurable or Being Reported by School Boards

The Act requires all school boards to develop a three-year or longer multi-year plan focused on promoting student achievement and well-being, ensuring effective stewardship of board's resources, and delivering effective and appropriate education to students. The boards are required to publically report their progress in implementing the plan.

Student Achievement Goals Could Be Improved With Targets and Clear Timelines to Achieve the Goals

All four boards visited had strategic goals with performance indicators for student achievement and three of the four boards (except Hastings and Prince Edward) also had targets. Examples of good student achievement goals with performance indicators, targets and clear timelines, included:

- Halton Catholic had a clearly defined goal to increase the percentage of students meeting the provincial standard in EQAO reading assessments: from 80% to 85% for Grade 3 and from 85% to 90% for Grade 6 students by June 2016 from the 2013 EQAO results. The

board met the provincial targets but did not meet its own targets for improvement.

- Hamilton-Wentworth had a goal for all students to read by end of Grade 1, and a target that at least 75% of Grade 1 students achieve a B grade or better on their June 2017 report card. It would have been helpful to include baseline results to indicate the result upon which the board is trying to improve. Neither the goal nor the target was met.

For the other two boards, the strategic goals for student achievement could be improved. For example:

- Hasting and Prince Edward's goal is to increase graduation rates and reduce achievement gaps for students not yet at the provincial standard. This is a reasonable goal, but the board did not outline a clear timeline for reducing the gaps. Without outlining a targeted reduction in the achievement gap or a clear timeline for reducing the gap, the board will have difficulty assessing progress.
- Toronto Catholic's goal is to have its students meet or exceed the provincial average for all EQAO assessments in literacy and numeracy. However, the board did not identify where the board fell below the provincial average or a timeline for reaching the target.

Boards Unable to Identify Measurable and Reliable Indicators for Positive Culture and Student Well-Being

A recent review of York Region District School Board—commissioned by the Ministry following complaints—confirmed that when a school board does not successfully promote a culture of equity and inclusivity it can be very detrimental to a board's reputation and can lead to loss of public confidence. We noticed that the four boards visited had developed goals regarding a positive culture and well-being but had not identified measurable indicators and targets for their goal of promoting a positive culture and student well-being. For example, one board had a goal of creating welcom-

ing, inclusive, safe and accepting learning environments that optimize students' potential. However, without specific, measurable, attainable and relevant indicators, it will be difficult for boards to assess progress on their goals regarding a positive culture and well-being.

Greater Focus Needed for Measuring and Reporting on Stewardship of Board's Resources

Three of the four boards (except Hamilton-Wentworth) had strategic goals directly aimed at effective stewardship of board resources. However, two of these three boards only identified a balanced budget as the target and did not have any other measurable indicators to assess progress towards the goals. Hastings and Prince Edward did not identify any targets for its effective stewardship of resources goal. Hamilton-Wentworth did not have any strategic goals addressing stewardship of resources, except for a goal of improving condition of school facilities. Effective management of a board's resources is fundamental to any successful school board.

Two Boards in Financial Recovery Plan Because of Difficulties in Managing Budgets

If a school board has an in-year deficit of greater than 1% of its operating funding allocation or an accumulated deficit, the Ministry may request the board to prepare a financial recovery plan. At the time of our audit, both Toronto Catholic and Hastings and Prince Edward boards were being monitored by the Ministry as the boards were working towards financial recovery.

At the end of the 2014/15 school year, Toronto Catholic had an accumulated deficit of \$15.3 million and had entered into a three-year recovery plan. According to an external review, the key factors that contributed to the deficit were smaller average secondary class sizes than provincial standards leading to more secondary teachers than required, and employing more educational assistants in secondary schools than funded by the

Ministry. Based on our review, the school board is on target to eliminate the accumulated deficit during the 2017/18 school year. The board reduced costs by increasing secondary class sizes to the provincial standard, reducing the number of educational assistants, and by withdrawing the surplus from the employee benefits plan.

Hastings and Prince Edward had two consecutive years of in-year deficits in 2014/15 (\$1.5 million) and 2015/16 (\$2.5 million). The board went into a deficit position mainly due to a declining enrolment without strategically reducing its staffing to match the decline in enrolment. In the 2016/17 school year, the trustees approved two of the four school closures recommended by management. The two school closures and corresponding reduction in staffing has the board on track to eliminate the deficit by the 2018/19 school year.

Senior board officials at Toronto Catholic stated that management had presented options to their boards of trustees to reduce and eliminate their deficits before entering into a financial recovery plan. However, the trustees had voted down management's plan for reducing special-education costs, reducing staffing, or altering transportation policies aimed at reducing costs until forced by the Ministry's financial recovery plan.

Boards Not Publicly Reporting on Progress in Implementing Strategic Plans

We found that none of the boards were reporting publicly on their progress in meeting their strategic goals, although Toronto Catholic reported internally to its board of trustees on an annual basis on its progress in meeting its strategic goals. In its 2012-15 strategic plan, this board had nine strategic priority areas with 35 strategic goals. However, the board's reporting did not individually address the 35 strategic goals, but instead grouped them under the nine priority actions. Also, it is not clear which metrics were being used by the board to assess its progress. In the 2014 strategic plan progress report, Toronto Catholic included a letter grade for each

of the nine strategic priority actions, but it was not clear how management arrived at the scores.

The other three boards provide separate updates on each of their strategic priorities to the board of trustees. In addition, their annual reports provide a list of accomplishments towards their strategic goals but provide no tangible assessment of progress towards achieving the goals. For example, Hastings and Prince Edward board's 2016 annual report lists French immersion expansion and upgrading of various computer systems to enhance reporting of student absences as an update on the board's achieving excellence and equity goal. These types of updates do not allow the reader to assess the level of progress on the strategic goal.

4.6.2 Improvement Needed in Implementing Internal Audit Recommendations and Sharing Best Practices

School boards have not implemented all program and operational improvements recommended by their internal audit teams. School boards across the province are grouped into eight regions, each of which is supported by a regional internal audit team. The Ministry provides the funding for these teams, amounting to \$5.2 million in 2016/17. Each school board's audit committee decides on the audits to be completed by the audit teams. Regional audits are expected to identify best practices that can then be shared among boards. Each school board's audit committee decides the focus for the audit teams.

Two of the four boards we visited failed to implement many of the recommendations made by their regional internal audit teams. For each of the school boards visited, we reviewed the results of these audits for the last five years, as well as the follow-up work done on recommendations issued from the summer of 2012 to the summer of 2015, to note what percentage of recommendations boards had fully implemented by summer 2017. For the Toronto Catholic board, its regional internal audit team does not regularly follow up on the

audit recommendations it makes, but the board does its own assessment.

Toronto Catholic and Hamilton-Wentworth had implemented only 48% and 61% of the recommendations, respectively, whereas the other two boards had implemented at least 80% of their audit recommendations. For the Toronto Catholic board, recommendations that had not yet been acted on included implementing:

- an attendance support program for school board employees;
- a performance management plan for non-academic staff;
- a centralized database for employee behaviour complaints; and
- case management software for centralized tracking of special-education service referrals and backlogs.

Toronto Catholic would have benefited from an attendance support program to help employees get back to work sooner, as recommended by the regional internal audit team. From the 2011/12 school year to 2015/16, this board experienced an 11% increase in employee sick days and a 23% increase in the cost of replacement teachers. The board told us that because it was under a financial recovery plan it did not have the financial resources available to implement these recommendations.

For the Hamilton-Wentworth board, recommendations that had not yet been acted on included:

- ensuring that school-generated funds were used only for student benefits; and
- implementing a comprehensive preventive maintenance program.

A comprehensive preventive maintenance program was especially relevant to the Hamilton-Wentworth board since one of its strategic goals is to reduce the number of schools in poor condition by 2020.

Although regional audits are intended to identify and share best practices among boards, we noted that over the last five years there were only two instances where the same topic was audited at all school boards within the regions where the four

boards we visited are located. In 2012, an audit on compensation, pay, benefits, and timekeeping was conducted at all Ontario East audit region school boards, including the Hastings and Prince Edward board; and in 2014, an audit on broader-public-sector procurement compliance was performed at all Toronto and area region school boards. Best practices identified during the course of these audits were shared with all boards in the region. It would benefit school boards in the same region to co-ordinate audits for similar areas of concern.

In August 2016, the Ontario Association of School Business Officials began posting best practices identified by internal audits on its website for all senior school board business officials to share, but only if the school board where the best practice was identified gives permission to the regional audit team manager to share the information. In February 2017, the Toronto Catholic's regional audit team (Toronto and Area internal audit team) shared leading practices in the areas of payroll, special education, construction, continuing education and information technology with all boards in the region, and these practices were also submitted for posting to the website. From October 2016 to June 2017, 47 leading practices were added to the website.

RECOMMENDATION 9

To provide effective oversight of operations, we recommend that school boards:

- set measurable targets for each of their strategic goals regarding student achievement, student well-being, and stewardship of resources;
- regularly measure progress on the goals against targets and report them publicly;
- implement recommendations on audits conducted by the regional internal audit teams in a timely manner; and
- where possible, co-ordinate to have their regional internal audit teams examine issues common among the boards in the region to identify best practices, which should then be shared with boards province-wide.

RESPONSE FROM SCHOOL BOARDS

All four boards are in agreement and plan to set measurable targets for each of their strategic goals.

All four boards plan to report publicly on the progress of the board's strategic goals.

Both Toronto Catholic and Hamilton-Wentworth recognize the value-add provided by regular internal audit teams and plan to improve the timeliness of implementation of recommendations made by the audit teams. Halton Catholic and Hastings and Prince Edward plan to continue addressing any recommendations of the regional internal audit team in a timely manner.

Toronto Catholic remains committed to sharing leading and best practices not only within the Toronto Area but also with the larger provincial region. Halton Catholic and the regional internal audit team plan to continue engaging in open discussions about best practices. Hamilton-Wentworth plans to hold discussions with the other regional boards to identify any common issues for audit and plans to share best practices on the Ontario Association of School Business Officials' website. Hastings and Prince Edward believes that internal audit teams should determine the type and scope of audits using a risk-based approach that focuses on issues unique to each board. However, it stated that where possible, the board plans to examine common issues among boards to identify and share best practices.

4.7 School Boards Increasing Their Use of Group Purchasing Arrangements

Approximately \$3.6 billion or 15% of school board expenditures in 2015/16 went toward the purchase of goods and services. A school board can acquire goods and services more economically through group purchasing arrangements with other school boards than it can on its own.

Based on the information provided, all four boards we visited purchase a portion of their products and services through group purchasing arrangements but there are opportunities for greater collaboration. As all school boards require similar products and services, there is a significant opportunity for more group purchasing arrangements.

4.7.1 Local Group Purchasing Arrangements Used by School Boards

We noted that school boards have formed transportation consortia to acquire and manage bus services for students. There are 33 transportation consortia operating in the province, which typically service the public and Catholic boards in the same area. The provincial cost of transporting students to and from school is about \$900 million annually. These services were audited by our Office in 2015.

Three of the four boards (except Hastings and Prince Edward) purchase utilities through the Catholic School Boards Services Association. In 1998, the association started as a not-for-profit consortium of Greater Toronto Area Catholic school boards to provide business opportunities to Ontario school boards to reduce costs, improve effectiveness and generate revenues.

We also noted an increase in the use of contracts negotiated with suppliers by the Ontario Education Collaborative Marketplace (OECM), a group-purchasing organization. The number of school boards acquiring goods or services through OECM's client supplier agreements increased from 44 in 2010 to 71 in 2016. As well, the value of school board purchases through agreements negotiated by OECM increased from \$10 million in 2010 to \$112 million in 2016. The top four products purchased by school boards in 2016 were computer products and support services, office supplies, custodial products and classroom furniture. One board told us that OECM suppliers provided better value for certain office supplies, but for other services (such as auditing services) the board could find better rates elsewhere.

OECM is a not-for-profit group that specializes in sourcing (finding, evaluating, and contracting with suppliers) for school boards and post-secondary institutions. It was initially set up with Ministry funding. School boards do not pay a membership fee to use OECM's services. Instead, contracted suppliers pay OECM a percentage of sales to school boards or other public-sector organizations. The suppliers self-report revenues and remit fees to OECM.

According to OECM, it typically contracts multiple suppliers (two to four) for each type of goods or services to offer choice to its members. The contracts set a maximum price a vendor can charge to members. If volume thresholds are met through total orders by individual board, then additional discounts are applied. OECM's pricing for products can be beneficial to smaller school boards that do not have the buying power of larger boards to negotiate lower prices.

4.7.2 School Boards Need to Collaborate More on Procuring Goods and Services

School boards' participation in any of OECM's supplier agreements is voluntary. However, OECM staff told us that without commitments from members to use the suppliers, the organization finds it challenging to negotiate the best prices with vendors. In June 2016, an external review of OECM identified that OECM's contracts had not demonstrated the best value for money. The boards we visited told us that they only purchase from OECM-contracted vendors when their prices are better than what they can get on their own. The Toronto Catholic board relies less on this group since, because of its size, it can secure better pricing on its own.

Based on information provided to us by OECM for 2016, school board participation in OECM's services ranged from \$380 per student at one school board to less than one dollar per student at another. For the boards we visited, those with smaller budgets, fewer students and less purchasing power, made greater use of OECM's services than the larger boards.

RECOMMENDATION 10

To help reduce costs for goods and services, we recommend that school boards collaborate on future group purchasing arrangements, either through the Ontario Education Collaborative Marketplace or by linking into cost-saving contracts already in place in larger boards, such as the Toronto Catholic District School Board.

RESPONSE FROM SCHOOL BOARDS

All four school boards plan to continue exploring opportunities for more collaborative spending in order to reduce costs.

4.8 Some School Boards Reporting Estimates Instead of Actual Spending for Special Purpose Grants

The Ministry needs complete and accurate data so that it can make appropriate funding and policy decisions and to ensure that restricted funds are spent for the intended purposes. We noted that, except for Halton Catholic, the three other school boards visited used the average salary of a teacher at the board and an estimated/budgeted number of special-education teachers to calculate special-education teacher expenses. Similarly, average salaries were used by the three boards for reporting spending under the Learning Opportunities Grant. The boards indicated that the effort and time required to determine the exact salaries for teachers was too great.

The Toronto Catholic board told us that its Human Resources (HR) system did not accurately identify all special-education teachers. The financial information system relies on the HR system to identify special-education teachers and those teachers' salaries are reported as special-education costs. However, the HR staff has not been able to update all HR profiles for teachers who move between special-education and the regular

classroom. This lack of regular updates has made the special-education costs unreliable.

The Hastings and Prince Edward board told us that its HR system does not track the teachers for special education separately from regular classroom teachers. In addition, Hamilton-Wentworth does not use the Ministry's prescribed expense coding in its system, which leads to many manual adjustments in order to meet the Ministry's reporting requirements.

RECOMMENDATION 11

In order to provide the Ministry with accurate information on spending, we recommend that school boards:

- implement Ministry expense coding into all financial information systems; and
- report actual spending instead of estimated spending for restricted portions of special purpose grants.

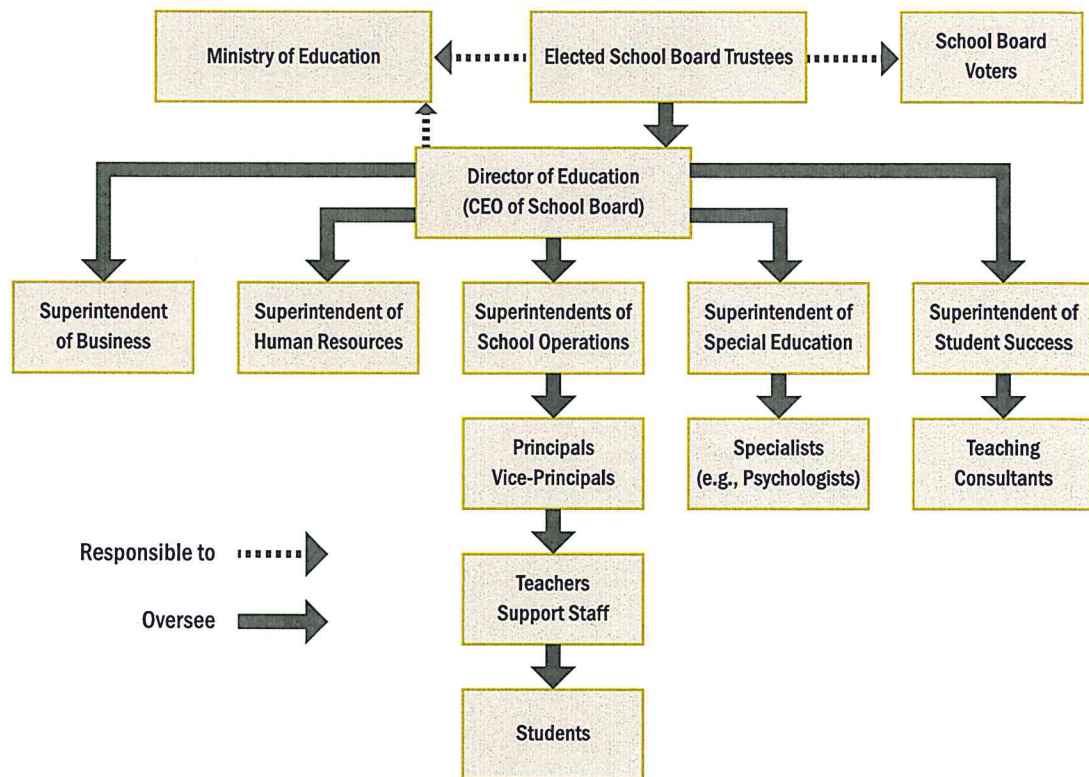
RESPONSE FROM SCHOOL BOARDS

Hamilton-Wentworth is currently reviewing its chart of accounts in order to implement the Ministry's expense coding into the financial information system. Toronto Catholic supports the further enhancement of its financial systems in order to improve its financial reporting processes. The two other boards have already implemented Ministry expense coding into their financial systems.

Toronto Catholic plans to explore use of actual costs as opposed to estimated costs for restricted portions of the special purpose grants. Hastings and Prince Edward and Hamilton-Wentworth are willing to work with the Ministry to improve and standardize HR and financial management systems to support reporting of actual spending instead of estimated spending. Halton Catholic is already in compliance with the recommendation.

Appendix 1: Governance Structure of a Typical School Board

Prepared by the Office of the Auditor General of Ontario



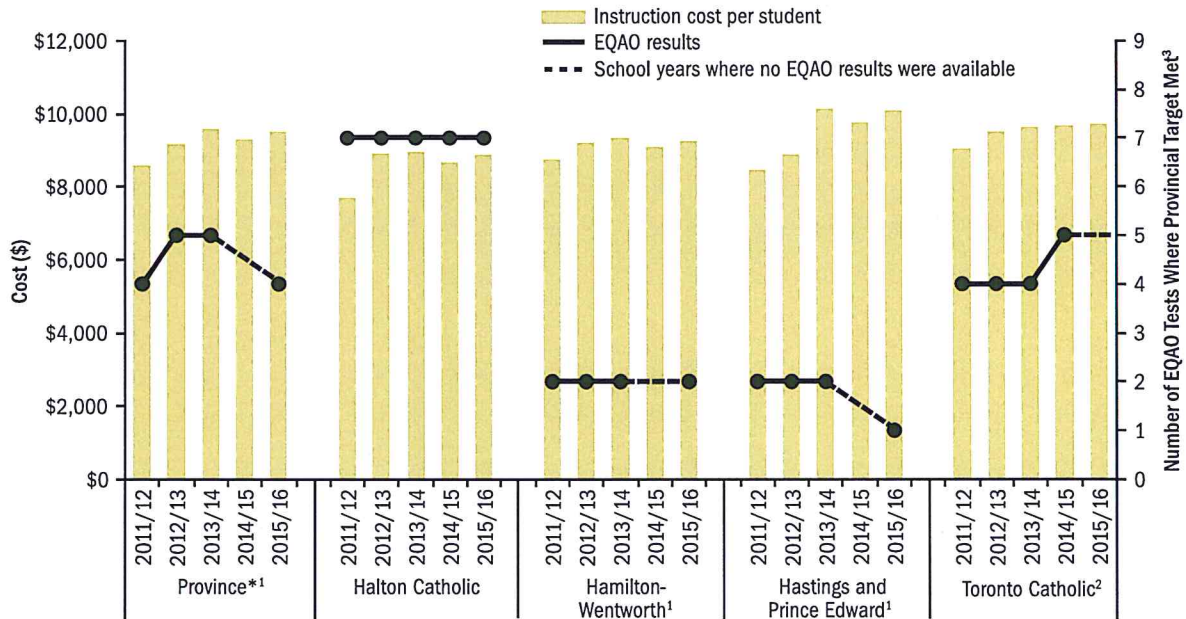
Appendix 2: Audit Criteria

Prepared by the Office of the Auditor General of Ontario

1. School boards should have effective oversight procedures to ensure operating funds are used to promote student achievement in an efficient and cost-effective manner, within their approved budget.
2. Processes should be in place to measure and report on school board performance against established targets.
3. School boards should ensure compliance with requirements outlined in legislation, ministry policy and transfer payment funding arrangements.
4. School boards should ensure students with exceptionalities are being identified and provided with special education programs that meet their needs.
5. School boards should have processes in place to acquire and manage school resources cost-effectively.
6. There should be a mechanism in place to help the sharing of information and best practices among school boards.

Appendix 3: Instruction Cost Per Student and EQAO Results for the Province and for Four Boards Visited, 2011/12–2015/16

Source of data: Ministry of Education, Education Quality and Accountability Office (EQAO)



* EQAO results for province only include English language boards.

1. Hamilton-Wentworth and Hastings and Prince Edward did not participate in 2014/15 EQAO testing due to labour issues. No provincial results are available for the 2014/15 school year because many school boards did not participate in EQAO exams.
2. Toronto Catholic did not participate in 2015/16 EQAO testing due to labour issues.
3. EQAO results measure percentage of students to achieve a level 3 or 4—equivalent to a B grade or better. For the nine EQAO tests, where 75% (provincial target) or more of board's students achieved level 3 or 4.



REPORT TO

AUDIT COMMITTEE

ICT STRATEGY REVIEW – PROJECT PRIORITY LIST

“The Lord is not slow about his promise, as some think of slowness, but is patient with you, not wanting any to perish, but all to come to repentance.”

2 Peter 3:9

Created, Draft	First Tabling	Review
December 4, 2017	December 14, 2017	January 17, 2018
L. DiMarco, Superintendent Curriculum Leadership and Innovation; ICT J. Brighton, Senior Coordinator, ICT Trillium / Student Services J. Di Fonzo, Senior Coordinator, Technical Services		

INFORMATION REPORT

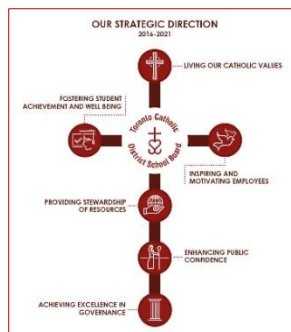
Vision:

At Toronto Catholic we transform the world through witness, faith, innovation and action.

Mission:

The Toronto Catholic District School Board is an inclusive learning community uniting home, parish and school and rooted in the love of Christ.

We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.



Rory McGuckin
Director of Education

D. Koenig
Associate Director
of Academic Affairs

T.B.D.
Associate Director
of Planning and Facilities

L. Noronha
Executive Superintendent
of Business Services and
Chief Financial Officer

A. EXECUTIVE SUMMARY

At the June 2, 2017 meeting of the Audit Committee, Deloitte presented the report (attached as Appendix E) titled “*IT Strategy Review Executive Summary*” which defined the ICT Programs for the *Future IT Strategy* for the Board. The Committee requested that Staff bring back a report showing a breakdown of the high priority ICT needs.

Attached to this report are the following appendices that will present the list of ICT projects in priority order associated with the key recommendations detailed in the final report from Deloitte titled “*IT Strategy Review – Future IT Strategy*”:

Appendix	Description
A	The final report from Deloitte titled “ <i>IT Strategy Review – Future IT Strategy</i> ” that provides the details of the recommended ICT Programs and describes the key activities and projects. <ul style="list-style-type: none">• Pages 6-9 – Defines the set of guiding principles for ICT in order to deliver on the strategy and mature the Board’s ICT function to become a Strategic Enabler.• Pages 14-16 – Summary list of the recommended ICT Programs.• Page 18 – Explanation of the criteria used in the descriptions of the recommended ICT Programs.• Page 19 – 36 – Detailed description of the recommended ICT Programs along with Deloitte’s assessment of relative Value and Effort of the related key activities and projects.
B	Spreadsheet that outlines the ICT Programs defined by Deloitte and the required projects within each Program .
C	Spreadsheet that lists the projects in priority sequence and the estimated start year of each project is noted along with estimated additional one-time costs and base budget increases, value and effort and the ICT Program it is associated with.
D	Cost analysis of all projects that identifies the estimated additional one-time costs and base budget increases.
E	The summary report from Deloitte titled “ <i>IT Strategy Review – Exec Summary</i> ” as presented to the Audit Committee on June 2, 2017.
F	2017-18 Additional Investments

The cumulative staff time required to prepare this report was 88 hours

B. PURPOSE

1. The purpose of this report is to outline the priority ICT needs resulting from the ICT Strategy Review as requested at the June 2, 2017 meeting of the Audit Committee.

C. BACKGROUND

1. As part of the Boards' Regional Internal Audit Plan, the RIAT in consultation with Board staff initiated efforts to update the Board's ICT Strategic Plan originally established in May 2010. This is part of the strategic renewal process to review ICT priorities and governance structures and develop a new multi-year strategic plan (MYSP) for the Board.
2. Through a procurement process conducted by the RIAT, Deloitte was engaged to conduct a current state assessment to review the organizational structure, management and governance, technology environment (i.e., infrastructure, security, application portfolio, etc.) and to provide guidance for management in the development of an updated multi-year ICT Strategic Plan.
3. The engagement with Deloitte commenced in September 2016. Over the course of the following months, Deloitte with assistance from ICT staff conducted discussion groups to engage stakeholders from the various academic and business functions of the TCDSB organization. Over 100 stakeholders participated in 11 discussion groups that were up to 2 hours in duration. The details Deloitte collected from the discussion groups along with information and documentation that was requested by the Deloitte team and provided by ICT was the basis of evidence that informed the final the reports.
4. In June 2017, after extensive review, interviews and feedback from stakeholders within the Board, the final report and 3-year ICT Strategic Plan titled "*IT Strategy Review – Future IT Strategy*" was created.
5. The ICT Programs described in the report establish objectives that need to be achieved to move the ICT function to become a Strategic Enabler that contributes to initiatives that enable modern work and learning. Deloitte noted strict adherence to the following four guiding principles in order to deliver on the strategy and mature the Board's ICT function to become that Strategic Enabler:

- Become a Trusted Strategic Business and Learning Partner
 - Champion the adoption of processes and technologies that enable modern work and learning
 - Establish effective communication strategies to help customers understand offerings and services
 - Develop employee resource strategy that focuses on IT professional and technical competencies
6. Deloitte identified eighteen (18) ICT Programs (Appendix A pages 14-16) and described within each program the key activities or projects to be undertaken in order to achieve the objectives of the program. The ICT Programs are described in the detailed report attached in Appendix A, pages 19-36. Deloitte assigned a relative **Value** and **Effort** of High, Medium or Low to each program. The criteria used to assign this valuation is defined on page 18 of the report attached in Appendix A.
 7. Staff have reviewed the ICT Programs and established an initial list of projects required to achieve the objectives of the ICT Programs defined by Deloitte. Appendix B outlines the projects within each of the defined ICT Programs. Appendix C list the projects in priority sequence and the estimated start year of each project is noted along with estimated additional one-time costs and base budget increases, value and effort.
 8. The cost analysis of all projects by budget year are summarized in Appendix D.

9. The final report by Deloitte (included as Appendix A) defines a set of ICT Programs that vary in complexity and effort. An ICT Program may have multiple projects that need to be implemented to achieve the Program's objectives and key activities. The following identify some high priority initiatives:

CIO, Governance and Organizational Restructuring

In order to position the ICT function to become a Strategic Enabler that contributes to initiatives that enable modern work and learning, a redefinition of the governance structure and organizational structure of the ICT function is needed.

This starts with the hiring of a Chief Information Officer (CIO) to create the vision and own the projects and initiatives to achieve the objectives of the ICT Programs identified by Deloitte. The CIO needs to be at Director's Council and be part of all technology conversations in the schools and departments.

See reference to Project ID A1, A2, A3, B1, C1, D2, E1, E2, G1, I1, I2 and R1 in appendices B and C.

New Student Information System (SIS)

With the purchase of Trillium SIS by PowerSchool, the Trillium SIS is being sunset. A procurement process will be undertaken to acquire a replacement solution. The new SIS solution will minimally have to replace existing functionality and provide added functionality including:

- Student case management systems for Special Services.
- Self-service web-based access for parents to stay informed about their child's progress in school.
- Web-based and mobile App functionality on multiple device platforms for access by parents, teachers and school administrators.
- A solution that integrates with other Board applications and systems.

See references to Project ID P1, K5, P8, P9, and P10 in appendices B and C.

New Enterprise Telephone System

Telephone systems in the schools and Catholic Education Centre are essential in ensuring communication to and from the schools and the parent community. A limited number of staff are using a modern voice messaging solution integrated with e-mail, however the vast majority of staff are hosted on an unsupported old voice mail system. The current telephone and voice messaging systems installed in schools and departments is based on outdated analogue and digital technology that is nearly 20 years old and must be replaced.

See reference to Project ID K4 in appendices B and C.

Technology and Infrastructure Refresh

Central funding and some additional funding from the Ministry through the Technology Learning Fund or the Innovation Learning Fund has been used to assist with the purchase of technology and infrastructure related needs, that is classroom devices for Elementary (Grade 6 recently) and Secondary schools (recently Grade 9 iPads in Math classrooms), Lego Robotics, WiFi, etc. The Ministry is discontinuing this funding after this year.

The demand to update existing devices and add more devices into the classrooms exceeds the funding level available to date. A disciplined technology replacement plan with committed funding is required in order to: continuously refresh; keep the technology and related infrastructure current; and add more devices to adequately equip the classrooms.

See reference to Project ID N1, N2, K1, K2 and P7 in appendices B and C.

10. This Information Report was initially presented at the November 13, 2017 meeting of the Audit Committee. At the meeting, a motion was made to report back regarding *“how the Academic Device Refresh will be equitably distributed to schools”*. In general, when a device refresh is planned for student use, the following considerations and criteria are taken into account and in many cases multiple factors contribute to the decision:
- The source of the funding may determine the target student group of the rollout. Ministry funding initiatives may have target objectives and constraints, for example SHSM (Special High School Major) and FNMI (First Nations Metis Inuit) initiatives
 - Devices funded through the Classroom Computers envelope typically target the panel of schools, Elementary or Secondary Schools.
 - Student enrolment (e.g., school, program, course, grade, etc.) is used to determine the allocation.
 - The need for a minimum allocation of devices may be required to effectively utilize the devices in a classroom setting.
 - Demographic data of schools (i.e., parental income, second language at home, parent unemployment, housing, etc.) is used to decide the allocation of additional devices to schools with greater needs.
 - Academic requirements and curriculum needs may drive the selection of and allocation of devices, e.g., Special Education vs. Math, tablets vs. laptops, standard device vs. assistive technology, etc.
 - Achievement results of the school may drive the decision to deploy devices to those specific schools, e.g. projects that focus on schools with lowest EQAO Math results.
 - A grade level or division may be the focus for an initiative.
 - A subject area or course such as Math, Literacy, Grade 9 Applied Math, etc. may be a consideration for a rollout.

D. CONCLUDING STATEMENT

This report is for the consideration of the Board.



Toronto Catholic District School Board (TCDSB)

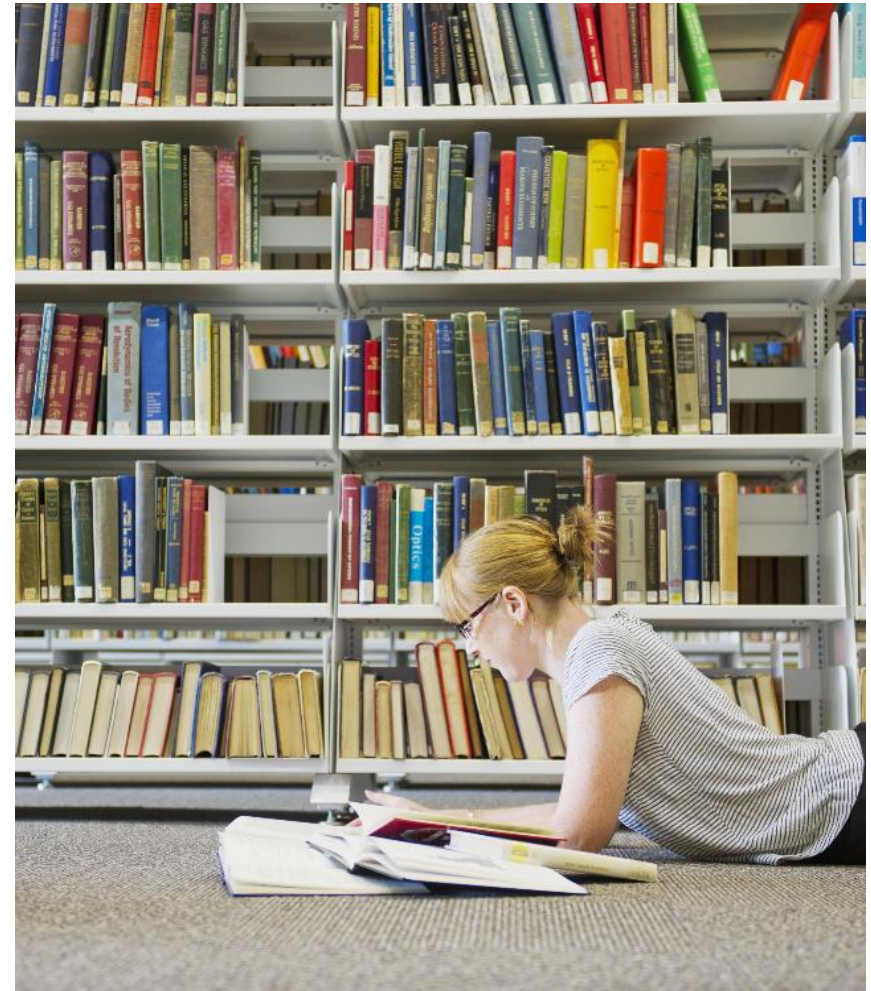
IT Strategy Review

Future IT Strategy

Final

Contents

Background & Context	3
Project Overview	4
IT Strategy Structure	5
Potential Programs	17
Project Timeline	37
Quick Wins	41
Next Steps	42
Appendix	43



Background & Context

TCDSB is looking to refresh its existing IT Strategy and Roadmap for the next 3-5 years based on the updated Multi-Year Strategic Plan

Role of IT at TCDSB

**Learning
within
Schools**

**Core Business
Functions**

TCDSB's IT services acts as a pillar to its academic and business functions. IT is used to enable learning within the schools as well as an enabler for the delivery of core business services such as Finance and Human Resources for the organization.

TCDSB Information Technology

Project Objectives for TCDSB

**Refreshed Multi Year
Strategic Plan**

**Existing IT Strategy &
Customer Inputs**

**Budget, Legal and other
constraints**



Refreshed IT Strategy & Roadmap

**'Quick Wins' to obtain immediate
benefits and business value**

Project Overview

Deloitte undertook a multi-step approach to gather data, and identify relevant risks which form the basis of the overall recommendations towards TCDSB's strategic plan.

Data Gathering

**Workshops with
key individuals
from identified
functional
groups**

**Identified
Document
Review**

Deloitte took a multi-step approach to gather data with regards to the current state of IT Services and Support at the Board, consisting of workshops and meetings with the key functional groups, and a review of the current state documentation.

ICT Strategy

The gathered data was then used to identify some key findings and key risks which the Board needs to consider based on their current state. The analysis also reviewed the status of projects from the previous ICT strategy. This information along with some key trends in the education sector, were then used to identify some key recommendations for the Board to consider.

Key Findings

Key Risks

**Current status of previous
plan**

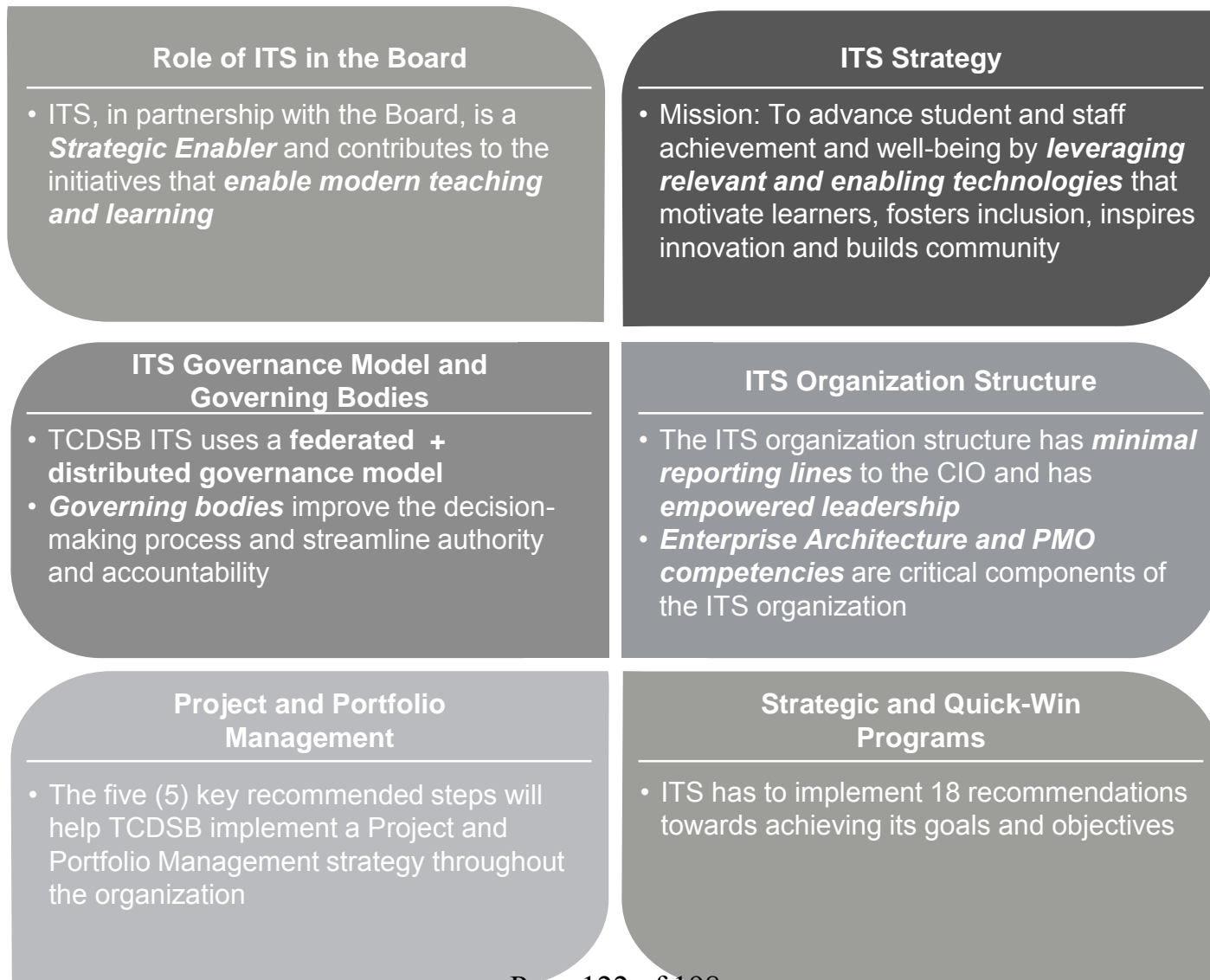
Key Education Trends

Key Recommendations in ICT Strategy

**'Quick Wins' to obtain immediate
benefits and business value &
Implementation Roadmap**

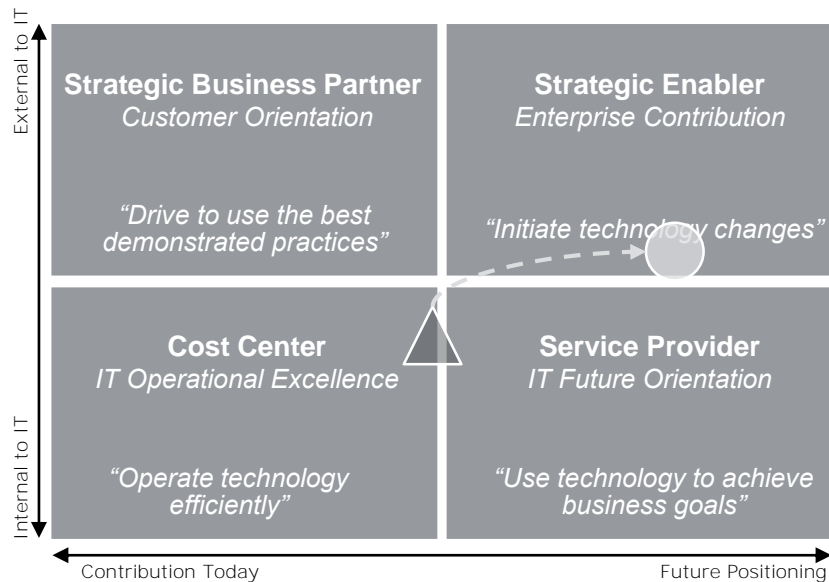
Board's IT Strategy

The IT Strategy is structured into six (6) main sections





ITS, in partnership with the Board, is a Strategic Enabler / Service Provider and contributes to initiatives that enable modern work and learning







TCDSB ICT:

- Initiates the changes and ensures technology is used in an effective manner
- Has a transparent culture
- Is integrated with the business, teaching and learning functions
- Works closely with the academic, and business functions to identify pain points and challenges; helps innovate to solve these challenges by using technology in a creative manner
- Defines potential of new IT solutions
- Tolerates some risk taking to encourage creative ideas
- Extends results through new approaches
- Applies research with assured quality
- Is focused on setting standards and processes
- Has a combination of visionary leaders and IT experts
- Manages and delivers on the IT service and solution life cycles



Being a Strategic Enabler / Service Provider, ICT's strategy is to support the Board to realize its mission, vision, and values

Vision	At Toronto Catholic we transform the world through witness, faith, innovation and action.	
Mission	The Toronto Catholic District School Board is an inclusive learning community uniting home, parish and school and rooted in the love of Christ. We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.	
Goals		
	Become a Trusted Strategic Business and Learning Partner	<ul style="list-style-type: none">• Proactive, Transparent and Accountable• Technology products and services are aligned with business and learning needs and challenges
	Champion the adoption of processes and technologies that enable modern work and learning	<ul style="list-style-type: none">• Identify new processes and technology solutions for new and currently deployed processes, and advance the technology solutions for operational excellence
	Establish effective communication strategies to help customers understand offerings and services	<ul style="list-style-type: none">• Effectively communicate with partners, business and academic functions to act as the primary services partner for technology serviced delivery• Client focused service and solution offerings including effective communication with clients on how to best utilize the offerings and obtain support
	Develop employee resource strategy that focuses on IT professional and technical competencies	<ul style="list-style-type: none">• Organizational model and capacity aligns with demands• Governance methods to manage and prioritize requests• Knowledge, skills and attitudes are aligned with the Board and IT strategy• Talent recruitment and retention• Succession planning



Delivering the strategy requires strict adherence to the guiding principles



Become a Trusted Strategic Business and Learning Partner



Champion the adoption of processes and technologies that enable modern work and learning



Establish effective communication strategies to help customers understand offerings and services



Develop employee resource strategy that focuses on IT professional and technical competencies

Guiding Principles / Enablers (who we are, how we work)



People

- Foster a culture of **collaboration, innovation, service excellence and continuous improvement**
- Efficiently utilize our **employees skills, talents and interests**
- **Build technical competencies** on current and emerging technologies
- **Facilitate leadership development** that support capacity building and succession planning
- **Develop and promote technical, soft and project management skills** to facilitate employee growth



Process

- Follow and communicate **governance and operating model that fosters delivery excellence**
- **Transparently engage, collaborate and communicate** with stakeholders
- **Actively manage the technology portfolio** by having stringent and measurable controls to ensure the identified projects are delivered with quality and within scope, timelines and budget
- **Apply project management principles** to the development and management of current and future projects
- **Achieve operational excellence across the Board** by optimizing efficiencies and actively managing technology products, services and operating processes

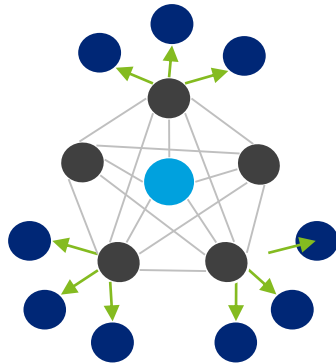


Technology

- Develop and deliver **quality products and services** that are architected to support cross organization integration
- Optimize technology investments to ensure **continued stewardship of the Board resources**
- Promote and deliver **environmentally responsible technology** and practices
- Develop and identify **quality solutions and products to fulfill business and academic needs**
- Review and **enhance current out of the box solutions** for Board needs, **obtain additional solutions** as needed, **retire solutions** which no longer fit Board's technology landscape
- Follow a **cloud first architecture**
- Develop an **enterprise architecture mindset**



TCDSB ICT should continue to use their federated + distributed governance model to improve decision-making and streamline authority and accountability



Federated + Distributed Governance Model

The ICT organization should follow a **federated + distributed governance model** and recognize that appropriate processes, people and relationships must be in place for effective governance

In doing this, ICT will be positioned to:

- **Enable** the development and delivery of an **unified ITS strategy and roadmap**
- **Drive standardization and consistency** of its technology processes
- Offer greater potential for **skills growth and specialization** among IT staff

The distributed + federated model **partially aligns with the current ICT environment** and does not warrant a radical shift in operations

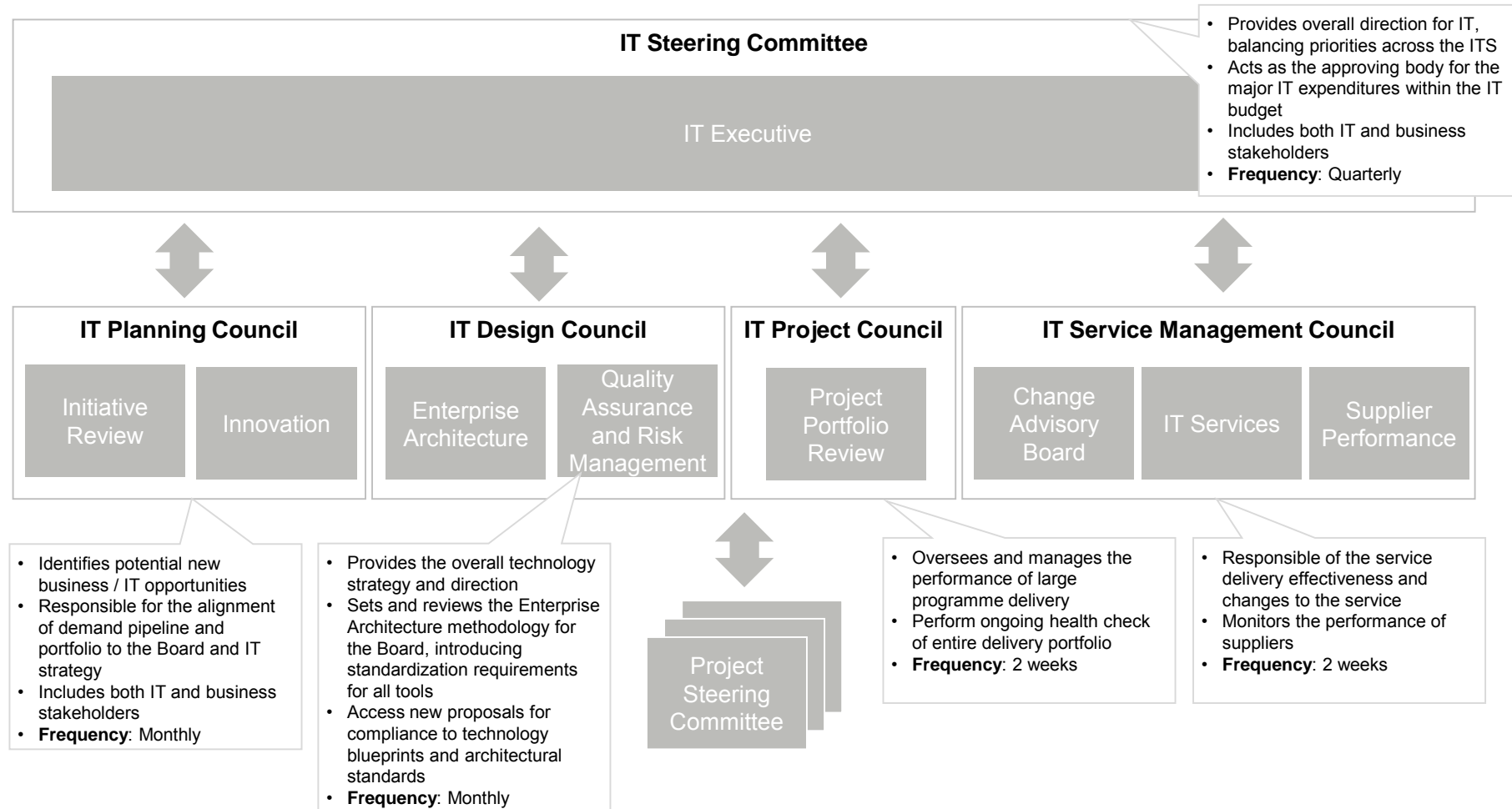
Rationale

The characteristics of the Federated + Distributed ICT governance model has various advantages:

- **Drives common standards** – The model facilitates the implementation of **common standards, policies and processes** across all ICT operations
- **Supportive of culture** – The model encourages **engagement and coordination** between technology personnel across all functions and continues to **support and strengthen the collaborative culture** that exists within the organization
- **Supportive of effective governance** – The model supports an effective governance regime as there is a **closer and at the same time distributed point of accountability for the ICT**



Governance specifies the decision-making authority and accountability to encourage desirable behaviors

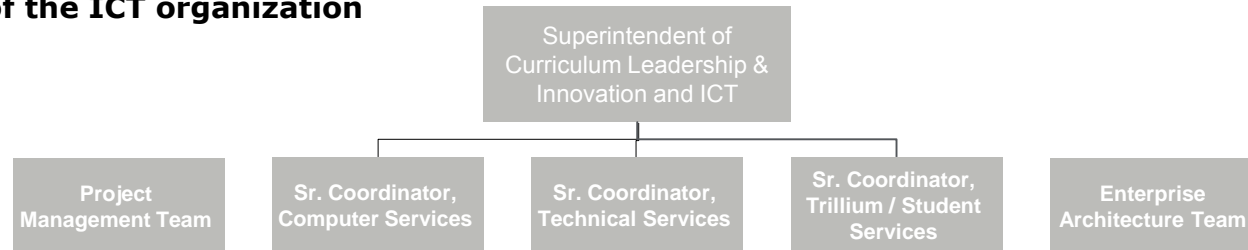


While most of the council's and committee's would be staffed with independent resources at different levels and from within different teams, they would need to work together in order to deliver on the IT Steering Committee's objectives



The ICT organization structure has minimal reporting lines to the ICT superintendent and has empowered leadership

The ICT organization structure has **minimal reporting lines** to the ICT superintendent and **provides more decision making authority** to the **superintendent's direct reports**. In addition, **Enterprise Architecture and Project Management (including Quality Assurance and Change Management) competencies are critical components of the ICT organization**



In doing this, ICT is positioned to:

- Have leadership focus on **ICT Strategy delivery**
- Offer greater potential for **leadership development**
- **Drive standardization and consistency** of its technology processes
- **Drives effectiveness and efficiencies** by **coordinating changes** in technology

The ICT Organization Structure aligns well with the **federated + distributed governance model**

Rationale

The characteristics of this ICT Organization Structure has various advantages:

- **Free Leadership to focus on ICT Strategy** – The model allows leadership to focus on the ICT strategy and overall direction for ICT within the Board
- **Supportive of Federated + Distributed Governance** – The model supports the implementation of governing bodies and processes required to enable the delivery of ICT strategy and roadmap
- **Drives common standards** – The model facilitates the implementation of **common standards, policies and processes** across all technology operations



Project and Portfolio Management (PPM) Assessment and Recommendations

Key Observations

- Proposed technology projects are not prioritized based on a specific criteria aligned with the board strategy, thus limiting the **ability to focus on work that drives the Board's strategy**
- There is no current Project and Portfolio management process to manage the vast number of technology projects being managed and run by the Board
- The project portfolio is not assessed periodically to evaluate contribution to the Board and IT goals and ensure continued alignment
- Lack of a holistic picture of current and future resource needs make it difficult to plan and identify key resource availability and assignment
- Some foundational components of project management are leveraged, however, the processes are not followed consistently and thoroughly thus limiting clear visibility into health of ongoing projects
- Accountability for projects is not clearly defined and communicated among business stakeholders and ITS
- Lack of a holistic project portfolio management exercise, results in a limited view of the projects taking place within the Board and the problems being solved

High Level Recommendations

- **Implement Enterprise Kanban Board (EKB):** EKB is a work management tool that an ITS organization can use to visualize its portfolio of projects and manage the flow of work through the delivery system
- **Develop the Project Portfolio Strategy:** Develop the Project Portfolio Strategy based on the ITS strategy and have specific objectives and quantifiable targets for the portfolio
- **Develop the Project Prioritization Model:** Develop the value and risk criteria used in the project prioritization process and establish thresholds and constraints
- **Develop an Employee Resourcing Strategy and Plan:** Develop an employee resourcing strategy and plan that highlights current and future resource and skills needed to best achieve the Board and ITS goals
- **Establish an IT Project Management Office (PMO):** Establish an IT Project Management Office (PMO) that initiate projects, monitor progress, measure performance, and facilitate decision making

Benefits

- These recommendations helps create value in three key ways:
 - Improve project evaluation, selection and budgeting processes
 - Improve resource allocation and resolve conflicts from interdependencies among projects
 - Establish greater controls over project execution and outcomes



Programs to “Enable ITS” to achieve the identified goals

	Program	Brief Description	Estimated Duration
A	Establish the Governance Structure	<ul style="list-style-type: none"> Establish a federated + distributed governance structure that is best suited to TCDSB ITS given its size, products and services provided, and Future Role of ITS 	3 months
B	Introduce a Tech Representative at the Director’s council	<ul style="list-style-type: none"> The Tech Representative role will be a part of the executive Board for the TCDSB and will be responsible for bringing strategic guidance for all IT planning and decision making purposes 	6 months
C	Develop the Project Portfolio Strategy	<ul style="list-style-type: none"> Develop the project portfolio strategy based on the ITS strategy and have specific objectives and quantifiable targets for the project portfolio Develop the value and risk criteria used in the project prioritization process and establish thresholds and constraints 	2 months
D	Develop a Cloud First Strategy	<ul style="list-style-type: none"> Develop the tools and methodologies to support the development of a cloud first strategy for new and current solutions, while becoming the single stop shop for all Cloud solutions 	6 months
E	Develop an Employee Resourcing Strategy and Plan	<ul style="list-style-type: none"> Develop an employee resourcing strategy and plan that highlights current and future resource / succession needs to best achieve the Board and ITS goals 	6 months
F	Establish an IT Project Management Office (PMO)	<ul style="list-style-type: none"> Establish an IT Project Management Office (PMO) that initiate projects, monitor progress, measure performance, and facilitate decision making 	3 months
G	Establish an Enterprise Architecture Function	<ul style="list-style-type: none"> Establish an Enterprise Architecture function that will provide the foundational framework to logically organize applications, infrastructure, and data into a standardized set of directives and process which enables ITS service delivery 	6 months
H	Establish an ITS Support Model	<ul style="list-style-type: none"> Establish an ITS support model that ensures support is provided efficiently and as per expectations 	3 months



Programs to “Enable ITS” to achieve the identified goals

	Program	Brief Description	Estimated Duration
I	Review the current software strategy	<ul style="list-style-type: none"> Review the current applications for rationalization and enhancement to newer versions of the same solution or different solutions to add additional functionality and capabilities Review should include SAP, eScribe, Web Portal, HCM, Trillium 	12 months
J	Develop a Document & Record Management Strategy	<ul style="list-style-type: none"> Establish a document storage and governance process, identify relevant tools to be used for document storage and retrieval 	24 months
K	Enable a Digital mobility/access anywhere strategy	<ul style="list-style-type: none"> Enhance the current mobility capabilities to beyond mobile phone and Wi-Fi delivery by enhancing applications to work on the multiple platforms and browsers (Digital workplace), and look at enhancing network access, VOIP 	12 months
L	Develop an enterprise data analytics culture	<ul style="list-style-type: none"> Increase the data collection from the different board applications, to be used as an input towards the implementation of a Business Intelligence solution for analytics and predictive modeling 	36 months
M	Introduce an Enterprise service management system	<ul style="list-style-type: none"> Introduce a Board wide system to log and track cases for the delivery of different services to the Board’s various stakeholders 	36 months
N	Implement a hardware lifecycle management policy	<ul style="list-style-type: none"> Implement a policy for the renewal of hardware assets owned by the board and deployed with the various schools, teachers and staff 	12 months
O	Implement a Disaster Recovery / Business Continuity Strategy	<ul style="list-style-type: none"> Disaster Recovery plans provide a step-by-step process for responding to disruptive events. Procedures should be easy-to-use in an effort to recover damaged IT assets. 	24 months



Programs to “Enable ITS” to achieve the identified goals

	Program	Brief Description	Estimated Duration
P	Implement a software and hardware vitality plan	<ul style="list-style-type: none"> Hardware and software vitality is an important part of the regular maintenance of the Board's infrastructure and software Maintaining vitality helps ensure the latest versions of software and firmware are deployed, and helps reduce the Board's overall risk and increase security Review the hardware and software vitality to ensure the Board is either at the latest or latest – 1 version of the software and firmware 	12 months
Q	Implement an IT Asset Management Solution	<ul style="list-style-type: none"> The Board has a number of physical and software assets which are used to complete all its day to day activities Currently there is no software solution used to manage the assets in the lifecycles as well as track their usage across the organization Investigate and implement an IT Asset Management solution to manage the Board's assets 	36 months
R	Implement a communication policy	<ul style="list-style-type: none"> Communicate the policies, its impact and processes to the different stakeholders 	6 months

Detailed Recommended Projects



How to read the recommendation details?

- Owner – Who within TCDSB would have overall responsibility for the implementation of the recommendation, and would have responsibility to drive the recommendation from inception to implementation
- Estimated Duration – Expected duration for the implementation of the recommendation for an **organization of TCDSB's size and IT maturity**
- Value – Business and Technical value / returns obtained as a result of implementing the recommendation
 - High – indicates a high return of value, and would help move TCDSB move forward towards its strategic goals the most
 - Medium – indicates a medium return of value, would move TCDSB forward towards its strategic goals but not as much as a high value recommendation
 - Low – indicates a low return of value, would move TCDSB forward by a smaller return compared to a medium value recommendation
- Effort – Amount of effort in terms of time and costs needed to implement the recommendation
 - High – indicates that either the cost of implementation or timeline for implementation of the recommendation is high due to there being a need for a specialized skill or resources
 - Medium – indicates that either the cost of implementation or timeline for implementation is of medium cost
 - Low – indicates that either the cost of implementation or timeline for implementation is lower or shorter compared to other recommendations and can be implemented either really quickly or with a very low cost or both
- Key Activities – Provides a summary of the possible steps that TCDSB and the recommendation owner would need to plan and take in order to implement the recommendation



A: Establish the Governance Structure

A	Establish the Governance Structure	Owner (Person, Governing Body)	Superintendent, ICT		
Details	<ul style="list-style-type: none">Establish a federated + distributed governance structure that is best suited to TCDSB ITS given its size, products and services provided, and Future Role of ITSEstablish decision-making authority and accountability through governing committees / councilsIn doing this, ITS will be positioned to:<ul style="list-style-type: none">Enable the delivery of unified ITS strategy and roadmapDrive standardization and consistency of its technology processesOffer greater potential for skills growth and specialization among ITS staff				
Estimated Duration	3 months	Value (High, Medium, Low)	High	Effort (High, Medium, Low)	Medium
Key Activities					

The creation of an overarching IT governance council will need to be made for the entire overall organization in order to set a **standard for members and to ensure that there is a strategic alignment of technology with the Board's goals. Underneath this** central governance council there will be smaller governance councils for each of the different functions that will instill the objectives of the main council to their respective teams. There will also be several project steering committees to ensure that the direction and timeliness of different projects are following standards and that issues are resolved quickly.

Steps that need to be taken in order to refine the IT governance structure include:

1. Identify the roles and responsibilities for all attendees of the proposed governing bodies
2. Develop a communication plan to communicate the changes and impacts to the key stakeholders in the Board
3. Define the frequency and agenda of the meetings
4. Execute the communication plan and implement governance structures

The enhancement of the IT governance structure will require:

- The attendance of the tech representative and the leadership of both the academic and IT side to be present at the meetings of the main IT council
- The attendance of the tech representative and the leads of Technical Services as well as IT Infrastructure and Operations to be present at the sub council
- No dependencies on other projects exist

Note: Activities are based on a high level estimate and may be refined at a later date

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B: Introduce a Tech Representative at the Director's council

B	Introduce a Tech Representative at the Director's council		Owner (Person, Governing Body)	Superintendent, ICT		
Details		<ul style="list-style-type: none">The Tech Representative role will be a part of the Director's council for TCDSB and will be responsible for bringing strategic guidance for all IT planning and decision making purposesThe Tech Representative will be responsible for executing the Board's IT Vision and Strategic Roadmap as well as being an advisor to the Board with regards to IT/technology mattersThe role would be cross-functional to act as an advisor and a bridge to different academic and strategic units to ensure a strong uptake of technology as well as to ensure funding and utilization of current solutions				
Estimated Duration		6 months	Value (High, Medium, Low)	High	Effort (High, Medium, Low)	Medium
Key Activities						

In order to fill the Tech Representative role members of the organization will need to:

- Develop a business case for the reasons why the organization requires a Tech Representative (e.g. to ensure the alignment of **the IT Strategy with the overall strategy of the Board, to communicate the Board's IT Strategic Roadmap to all stakeholders**)
- Present the business case for appropriate approvals
- Identify individuals within the organization who can take on this role or if needed the external resourcing strategy
- Identify impacts to the organization and develop a communication strategy
- Execute resourcing strategy and select the candidate for the role
- Execute the communications plan

In addition to the representation at other councils such as education council, having a tech representative at the Director's council would ensure IT is abreast of any programs (IT impacting or dependent) and is involved from program planning. In addition, it will help ensure that any new programs or projects are aligned with the strategic direction of ICT and the Board.

While presence at the Director's council can help ensure IT is playing a strategic role within the organization, there also needs to be additional involvement of IT representatives within the other governance councils and decision making processes, to ensure project prioritization, planning and funding takes into account ICT's current budget, capacity and roadmap.

Note: Activities are based on a high level estimate and may be refined at a later date

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C: Develop the Project Portfolio Strategy

C	Develop the Project Portfolio Strategy		Owner (Person, Governing Body)	Project Management Office	
Details		<ul style="list-style-type: none">Develop the project portfolio strategy based on the ITS strategy and have specific objectives and quantifiable targets for the project portfolioDevelop the value and risk criteria used in the project prioritization process and establish thresholds and constraints			
Estimated Duration	2 months	Value (High, Medium, Low)	Medium	Effort (High, Medium, Low)	Medium
Key Activities					

Developing an overall project portfolio strategy, will help ITS guide the selection and direction of the projects for the various academic and business units. The following activities would need to be completed to setup the strategy:

- Establish a project scoping, estimation, monitoring and scoring methodology to be used for the project portfolio
 - Determine a project scoping methodology which will be used to scope and define the objectives of all current and future projects
 - Develop a project estimation framework, which can be used to estimate the project timeline and plan against
 - Develop a monitoring strategy to continuously collect information, track the progress of a project and report on it
 - Develop a scoring methodology which can be used to score the current and future projects and use this information to confirm staffing, resources and timelines
- Establish the throughput and delivery capacity for ITS to deliver on the Board's projects**
- Develop a project scoring methodology
- Identify the Strategic Alignment for the projects and update scoring accordingly
- Score the projects to be delivered

Gartner identifies the following products as leading IT Project and Portfolio Management solutions, which TCDSB should consider – Planview Enterprise, CA Technologies PPM, Changepoint, Microsoft Project Server

Note: Activities are based on a high level estimate and may be refined at a later date

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D: Develop a Cloud First Strategy

D	Develop a Cloud First Strategy		Owner (Person, Governing Body)	Enterprise Architecture		
Details		<ul style="list-style-type: none">Develop the tools and methodologies to support the development of a cloud first strategy for new and current solutions, while becoming the single stop shop for all Cloud solutionsThe TCDSB needs to look at the cloud as a possible solution to many of its data storage and sharing problems. Utilizing the cloud will be able to solve most of the IT Infrastructure Management issues the board faces				
Estimated Duration		6 months	Value (High, Medium, Low)	High	Effort (High, Medium, Low)	Medium
Key Activities						

Steps to develop a cloud implementation strategy include:

1. Educate the IT staff on cloud and its related technologies
2. Educate the rest of the organizations to the advantages of using the cloud
3. Introduce IT as the one stop shop for all technology related solutions, to ensure the Board can benefit from economies of scale, and a common brokerage model
4. Develop a cloud strategy, and review the current applications and their ability to move to the cloud
5. **Make it "cloud first" for any new projects: when a new application is needed, start by considering cloud-based solutions first**
6. Move test and development to the public cloud
7. Review the IT maintenance schedule
8. Utilize the project planning team to identify workloads to migrate
9. Hire an expert provider to spearhead the project who can assist with tasks from risk assessment to strategy development
10. Plan for ongoing cloud support needs
11. Build the migration and integration project plan

Using IT as the common brokerage for all infrastructure and solution needs will ensure the Board does not have shadow IT within the Board i.e. the business does not go and purchase services directly from vendors with little attention being paid to security, enterprise architecture and achieving economies of scale.

Note: Activities are based on a high level estimate and may be refined at a later date.



E: Develop an Employee Resourcing Strategy and Plan

E	Develop an Employee Resourcing Strategy and Plan		Owner (Person, Governing Body)	Superintendent, ICT, HR	
Details		<ul style="list-style-type: none">Develop an employee resourcing strategy and plan that highlights current and future resource / succession needs to best achieve the Board and ITS goalsEstablish the succession planning process that ensures that knowledge and expertise are transferred to others in the organization			
Estimated Duration	6 months	Value (High, Medium, Low)	High	Effort (High, Medium, Low)	Medium
Key Activities					

Key steps to develop an employee resourcing plan:

1. Link Strategic and Workforce Planning Decisions to develop staffing needs including identifying full time v/s contractor needs
2. Analyze and identify skills and resourcing gaps
3. Identify Talent Pools: Assess competency and skill levels of current workforce
4. Develop Succession Strategies:
 - Identify retention and development/learning strategies including coaching/ mentoring and assessment/ feedback
 - Implement Succession Strategies
 - Implement development/learning strategies (e.g., planned job assignments, formal development)

As a part of the employee resourcing strategy, develop an employee growth /retention plan as well:

- Conduct a Self-assessment: A manager and employee sit down to explore his or her knowledge, skills and abilities, as well as past experiences, accomplishments and interests.
- Individualized career map: Create an individualized career map that involves identifying other positions within the organization that the employee may be interested in. The position may be a lateral move into a different job family or a **promotion. In either case, the position should capitalize on the employee's past experiences, interests and motivation while** at the same time requiring the employee to develop a certain degree of new knowledge, skills and abilities (KSAs) to give him or her something to work toward and stay engaged.
- Training plan: Develop an individual training and certification plan with employees to ensure there is continuous updation of their skills and soft skills. Track their progress on the plan and use as a part of their growth plan.

Note: Activities are based on a high level estimate and may be refined at a later date



F: Establish an IT Project Management Office (PMO)

F	Establish an IT Project Management Office (PMO)	Owner (Person, Governing Body)	Superintendent, ICT		
Details	<ul style="list-style-type: none">Establish an IT Project Management Office (PMO) that initiate projects, monitor progress, measure performance, and facilitate decision makingIntroduce Quality Assurance (QA) and Change Management (CM) capabilities within the Project Management Office to ensure Quality Assurance and Change Management are a core part of any program or project delivery				
Estimated Duration	3 months	Value (High, Medium, Low)	High	Effort (High, Medium, Low)	High
Key Activities					

In order to create this office, staff who possess key competencies in project management and staff who are interested in taking on project management responsibilities will be brought in from their respective teams. This newly created team will be informal as no changes will be made to existing departments. Some key initiatives that this group can undertake can include: creating repositories for documentation material, introducing standards and processes to enhance project management methodology and reporting metrics, and creating a detailed dashboard which outlines ongoing projects, resource allocations, budget variance, define quality assurance and change management processes.

In order to establish the PMO the following steps need to be done:

- Define roles and responsibilities for all members of the group
- Identify existing staff who have PM, QA and CM expertise and develop a communication plan for other members who would like to join the working group
- Perform an assessment of the current standards, processes, tools and templates
- Research formal tools and processes that can be used to generate specific reports
- Develop recommendations and execute PM, QA and CM standards on an ongoing basis
- Initiate vendor and service management processes as a part of the PMO activities
- Identify the need for additional resources, while trying to maintain a 1 PM for every 3-4 major programs ratio

The establishment of a Project Management Working Group will require:

- Interest of existing team members to join this group and be a part of PM, QA and CM activities
- Ability and time to take training for interested team members
- Ability and time to deliver training to interested potential team members

Note: Activities are based on a high level estimate and may be refined at a later date



G: Establish an Enterprise Architecture Structure

G	Establish an Enterprise Architecture Function	Owner (Person, Governing Body)	Superintendent, ICT		
Details		<ul style="list-style-type: none">Establish an Enterprise Architecture function that will provide the foundational framework to logically organize applications, infrastructure, and data into a standardized set of directives and process which enables ITS service delivery			
Estimated Duration	6 months	Value (High, Medium, Low)	High	Effort (High, Medium, Low)	Medium
Key Activities					

The Enterprise Architecture function can be created through existing IT personnel resources with the designated staff being given additional tasks and responsibilities i.e. undergoing an organization redesign or by recruiting additional resources. The structure of the team will consist of an Enterprise Architecture Lead, Solution Architects, Infrastructure Architects and Project Teams. **The Enterprise Architecture Lead role will be responsible for developing and managing the Board's IT Enterprise Architecture.** This role will manage the Solution Architects and the Infrastructure Architects who will be taken from a resource pool within the Technical Services teams. These teams will then manage project teams who can be taken from the remaining IT staff and resources.

Steps that can be taken to establish this function include:

- Define roles and responsibilities for members of the Enterprise Architecture team
- Identify existing staff who have competencies required for each role
- Identify skills gaps and address through training or recruitment
- Assign enterprise architecture roles and responsibilities to identified staff resources
- Ongoing review and enforcement of the architecture processes and standards

The establishment and maintenance of an Enterprise Architecture function will require:

- Training to address skills gaps
- Capacity of existing staff to work on EA tasks with no impact on their day to day responsibilities
- Recruitment of additional resources to support EA tasks

Note: Activities are based on a high level estimate and may be refined at a later date

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H: Establish an ITS Support Model

H	Establish an ITS Support Model	Owner (Person, Governing Body)	Senior Coordinators, ICT		
Details	<ul style="list-style-type: none">Establish an enhanced ITS support model that ensures support is provided efficiently and as per expectationsDevelop support plans for business v/s academic staff, and provide trainings to staff on new hardware and software technologies				
Estimated Duration	3 months	Value (High, Medium, Low)	High	Effort (High, Medium, Low)	Medium
Key Activities					

Steps that TCDSB can undertake to improve the support model are as follows:

1. Identify all of the services that IT support provides to all members of the organization
2. Identify and clarify roles and responsibilities that each member of the help desk and technicians possess
3. Develop and define service level objectives (SLOs) and key performance indicators (KPIs) for all major technology services
4. Monitor performance against these objectives on a frequent basis
5. Enhance the current IT Support Model that outlines the processes, workflows, support levels, and tools used for providing support to technology service users
6. Create a budget plan and develop a roadmap and implementation timeline for this update to the model
7. Create a reporting tool that will identify key indicators (e.g. most frequent issues, calls logged per day, and resolution times)
8. Develop a communication plan to communicate the changes to the technology support model and service level objectives
9. Communicate to all stakeholders of the organization and emphasize that tickets that are not logged in the ITSM system will not be looked at and therefore not be resolved
10. Conduct training for newly issued initiatives for the IT support staff
11. Develop and implement a process for ongoing review and continuous improvement of IT services including collecting information for further analysis (using the analytics solution) to identify areas where additional support is needed

The success of this initiative will depend on:

- The ability and resources to train the support staff
- Efficient use of staffing resources to alleviate current workload and to be able to implement the new changes
- The cooperation of all members of the TCDSB to understand and adhere to the communication plan

Note: Activities are based on a high level estimate and may be refined at a later date



I: Review the current software strategy

I	Review the current software strategy		Owner (Person, Governing Body)	Superintendent, ICT	
Details	<ul style="list-style-type: none">Review the current applications for rationalization and enhancement to newer versions of the same solution or different solutions to add additional functionality and capabilitiesReview should include SAP, eScribe, Web Portal, HCM, Trillium				
	Estimated Duration	12 months	Value (High, Medium, Low)	High	Effort (High, Medium, Low) High
Key Activities					

Some of the Board's solutions do not fully support the business needs for the various business units, a few of these are by design, while some are due to new features added by vendors in newer versions of the products. ITS should conduct an analysis to review the capabilities and features of the software solutions being used against the expected functionality the solutions are expected to resolve. The review should include SAP, eScribe, Web Portal, Document Management Systems, Human Capital Management Systems, etc. ITS should follow the following steps to review and update the current strategy:

1. Identify all the software solutions being used by the Board, as well as additional tools requested by the business
2. Identify the different features and capabilities of the various software solutions being used or planned for usage
3. Develop the different business needs which these solutions are designed to solve, work with the business units to identify the different functions and activities the tools are used for
4. Perform a gap analysis to identify the appropriate set of solutions which would need to be selected in order to fulfil the **business' mandate**
5. Identify and request the funding needed in order to undertake the required changes

The board is also leveraging Trillium to offer student services. As Trillium has been purchased by another vendor who has indicated a lack of interest in continuing with the development of the solution, the Board should take the following steps on an immediate basis:

1. Work with the relevant academic and business functions to identify the relevant business needs for the student information system solution
2. Conduct a market scan of potential solutions, and perform a review of the possible solutions against the requirements
3. Select and deploy the appropriate solution to replace Trillium

Note: Activities are based on a high level estimate and may be refined at a later date



J: Develop a Document & Record Management Strategy

J	Develop a Document & Record Management Strategy	Owner (Person, Governing Body)	Enterprise Architecture
Details	<ul style="list-style-type: none"> Establish a document storage and governance process, identify relevant tools to be used for document storage and retrieval 		
Estimated Duration	24 months	Value (High, Medium, Low)	High
			Effort (High, Medium, Low)
			High
Key Activities			

Steps to develop a document & record management strategy include:

1. Develop a governance process for the storage of documents and reports
2. Develop a data classification model for the different types of data generated by the organization
3. Identify the business requirements for a document management system
4. **Conduct a RFP process to identify an appropriate solution which can fulfil the Board's requirements**
5. Deploy the Document Management System via a PoC
6. Collect results from the PoC, which can then be used to update the solution offering
7. Deploy the solution for all employees

As a part of the Document Management Strategy, the Board should look to deploy additional information and communication strategies to communicate with the employees,

- The Board should identify the most commonly raised issues, which can be solved by a self service process and deploy a set of frequently asked questions
- The Board should upload process documents in a central location on the Document Management System and make it available for all employees to refer
- Create how to videos to help employees solve some frequent issues (especially with Trillium, SAP, etc.)
- Workflows can also be implemented as a part of the solution, to enable an automated approval process to be setup

Record keeping should be an essential component of the solution to ensure student records especially on special education are not lost

Note: Activities are based on a high level estimate and may be refined at a later date

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K: Enable a Digital mobility/access anywhere strategy

K	Enable a Digital mobility/access anywhere strategy		Owner (Person, Governing Body)	Superintendent, ICT	
Details		<ul style="list-style-type: none">Enhance the current mobility capabilities to beyond mobile phone and Wi-Fi delivery by enhancing applications to work on the multiple platforms and browsers (Digital Workplace), and look at enhancing network access, VOIP			
Estimated Duration	36 months	Value (High, Medium, Low)	High	Effort (High, Medium, Low)	High
Key Activities					

Board employees currently do not enjoy a consistent experience in accessing the various Board resources required by them to do their jobs. Most resources are accessible from Board computing devices (when they work), and are not accessible through other devices including Board provided handhelds. The Board and ITS must take the following steps to enable mobility and provide a consistent experience for the employees:

1. Review the current Wi-Fi deployment for fidelity and ease of access, ensuring it is available at all schools and all required locations within the schools and administrative offices
2. Review the bandwidth consumption at the various Board sites, identify the additional bandwidth requirements and work with the vendor to upgrade the available bandwidth. If required, the Board should consider introducing QoS to improve availability of bandwidth for critical functionality
3. Introduce VoIP based phone lines for all employees, including introducing a software based dialer on laptops versus actual physical hard phones
4. **Expand the availability and services provided by the Board's Citrix solution, to enable employees to access all Board resources even while using a non-Board device**
5. Introduce either mobile based websites or applications for employees to access relevant student and teaching data from their Board provided mobile phones when required

The Board would also need to work through an RFP process to identify the costs of implementing these solutions and budget for them as required.

Note: Activities are based on a high level estimate and may be refined at a later date

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L: Develop an enterprise data analytics culture

L	Develop an enterprise data analytics culture	Owner (Person, Governing Body)	Superintendent, ICT
Details	<ul style="list-style-type: none"> Increase the data collection from the different board applications, to be used as an input towards the implementation of a Business Intelligence solution for analytics and predictive modeling 		
Estimated Duration	36 months	Value (High, Medium, Low)	High
		Effort (High, Medium, Low)	High
Key Activities			

The Board collects a vast amount of data ranging from student scores to education delivered; in addition from a shared services perspective they also collect information on the types of challenges faced by employees to deliver their work. The Board should look at developing a data analytics culture within the organization, and can follow the following steps to achieve the same:

1. Identify the various types and sources of data being collected by the business
2. Identify additional sources of data not being currently collected, which could be used for analytics
3. Develop a metadata and big data architecture
4. Run a proof of concept to identify insights from the data already collected by the Board
5. Deploy a big data solution to analyze the different data the Board has and to develop insights to improve education

The Board should look at leveraging the analytical solution to analyze the various incoming calls to the IT Support Help Desk, create a staffing model based on high and low peaks of service demand from their customers and work to update staffing as needed, including bringing in external contractors during peak periods. The analyzed data can also help the Board identify the common areas where help is required by the employees, and create self help guides and how to videos to help employees resolve some of these issues on their own and without raising support cases

Note: Activities are based on a high level estimate and may be refined at a later date

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M: Introduce an Enterprise service management system

M	Introduce an Enterprise service management system	Owner (Person, Governing Body)	Superintendent, ICT, Governance Council		
Details	<ul style="list-style-type: none">Introduce a Board wide system to log and track cases for the delivery of different services to the Board’s various stakeholdersHeat is an old system with limited functionality that should be upgraded so that it tracks all IT ticketsCurrently the IT ticketing system is not used across the board and is therefore not able to accurately track all issues throughout the organizationOptimize the IT Service Desk				
Estimated Duration	36 months	Value (High, Medium, Low)	High	Effort (High, Medium, Low)	High
Key Activities					

The steps needed to upgrade the ITSM software to an enterprise wide solution include:

1. Identify your precise needs: The Board needs to identify the business needs from the solution including for special services
2. Evaluate service providers to identify which ones meet your needs and requirements as well as budget demands
3. Create a rough schedule: flexibility is important in reaching goals and planning out upgrades to make constant progress
4. Provide training to IT support and create training materials for end users for creating and submitting tickets

The steps needed to introduce a Board wide case management system:

1. Use a governance committee to setup a common understanding of the case management system and its leverage for all service staff including Special Education Services, HR/Payroll, Business Services, Planning and Facilities
2. Develop a plan that includes the deployment of the case management system

Steps to optimize the IT Service Desk:

1. Remove Sources of Waste to Become Effective and Efficient, examples of waste include:
 - Movement of work, information and materials: On-site visits to resolve incidents that could be resolved remotely
 - Unnecessary physical movement: printing information from one place, then re-entering it in another place
 - Reworking to correct mistakes: help desk interventions that were not done correctly or that do not solve problems
2. Try to eliminate these sources of waste by creating a value stream map which shows the flow of a process, highlighting information, inputs, outputs, controls and cycle times
3. Always start the process of value streams with the to-be state, then draft the value stream with the desired state
4. Generate recommendations and prioritize solutions and then create an improvement roadmap

Note: Activities are based on a high level estimate and may be refined at a later date



N: Implement a hardware lifecycle management policy

N	Implement a hardware lifecycle management policy	Owner (Person, Governing Body)	Superintendent, ICT		
Details	<ul style="list-style-type: none">Implement a policy for the renewal of hardware assets owned by the board and deployed with the various schools, teachers and staffA standardized refresh process to replace end-of-life devices and infrastructure on a 3-5 year cycle should be developedA standard IT device catalogue should also be implemented				
Estimated Duration	12 months	Value (High, Medium, Low)	Medium	Effort (High, Medium, Low)	Medium
Key Activities					

Steps to update the device refresh plan:

1. Determine: Determine the technology awareness within the organization and perform a health check of the landscape
2. Design: Identify refresh candidates and options. Build a refresh strategy that includes how the technology is going to work, roadmaps, and risks involved
3. Develop: Once the overall refresh strategy is built, the next step is to plan for its implementation. This includes developing a detailed solution design, test planning, and building a Proof of Concept (PoC)
4. Deploy: Execute the strategy by testing and training the IT team to ensure that they know how to support the devices. Also, provide training guides for staff who will be using the devices. Rollout the new technology to the end users. Ensure to communicate that non standard devices will not receive IT support under any circumstance
5. Deliver: Decommission the old devices and capture feedback to improve solution designs in the future

Not implementing a hardware lifecycle strategy carries a high risk for the Board and introduces it to risks of poor performance, frequent breakdowns and increasing support costs.

Note: Activities are based on a high level estimate and may be refined at a later date.

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O: Implement a disaster recovery / business continuity strategy

O	Implement a disaster recovery / business continuity strategy	Owner (Person, Governing Body)	Superintendent, ICT		
Details	<ul style="list-style-type: none">Disaster Recovery plans provide a step-by-step process for responding to disruptive events. Procedures should be easy-to-use in an effort to recover damaged IT assets.				
Estimated Duration	24 months	Value (High, Medium, Low)	Medium	Effort (High, Medium, Low)	Medium
Key Activities					

Steps to develop the disaster recovery plan:

- Before a detailed recovery plan can be generated a business impact analysis should be conducted to identify the IT services that support the organization's critical business activities. In addition a review of the Board's Business Continuity Plan should be done to ensure the Disaster Recovery plan is in support of the Board's BCP plan
- This project should be organized with acknowledgements to timeline, resources, and expected output
- Risk assessment should be conducted regularly and the backup site facility should be checked upon regularly
- Onsite and Offsite Backup and Recovery procedures should be reviewed, special care should be taken to review cloud based recovery options as well
- Develop of a Disaster Recovery Plan which includes the roles of staff members, communication plans, and scenario plans
- Conduct regular testing of the plan
- Maintenance and periodic inspection of the Plan through updates and review should be conducted on an ongoing basis

Update the Board's Business Continuity Plan

- ICT should take into consideration the Board's Business Continuity Plan while developing the disaster recovery plan
- Post the creation and updation of the disaster recovery plan, ICT needs to leverage with the owners of the Board's Business Continuity Plan to update the plan and link it closely with the Disaster Recovery plan so that the two might work hand in hand in case of a disaster

Note: Activities are based on a high level estimate and may be refined at a later date

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P: Implement a software / hardware vitality plan

P	Implement a software / hardware currency plan		Owner (Person, Governing Body)	Superintendent, ICT	
Details		<ul style="list-style-type: none">Hardware and software vitality is an important part of the regular maintenance of the Boards infrastructure and softwareMaintaining vitality helps ensure the latest versions of software and firmware are deployed, and helps reduce the Board's overall risk and increase securityReview the hardware and software vitality to ensure the Board is either at the latest or latest – 1 version of the software and firmware			
Estimated Duration	12 months	Value (High, Medium, Low)	Medium	Effort (High, Medium, Low)	Medium
Key Activities					

Steps to develop a vitality plan:

1. Conduct a application and hardware inventory exercise of all the deployed software and hardware within the Board
2. Identify the latest versions of the software's and applicable firmware's for each of the identified solutions
3. Perform a diff between the latest version features and capabilities versus the currently deployed versions
4. Analyze the information to come up with an update plan to bring the application and firmware currency to the latest acceptable solution option for the Board
5. Perform the upgrades and updates as required

Note: Activities are based on a high level estimate and may be refined at a later date

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Q: Implement an IT Asset Management Solution

Q	Implement an IT Asset Management Solution		Owner (Person, Governing Body)	Superintendent, ICT	
Details	<ul style="list-style-type: none">The Board has a number of physical and software assets which are used to complete all its day to day activitiesCurrently there is no software solution used to manage the assets in the lifecycles as well as track their usage across the organizationInvestigate and implement an IT Asset Management solution to manage the Board’s assets				
	Estimated Duration	36 months	Value (High, Medium, Low)	Medium	Effort (High, Medium, Low)
Key Activities					

The Board should look to deploy an IT Asset Management Solution to track the various IT assets deployed by it with the various employees. This solution would need to work with the current SAP solution leveraged by the Board to track employees and their roles. The Board should take the following steps to deploy an IT Asset Management solution:

1. Identify the types of assets being leveraged by the Board in order to perform its duties
2. Identify the asset lifecycles for the various assets identified
3. Based on the identified assets and lifecycles processes, issue an RFP to identify a solution to be deployed
4. Deploy the Asset Management Solution
5. Transfer all the Asset Management data to the solution
6. Leverage the solution to track the various IT assets and assign them to the various Board employees as needed

Note: Activities are based on a high level estimate and may be refined at a later date

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R: Implement a communication policy

R	Implement a communication policy		Owner (Person, Governing Body)	Superintendent, ICT	
Details		<ul style="list-style-type: none">Current communication processes both internally and externally are leading to challenges that result in increased costs and impaired service performance. Better communication processes need to be put in place to drive productivity			
Estimated Duration	6 months	Value (High, Medium, Low)	Medium	Effort (High, Medium, Low)	Low
Key Activities					
<p>Steps to develop an improved communication plan</p> <ul style="list-style-type: none">Communicate directly with targeted staff in order to get the message across clearly and succinctly. Address why the information required is criticalSend out concise messages to get the information across and use a central location on the intranet to upload and make available relevant information on commonly raised requests and ticketsRequire status reports from employees to determine what they have accomplished during the week. This will help monitor progress on incomplete projects.					

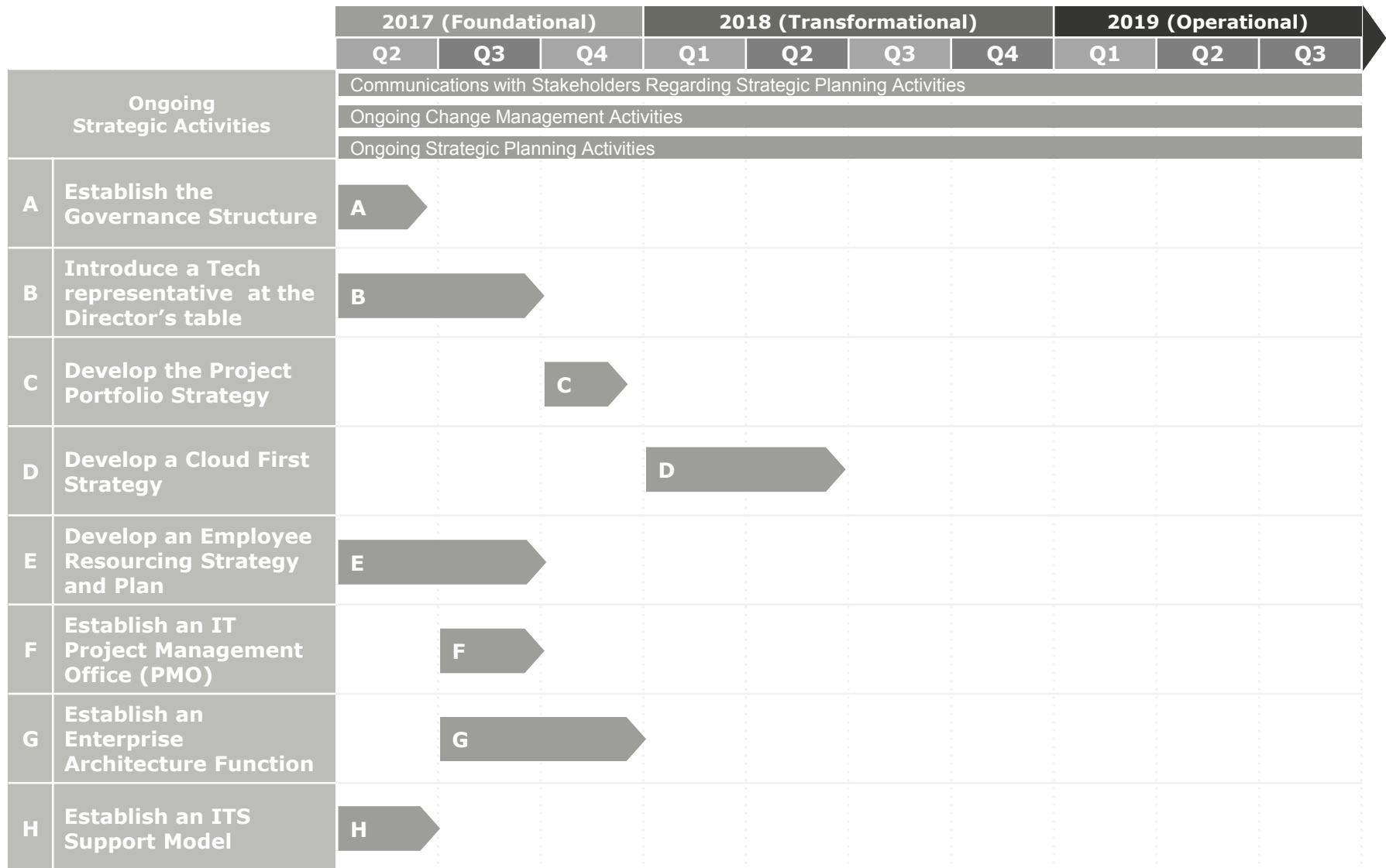
Note: Activities are based on a high level estimate and may be refined at a later date

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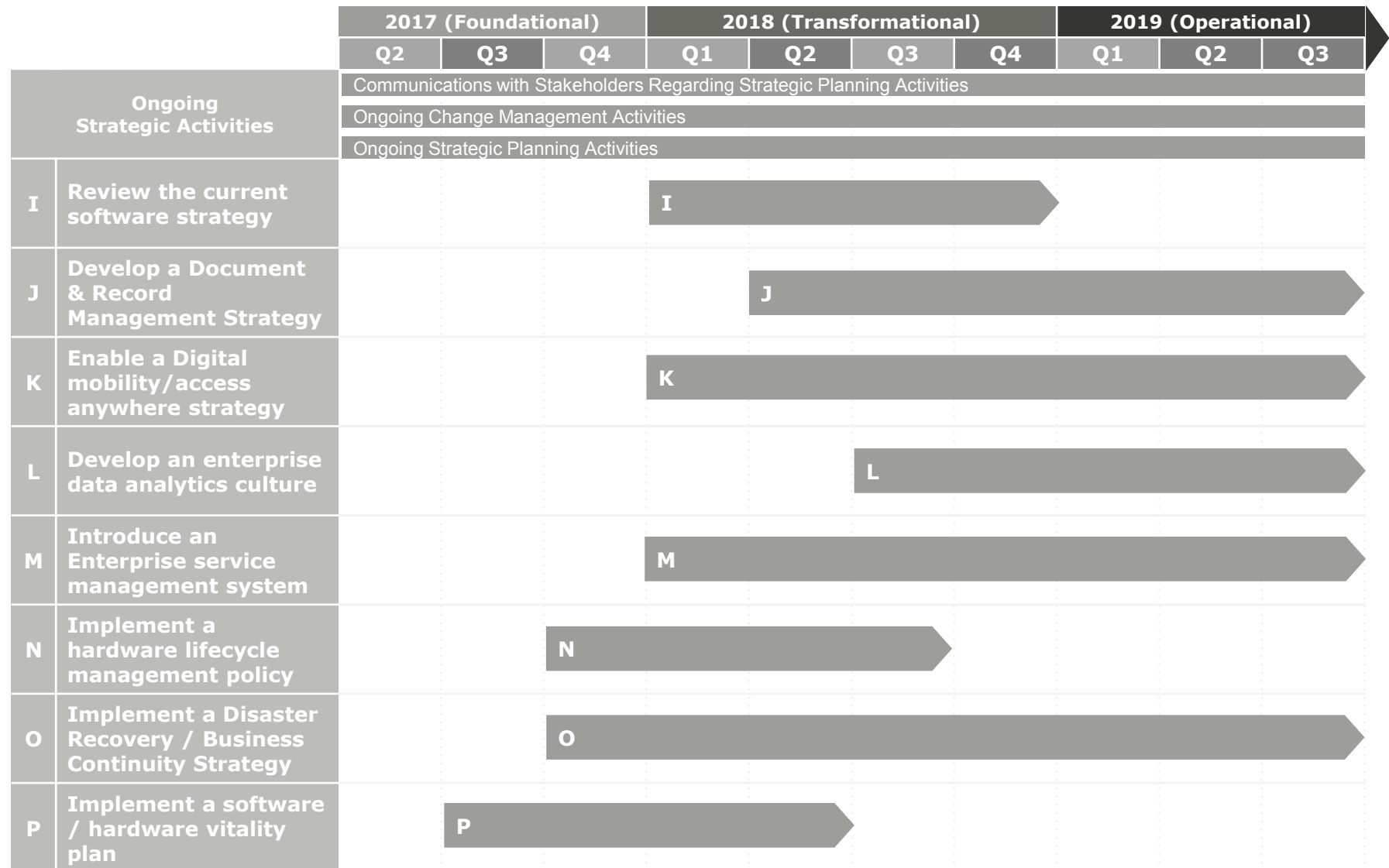
Program Timeline

And “Quick Wins”

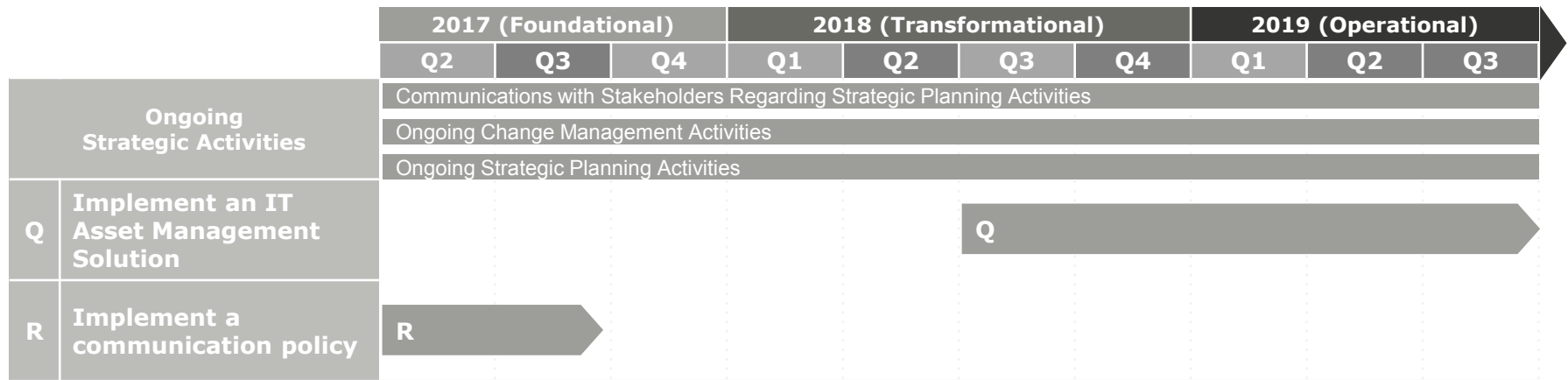
ITS Strategic Roadmap



ITS Strategic Roadmap



ITS Strategic Roadmap



Based on the roadmap and prioritization, the following initiatives were identified as the high-value “quick-wins” for the Board

Initiative	Initiative Name	Value	Effort
A	Establish the Governance Structure	H	M
B	Introduce a Tech representative at the Director's table	H	M
C	Develop the Project Portfolio Strategy	M	M
D	Develop a Cloud First Strategy	H	M
E	Develop an Employee Resourcing Strategy and Plan	H	M
F	Establish an IT Project Management Office (PMO)	H	H
G	Establish an Enterprise Architecture Function	H	M
H	Establish an ITS Support Model	H	M
I	Review the current software strategy	H	H
J	Develop a Document & Record Management Strategy	H	H
K	Enable a Digital mobility/access anywhere strategy	H	H
L	Develop an enterprise data analytics culture	H	H
M	Introduce an Enterprise service management system	H	H
N	Implement a hardware lifecycle management policy	M	M
O	Implement a Disaster Recovery / Business Continuity Strategy	M	M
P	Implement a software / hardware vitality plan	M	M
Q	Implement an IT Asset Management Solution	M	H
R	Implement a communication policy	M	L



Next Steps

1. Meet with the Board leadership on the future direction of ITS
2. Seek approval from the Board leadership and Human Resources on the changes required to the ITS organization structure
3. Communicate the future direction of ITS and the defined strategy within and outside of ITS
4. Define the governing body member roles and responsibilities and establish a federated + distributed governance structure
5. Communicate the ITS governance structure to the key stakeholders in the Board and schools (about the change and how the change will impact them)
6. Define responsibilities of new / updated roles required to deliver on the ITS strategy

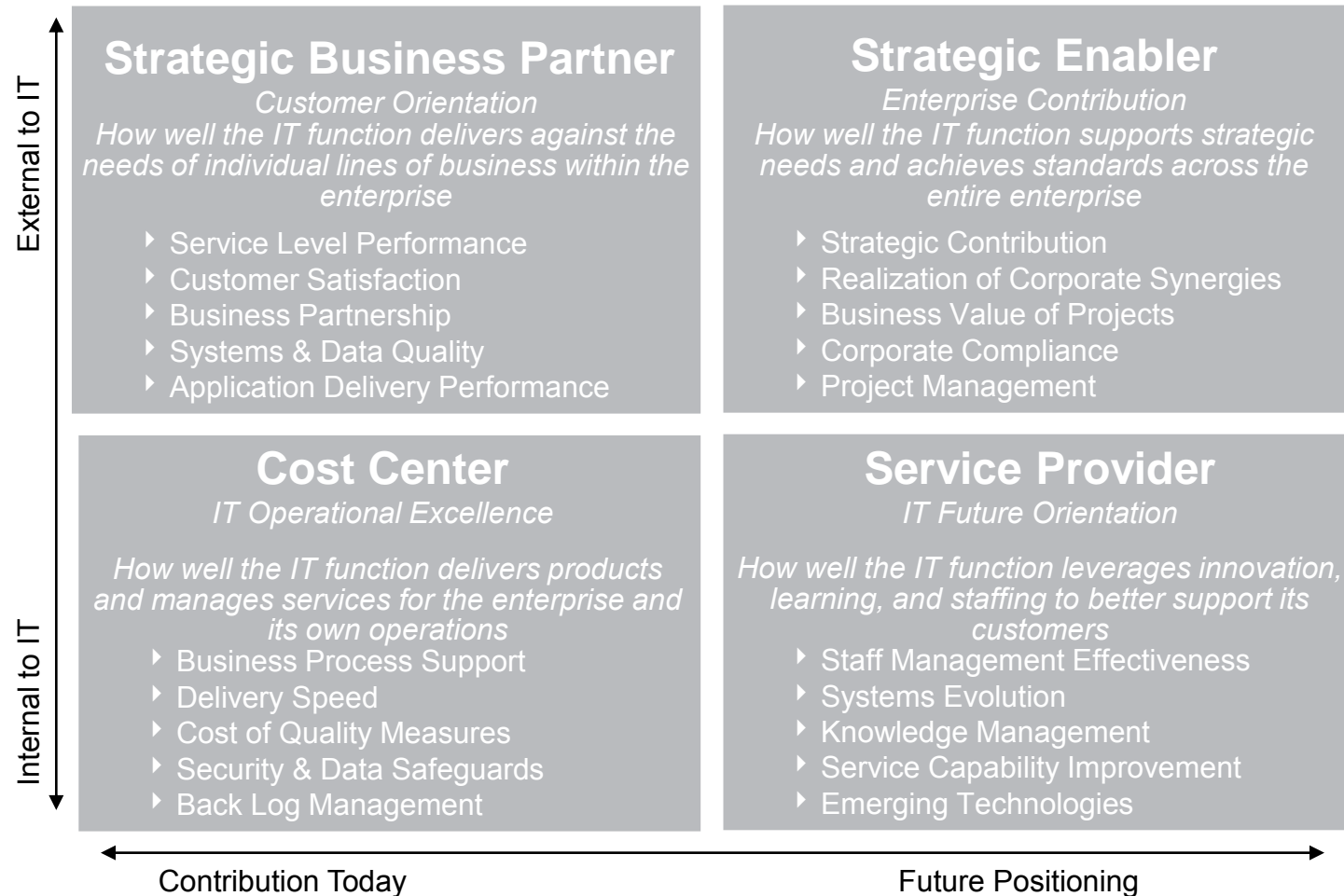
Appendix

Key Frameworks



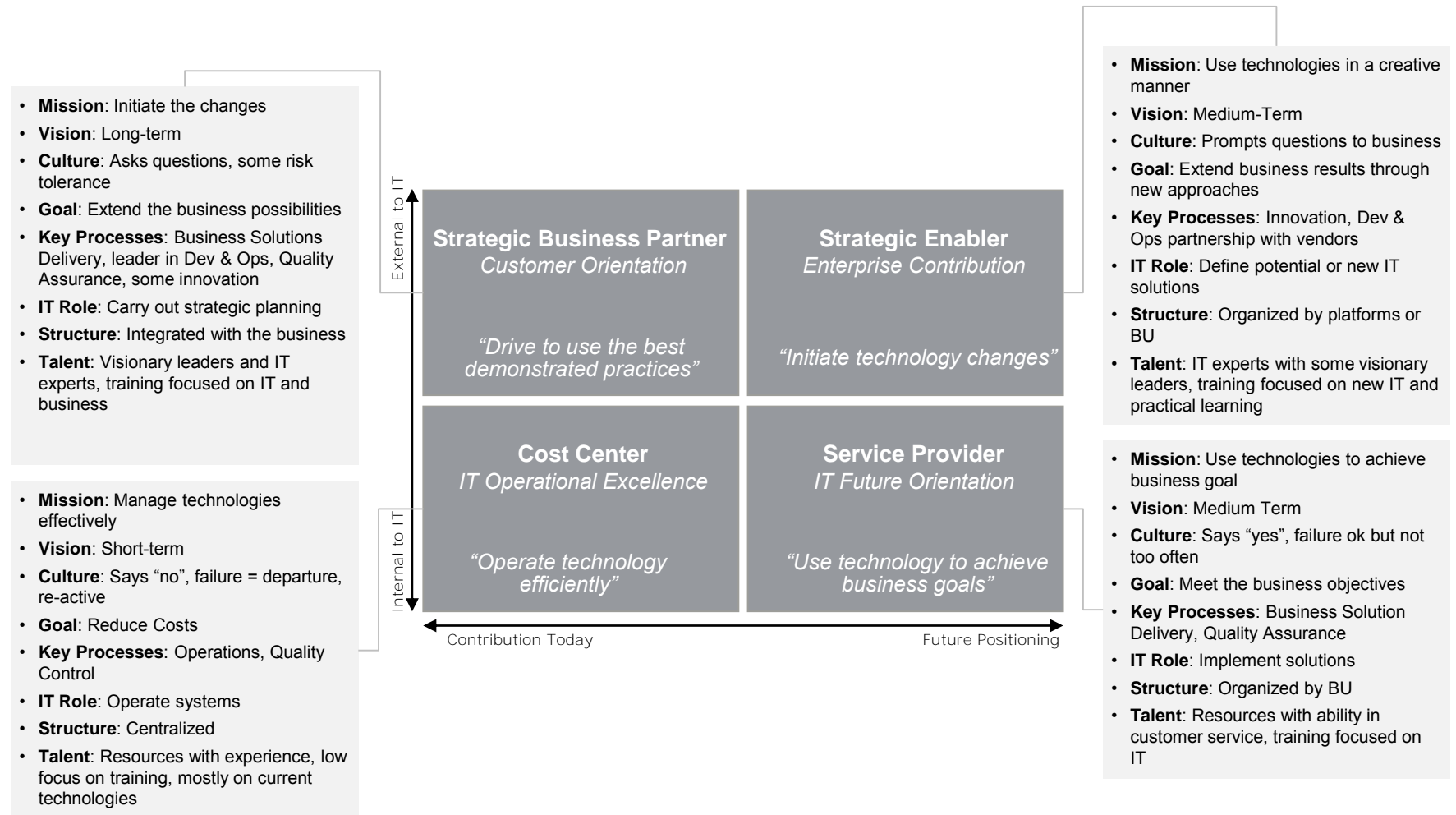
Deloitte's Role of IT Framework

Deloitte's Role of IT Framework was developed to help clarify target interactions with the business





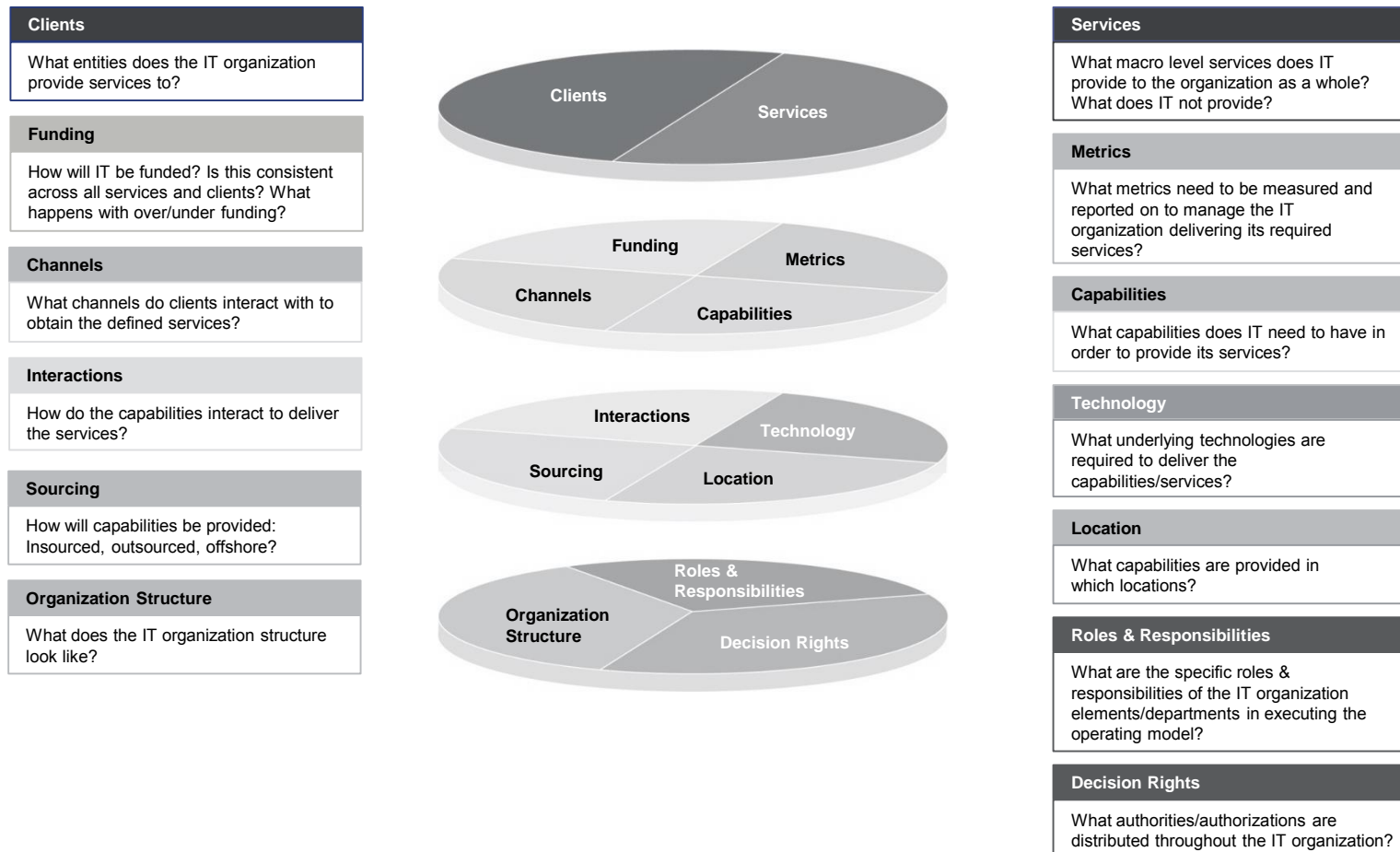
Defining the Future Role of ITS is an important first step in developing an ITS Strategy and Roadmap





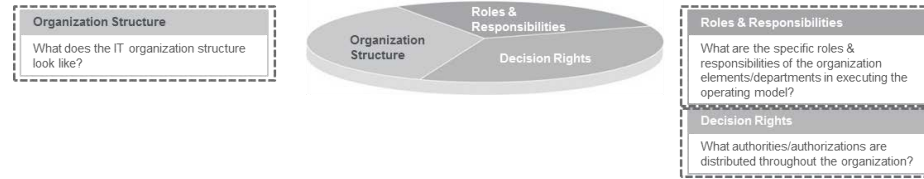
The Operating Model forms a critical link between the Board and ITS strategies and is the requisite foundation to deliver value

The ITS Operating Model depicts the critical dimensions of an effective ITS function including ITS organization, the services it delivers and the manner of this delivery. **It's** important to note that changes in one dimension may have an impact on other dimensions.





Governance describes the leadership, decision-making structure, processes, and accountability that determine how the ITS organization gets work done



Governance is the “What, Who and How”

- **What** decisions require formal management (i.e. what is ITS governing)
- **Who** is responsible and accountable for making IT decisions (i.e. which ITS governance bodies and roles are responsible and accountable)
- **How** these decisions are made and monitored (i.e. what are the relevant ITS governance processes)

Governance Essential Elements

Management Style

Collaborative
Consensus-Driven
Structured
Controlling
Entrepreneurial

Inform and influence the decision-making process

Management Style

Authorities, Structure and Accountability

Targets and Results

Process, Participation and Timing

Reinforcement

Funding — Activities — Benefits
Decisions

Decisions

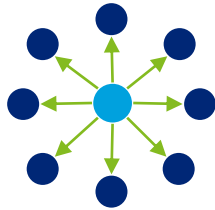
Leadership
Allocating Capital
Monitoring & Control
Policy
Planning
Coordination & Compliance

Drive business and governance objectives

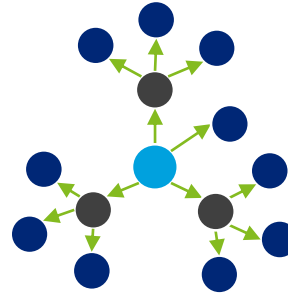
Possible Governance/Organization Models for ITS

Governance Model Continuum

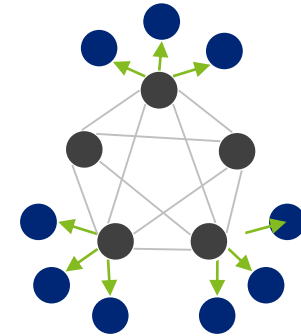
Centralized



Federated



Distributed

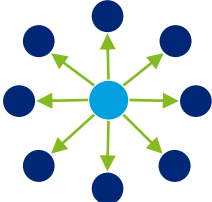
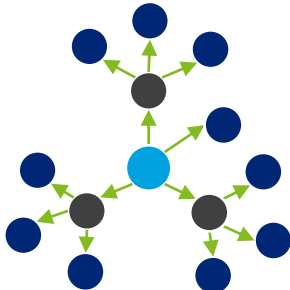
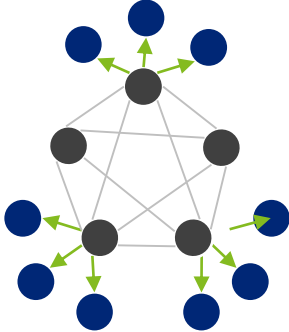


Characteristics

- Central authority guide policies to the various groups
- Decisions made quickly; leads to efficient operations at the expense of individual effectiveness
- Desirable for architecture, other IT-related standard maintenance where efficiency is highly valued
- Generates significant resentment and resistance from those not in the monarchy
- Central authority delivers coordination services, measures, project management and standards to IT groups
- Governance through committees
- Central authority controls back end and cost-related elements (e.g., infrastructure) while IT groups control other elements based on agility
- Large potential for synergies
- Efficiency and effectiveness depends on coordination, sharing of responsibilities and information
- IT groups decide as a group on all common issues, each with veto
- May gain some efficiencies when there is broad consensus
- Decisions made slowly; can easily devolve into anarchy
- Model is inefficient for delivery and management of enterprise-wide solutions



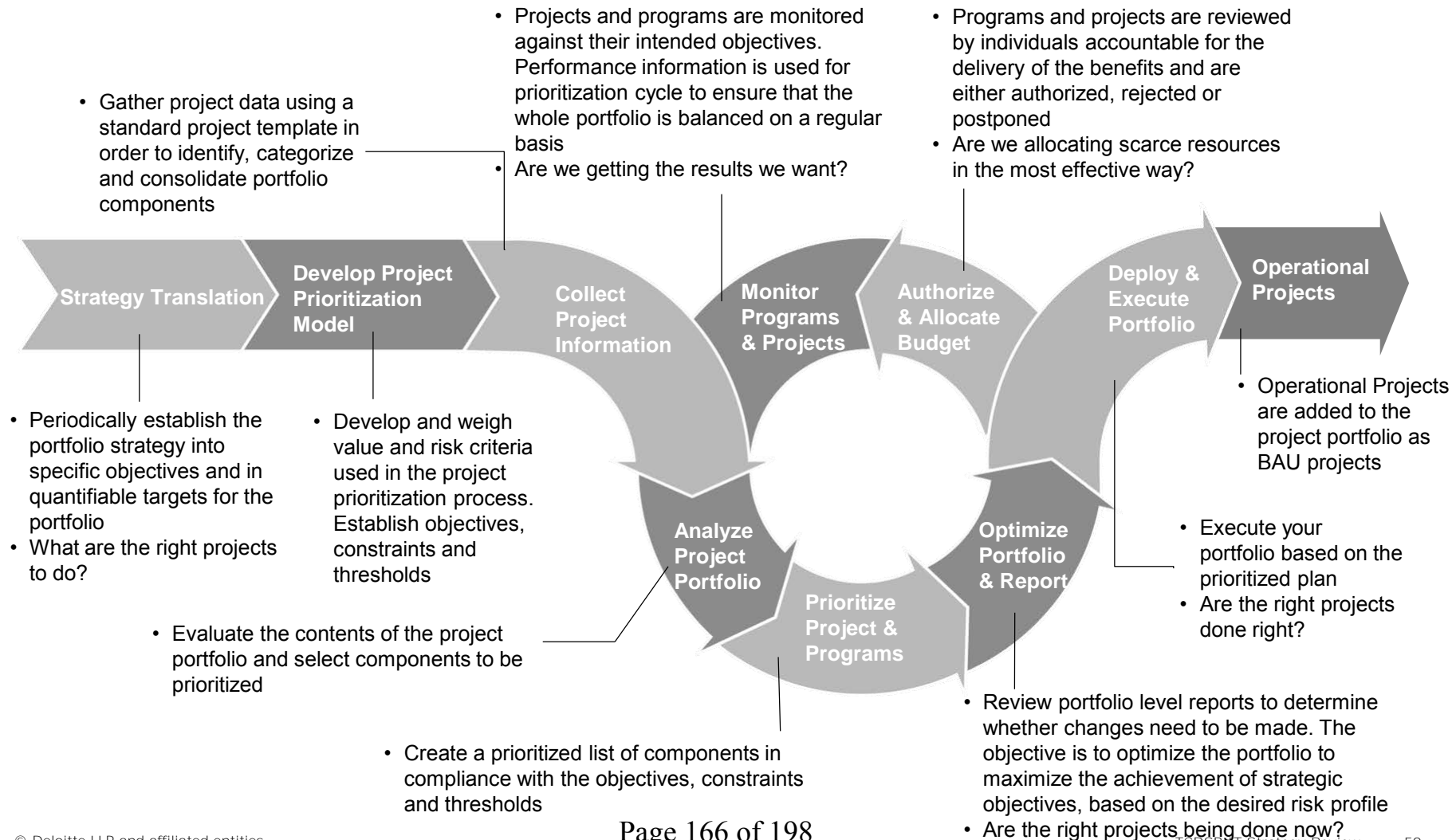
Pros and Cons of Centralized, Federated, and Distributed Governance/ Organization Models

Governance Model Continuum			
	Centralized	Federated	Distributed
			
Pros	<ul style="list-style-type: none"> • Able to drive economies of scale and achieve reduced costs • Simple reporting structure, allowing for easier controls and supervision • Ideal when specialized resources / knowledge are required • Inherent sharing 	<ul style="list-style-type: none"> • Combines benefits for both centralized and distributed models • Facilitates sharing on certain topics • Gains in resource efficiencies, reduced costs • Balances central and local needs • Drives standardization and consistency of IT processes • Large potential for synergies • Reduces redundancies within organization 	<ul style="list-style-type: none"> • Driven by demand, customer satisfaction, and/or financial metrics • Responsive to local needs • Facilitates sharing • Improves expertise overall • Allows for more flexibility in resource deployment
Cons	<ul style="list-style-type: none"> • Traditionally less flexible • Organizational efficiency may be a challenge • Isolated from the business • Less responsible to specific needs 	<ul style="list-style-type: none"> • Requires strong governance • Can be viewed as bureaucratic • Potential for slower decisions • Reduces flexibility and agility of standardization of IT services across the organization 	<ul style="list-style-type: none"> • Managerial control and coordination may be more difficult • Potential for frustration • Potential for duplication and thus increased costs • Difficult to share expertise • Architectural diffusion • Isolated best practices

Project Portfolio Management (PPM) is a collection of strategies and applications that integrate people, processes, and technology



Following portfolio management capabilities and processes provide a useful mechanism to analyze current processes

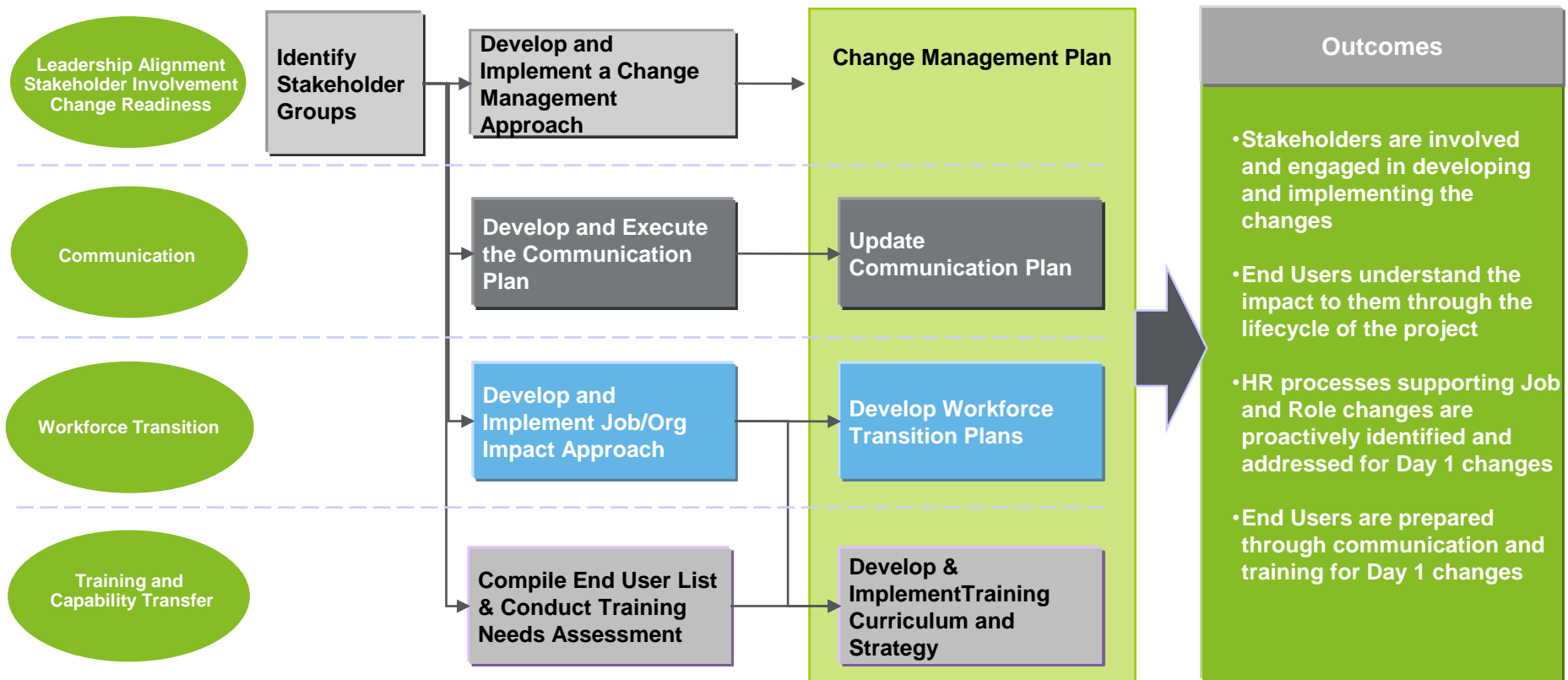


Appendix

Change Management

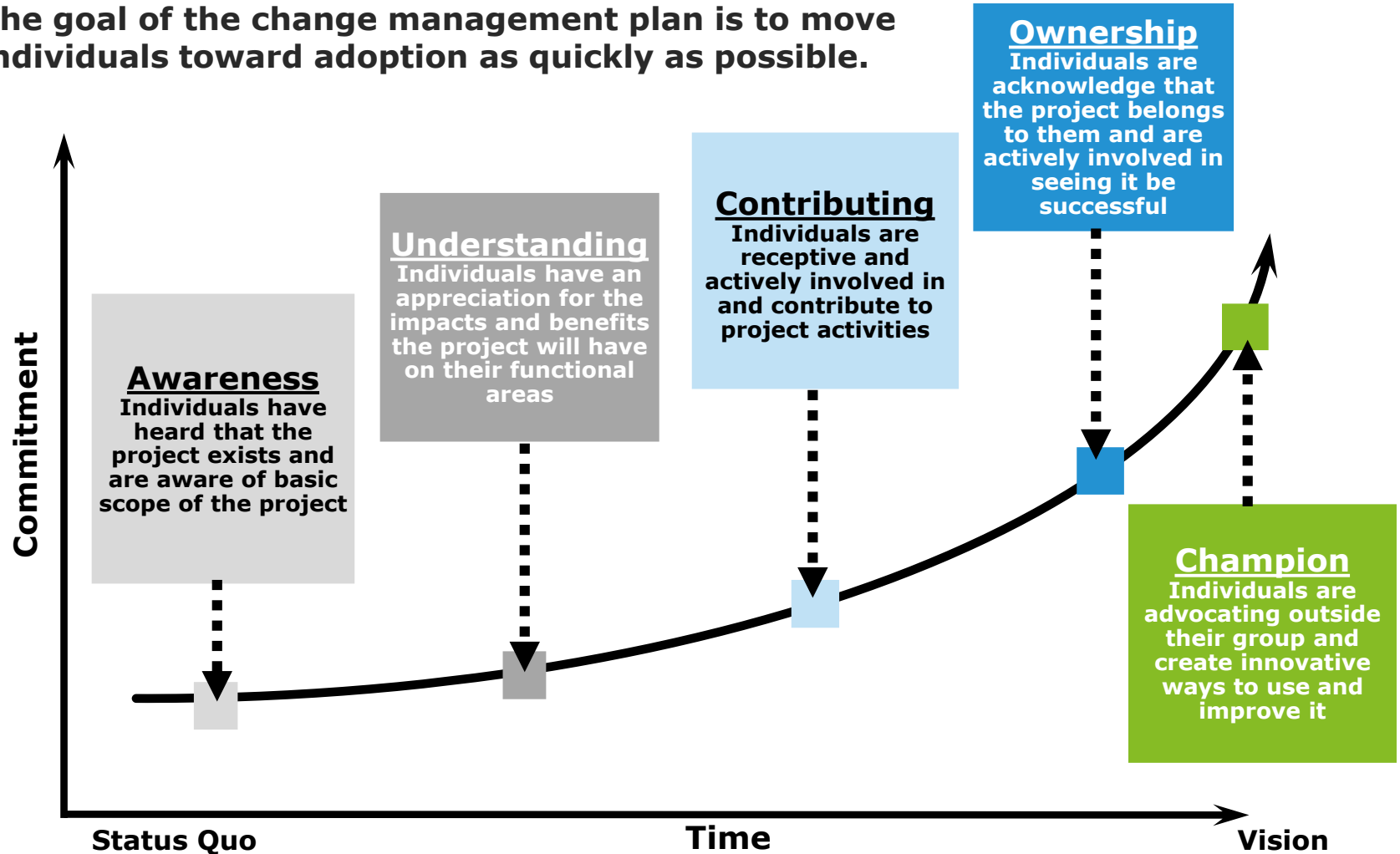
Change Management Approach

The change management approach starts with a clear identification of the user groups and the specific impacts each group will experience as a result of this implementation. The **change readiness plan** will encompass **communication, workforce transition and training** activities designed and executed to address each group's specific needs.



Change Adoption Curve

The goal of the change management plan is to move individuals toward adoption as quickly as possible.



Appendix

Culture Change

Culture Transitions – making successful shifts happen



Phase I

Confirm the culture challenge

- Identify business need and cultural challenge



- Define current profile – i.e. “where you are”. Using various data such as the Deloitte CulturePath assessment tool



Phase II

Define your culture ambition

- Define target culture – i.e., “where you want to be”

- Select levers that will support culture transition

Behaviours



Systems

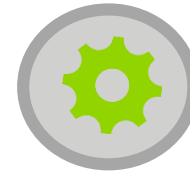


Symbols



- Define culture transition plan

Culture Transition plan



Phase III

Execute and make it stick

- Execute Culture Transition Plan and make it ‘stick’



- Apply different levers to make culture transition stick

- Measure and monitor progress



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Appendix B, Page 1 of 2

Project to Program Alignment											
Program ID	Program Title	Project ID	Project Title	Start Year	Priority	Seq	Req	One Time Costs	Ongoing Costs	Status	
A	Establish the Governance Structure	A1	Hire CIO	2017-18	1	1		\$0	\$170,000	In Progress	
A	Establish the Governance Structure	A2	ICT Organization Restructuring Plan	2017-18	2	5	E	\$0	\$0	Not Started	
A	Establish the Governance Structure	A3	Governance Committees - Re-envision	2017-18	2	2	A1	\$0	\$0	Not Started	
A	Establish the Governance Structure	A4	Implement - ICT Organization Restructuring Plan	2018-19	2	9	A2	\$0	\$500,000	Not Started	
B	Introduce a Tech Representative at the Director's council	B1	CIO regular attendee at Director's Council	2017-18	2	1	A1	\$0	\$0	Not Started	
C	Develop the Project Portfolio Strategy	C1	Project Portfolio Cross-functional Governance Committee	2017-18	2	3	A3	\$0	\$0	Not Started	
C	Develop the Project Portfolio Strategy	C2	Establish Project Portfolio Framework	2017-18	2	4	C1	\$20,000	\$0	Not Started	
C	Develop the Project Portfolio Strategy	C3	Implementation of Project Portfolio Strategy	2018-19	3	3		\$10,000	\$0	Not Started	
D	Develop a Cloud First Strategy	D1	Cloud Readiness Assessment	2018-19	3	6		\$100,000	\$0	Not Started	
D	Develop a Cloud First Strategy	D2	Establish IT Standards for Cloud Services	2018-19	3	5		\$50,000	\$0	Not Started	
D	Develop a Cloud First Strategy	D3	Cloud Service Migration and Integration Plan	2018-19	3	7	D1	\$50,000	\$0	Not Started	
E	Develop an Employee Resourcing Strategy and Plan	E1	Skills and Qualifications Assessment of ICT staff	2017-18	2	6	A2	\$60,000	\$0	Not Started	
E	Develop an Employee Resourcing Strategy and Plan	E2	ICT Staff - Skills gap analysis	2018-19	2	8	E1	\$40,000	\$0	Not Started	
E	Develop an Employee Resourcing Strategy and Plan	E3	Staff Professional Development	2018-19	2	10	E2	\$300,000	\$0	Not Started	
F	Establish an IT Project Management Office (PMO)	F1	Establish resources for (PMO) Project Management Office	2018-19	2	11	A2	\$0	\$0	Not Started	
F	Establish an IT Project Management Office (PMO)	F2	Establish a five stage (PM) Project Management methodology	2018-19	3	1	F1	\$20,000	\$0	Not Started	
G	Establish an Enterprise Architecture Function	G1	Establish resources for (EA) Enterprise Architecture Team	2018-19	2	12	A2	\$25,000	\$0	Not Started	
G	Establish an Enterprise Architecture Function	G2	Establish (EA) Enterprise Architecture Framework and Methodology	2018-19	3	2		\$0	\$0	Not Started	
H	Establish an ITS Support Model	H1	Create a Service Catalogue	2018-19	2	18		\$50,000	\$0	Not Started	
H	Establish an ITS Support Model	H2	Implement (ITSM) IT Service Management Software	2018-19	2	19		\$60,000	\$50,000	Not Started	
H	Establish an ITS Support Model	H3	IT Service Management - Service reporting dashboards	2018-19	3	8		\$40,000	\$0	Not Started	
I	Review the current software strategy	I1	Enterprise Software - Current State Analysis	2017-18	1	6		\$0	\$0	In Progress	
I	Review the current software strategy	I2	Enterprise Software - Gap Analysis	2017-18	1	7		\$0	\$0	In Progress	
I	Review the current software strategy	I3	Enterprise Software - Future State Planning	2018-19	3	11		\$50,000	\$0	Not Started	
J	Develop a Document Management Strategy	J1	Data Classification	2020+	5			\$500,000	\$0	Not Started	
J	Develop a Document Management Strategy	J2	Procure and implement (EDM) Electronic Document Management software and document imaging	2020+	6			\$750,000	\$250,000	Not Started	
J	Develop a Document Management Strategy	J3	Information Management Process and Procedures	2020+	5			\$50,000	\$0	Not Started	
J	Develop a Document Management Strategy	J4	Document Management - User Professional Development and Documentation	2020+	5		J2	\$500,000	\$100,000	Not Started	
K	Enable a Digital mobility/access anywhere strategy	K1	WiFi and (LAN) Local Area Network Infrastructure Enhancements	2020+	6			\$5,300,000	\$200,000	Not Started	
K	Enable a Digital mobility/access anywhere strategy	K2	(WAN) Wide Area Network Bandwidth Enhancements	2020+	6			\$0	\$125,000	Not Started	
K	Enable a Digital mobility/access anywhere strategy	K3	Remote Access Enhancements	2017-18	1	4		\$40,000	\$5,000	In Progress	
K	Enable a Digital mobility/access anywhere strategy	K4	Unified Communication and Telephone Infrastructure Enhancement	2018-19	3	4		\$500,000	\$2,300,000	Not Started	
K	Enable a Digital mobility/access anywhere strategy	K5	(SIS) Student Information System - Mobile Enhancement	2018-19	2	15	P1	\$0	\$660,000	Not Started	
L	Develop a data analytics culture	L1	Data Architecture	2018-19	3	9	G1	\$50,000	\$10,000	Not Started	
L	Develop a data analytics culture	L2	Enterprise (BI) Business Intelligence Infrastructure	2018-19	3	10		\$10,000	\$30,000	Not Started	
L	Develop a data analytics culture	L3	Predictive Analytics	2020+	5			\$50,000	\$10,000	Not Started	
M	Introduce a Board wide case management system	M1	Implement Student-based Case Management software (Spec. Ed)	2018-19	2	14	P1	\$30,000	\$300,000	Not Started	

Appendix B, Page 2 of 2

M	Introduce a Board wide case management system	M2	Implement Employee-based Case Management software (HR, Benefits, Emp	2019-20	4			\$30,000	\$300,000	Not Started		
N	Implement a hardware lifecycle management policy	N1	Academic Device Refresh	2017-18	1	2		\$0	\$3,000,000	In Progress		
N	Implement a hardware lifecycle management policy	N2	Academic Device Refresh - Top Up	2018-19	2	17		\$0	\$2,000,000	Not Started		
N	Implement a hardware lifecycle management policy	N3	Administration Device Refresh	2017-18	1	3		\$0	\$1,300,000	In Progress		
O	Implement a Disaster Recovery / Business Continuity Strategy	O1	Enterprise Business Continuity / Disaster Recovery (BC/DR) Plan	2020+	5			\$200,000	\$0	Not Started		
O	Implement a Disaster Recovery / Business Continuity Strategy	O2	Implement Enterprise Business Continuity / Disaster Recovery (BC/DR) Infrastructure	2020+	6		O1	\$50,000	\$100,000	Not Started		
O	Implement a Disaster Recovery / Business Continuity Strategy	O3	Enterprise Cloud Backup	2019-20	4			\$0	\$100,000	Not Started		
P	Implement a software and hardware currency plan	P1	Planning and Acquisition of new Student Information System (SIS)	2017-18	1	5	K5, P2, P8, P9, P10	\$1,900,000	\$750,000	In Progress		
P	Implement a software and hardware currency plan	P10	(SIS) Student Information System - Staff Training - Elementary Year 2 Training and Elem & Sec ongoing	2020+	4		P1,P2	\$600,000	\$125,000	Not Started		
P	Implement a software and hardware currency plan	P2	(SIS) Student Information System - Implementation Team	2018-19	2	13	P1	\$170,000	\$500,000	Not Started		
P	Implement a software and hardware currency plan	P3	SAP Planning (HANA)	2019-20	4			\$30,000	\$0	Not Started		
P	Implement a software and hardware currency plan	P4	SAP Migration (HANA)	2020+	7		P3	\$250,000	\$225,000	Not Started		
P	Implement a software and hardware currency plan	P5	Enterprise Portal / Intranet solution	2019-20	4			\$250,000	\$150,000	Not Started		
P	Implement a software and hardware currency plan	P6	Solution for Recruitment, Onboarding, Growth Planning, Performance Appraisal	2018-19	2	20		\$50,000	\$200,000	Not Started		
P	Implement a software and hardware currency plan	P7	(LAN) Local Area Network Infrastructure Refresh	2020+	6			\$3,000,000	\$300,000	Not Started		
P	Implement a software and hardware currency plan	P8	(SIS) Student Information System - Staff Training - Secondary Training	2018-19	2	7	P1,P2	\$575,000	\$0	Not Started		
P	Implement a software and hardware currency plan	P9	(SIS) Student Information System - Staff Training - Secondary Year 2 Training and Elementary Year 1 Training	2019-20	3	12	P1,P2	\$1,100,000	\$0	Not Started		
Q	Implement an IT Asset Management Solution	Q1	IT Asset Management Solution	2019-20	4			\$50,000	\$10,000	Not Started		
Q	Implement an IT Asset Management Solution	Q2	SAP Asset Management Integration	2019-20	4		Q1	\$50,000	\$0	Not Started		
R	Implement a communication policy	R1	Establish Communication Resource Role	2018-19	2	16	A2	\$0	\$0	Not Started		
Z	Other	Z1	Acquire and Implement - (SIEM) Security Information and Events Management	2019-20	4			\$250,000	\$40,000	Not Started		
Z	Other	Z2	Identity Management Enhancements	2020+	5			\$50,000	\$10,000	Not Started		

Appendix C, Page 1 of 2

Prioritized Project List																
Start Year	Priority	Seq	Project ID	Project Title	Additional One Time Costs	Funded	Base Budget Increase	Funded	Status	Value	Effort	Program ID	Program Title	Req		
2017-18	1	1	A1	Hire CIO	\$0		\$170,000	Y	In Progress	High	Low	A	Establish the Governance Structure			
2017-18	1	2	N1	Academic Device Refresh	\$0		\$3,000,000	Y	In Progress	High	Med	N	Implement a hardware lifecycle management policy			
2017-18	1	3	N3	Administration Device Refresh	\$0		\$1,300,000	Y	In Progress	High	Med	N	Implement a hardware lifecycle management policy			
2017-18	1	4	K3	Remote Access Enhancements	\$40,000	Y	\$5,000	Y	In Progress	Med	Med	K	Enable a Digital mobility/access anywhere strategy			
2017-18	1	5	P1	Planning and Acquisition of new Student Information System (SIS)	\$1,900,000	N	\$750,000	N	In Progress	High	High	P	Implement a software and hardware currency plan	K5, P2, P8, P9, P10		
2017-18	1	6	I1	Enterprise Software - Current State Analysis	\$0		\$0		In Progress	High	Med	I	Review the current software strategy			
2017-18	1	7	I2	Enterprise Software - Gap Analysis	\$0		\$0		In Progress	High	Med	I	Review the current software strategy			
2017-18	2	1	B1	CIO regular attendee at Director's Council	\$0		\$0		Not Started	High	Low	B	Introduce a Tech Representative at the Director's council	A1		
2017-18	2	2	A3	Governance Committees - Re-envision	\$0		\$0		Not Started	High	Low	A	Establish the Governance Structure	A1		
2017-18	2	3	C1	Project Portfolio Cross-functional Governance Committee	\$0		\$0		Not Started	High	Med	C	Develop the Project Portfolio Strategy	A3		
2017-18	2	4	C2	Establish Project Portfolio Framework	\$20,000	N	\$0		Not Started	High	Med	C	Develop the Project Portfolio Strategy	C1		
2017-18	2	5	A2	ICT Organization Restructuring Plan	\$0		\$0		Not Started	High	Med	A	Establish the Governance Structure	E		
2017-18	2	6	E1	Skills and Qualifications Assessment of ICT staff	\$60,000	N	\$0		Not Started	High	Med	E	Develop an Employee Resourcing Strategy and Plan	A2		
2018-19	2	7	P8	(SIS) Student Information System - Staff Training - Secondary Training	\$575,000	N	\$0		Not Started	High	High	P	Implement a software and hardware currency plan	P1,P2		
2018-19	2	8	E2	ICT Staff - Skills gap analysis	\$40,000	N	\$0		Not Started	High	Med	E	Develop an Employee Resourcing Strategy and Plan	E1		
2018-19	2	9	A4	Implement - ICT Organization Restructuring Plan	\$0		\$500,000	N	Not Started	High	High	A	Establish the Governance Structure	A2		
2018-19	2	10	E3	Staff Professional Development	\$300,000	N	\$0		Not Started	High	High	E	Develop an Employee Resourcing Strategy and Plan	E2		
2018-19	2	11	F1	Establish resources for (PMO) Project Management Office	\$0		\$0		Not Started	High	Med	F	Establish an IT Project Management Office (PMO)	A2		
2018-19	2	12	G1	Establish resources for (EA) Enterprise Architecture Team	\$25,000	Y	\$0		Not Started	High	Med	G	Establish an Enterprise Architecture Function	A2		
2018-19	2	13	P2	(SIS) Student Information System - Implementation Team	\$170,000	N	\$500,000	N	Not Started	High	High	P	Implement a software and hardware currency plan	P1		
2018-19	2	14	M1	Implement Student-based Case Management software (Spec. Ed)	\$30,000	N	\$300,000	N	Not Started	High	High	M	Introduce a Board wide case management system	P1		
2018-19	2	15	K5	(SIS) Student Information System - Mobile Enhancement	\$0		\$660,000	N	Not Started	High	Med	K	Enable a Digital mobility/access anywhere strategy	P1		
2018-19	2	16	R1	Establish Communication Resource Role	\$0		\$0		Not Started	High	Med	R	Implement a communication policy	A2		
2018-19	2	17	N2	Academic Device Refresh - Top Up	\$0		\$2,000,000	N	Not Started	High	Med	N	Implement a hardware lifecycle management policy			
2018-19	2	18	H1	Create a Service Catalogue	\$50,000	N	\$0		Not Started	Med	Med	H	Establish an ITS Support Model			
2018-19	2	19	H2	Implement (ITSM) IT Service Management Software	\$60,000	N	\$50,000	N	Not Started	High	Med	H	Establish an ITS Support Model			
2018-19	2	20	P6	Solution for Recruitment, Onboarding, Growth Planning, Performance Appraisal	\$50,000	N	\$200,000	N	Not Started	Med	Med	P	Implement a software and hardware currency plan			
2018-19	3	1	F2	Establish a five stage (PM) Project Management methodology	\$20,000	Y	\$0		Not Started	High	Med	F	Establish an IT Project Management Office (PMO)	F1		
2018-19	3	2	G2	Establish (EA) Enterprise Architecture Framework and Methodology	\$0		\$0		Not Started	High	Med	G	Establish an Enterprise Architecture Function			
2018-19	3	3	C3	Implementation of Project Portfolio Strategy	\$10,000	Y	\$0		Not Started	High	High	C	Develop the Project Portfolio Strategy			
2018-19	3	4	K4	Unified Communication and Telephone Infrastructure Enhancement	\$500,000	N	\$2,300,000	N	Not Started	High	High	K	Enable a Digital mobility/access anywhere strategy			
2018-19	3	5	D2	Establish IT Standards for Cloud Services	\$50,000	N	\$0		Not Started	Med	Med	D	Develop a Cloud First Strategy			
2018-19	3	6	D1	Cloud Readiness Assessment	\$100,000	N	\$0		Not Started	Med	Med	D	Develop a Cloud First Strategy			
2018-19	3	7	D3	Cloud Service Migration and Integration Plan	\$50,000	N	\$0		Not Started	Med	Med	D	Develop a Cloud First Strategy	D1		
2018-19	3	8	H3	IT Service Management - Service reporting dashboards	\$40,000	N	\$0		Not Started	High	Med	H	Establish an ITS Support Model			
2018-19	3	9	L1	Data Architecture	\$50,000	N	\$10,000	N	Not Started	High	High	L	Develop a data analytics culture	G1		
2018-19	3	10	L2	Enterprise (BI) Business Intelligence Infrastructure	\$10,000	Y	\$30,000	N	Not Started	High	High	L	Develop a data analytics culture			
2018-19	3	11	I3	Enterprise Software - Future State Planning	\$50,000	N	\$0		Not Started	High	Med	I	Review the current software strategy			
2019-20	3	12	P9	(SIS) Student Information System - Staff Training - Secondary Year 2 Training and Elementary Year 1 Training	\$1,100,000	N	\$0		Not Started	High	High	P	Implement a software and hardware currency plan	P1,P2		
2019-20	4		M2	Implement Employee-based Case Management software (HR, Benefits, Emp	\$30,000	N	\$300,000	N	Not Started	High	High	M	Introduce a Board wide case management system			

Appendix C, Page 2 of 2

2019-20	4		O3	Enterprise Cloud Backup	\$0		\$100,000	N	Not Started	Med	Med	O	Implement a Disaster Recovery / Business Continuity Strategy		
2019-20	4		P3	SAP Planning (HANA)	\$30,000	Y	\$0		Not Started	High	High	P	Implement a software and hardware currency plan		
2019-20	4		P5	Enterprise Portal / Intranet solution	\$250,000	N	\$150,000	N	Not Started	Med	High	P	Implement a software and hardware currency plan		
2019-20	4		Q1	IT Asset Management Solution	\$50,000	N	\$10,000	N	Not Started	Med	Med	Q	Implement an IT Asset Management Solution		
2019-20	4		Q2	SAP Asset Management Integration	\$50,000	N	\$0		Not Started	Med	Med	Q	Implement an IT Asset Management Solution	Q1	
2019-20	4		Z1	Acquire and Implement - (SIEM) Security Information and Events Management	\$250,000	N	\$40,000	N	Not Started	High	High	Z	Other		
	4		P10	(SIS) Student Information System - Staff Training - Elementary Year 2 Training and Elem & Sec ongoing	\$600,000	N	\$125,000	N	Not Started	High	High	P	Implement a software and hardware currency plan	P1,P2	
2020+	5		J1	Data Classification	\$500,000	N	\$0		Not Started	High	High	J	Develop a Document Management Strategy		
	5		J3	Information Management Process and Procedures	\$50,000	N	\$0		Not Started	High	High	J	Develop a Document Management Strategy		
2020+	5		J4	Document Management - User Professional Development and Documentation	\$500,000	N	\$100,000	N	Not Started	High	High	J	Develop a Document Management Strategy	J2	
2020+	5		L3	Predictive Analytics	\$50,000	N	\$10,000	N	Not Started	High	High	L	Develop a data analytics culture		
2020+	5		O1	Enterprise Business Continuity / Disaster Recovery (BC/DR) Plan	\$200,000	N	\$0		Not Started	Med	High	O	Implement a Disaster Recovery / Business Continuity Strategy		
2020+	5		Z2	Identity Management Enhancements	\$50,000	N	\$10,000	N	Not Started	High	Med	Z	Other		
	6		J2	Procure and implement (EDM) Electronic Document Management software and document imaging	\$750,000	N	\$250,000	N	Not Started	High	High	J	Develop a Document Management Strategy		
2020+	6		K1	WiFi and (LAN) Local Area Network Infrastructure Enhancements	\$5,300,000	N	\$200,000	N	Not Started	High	Med	K	Enable a Digital mobility/access anywhere strategy		
2020+	6		K2	(WAN) Wide Area Network Bandwidth Enhancements	\$0		\$125,000	N	Not Started	High	Med	K	Enable a Digital mobility/access anywhere strategy		
2020+	6		O2	Implement Enterprise Business Continuity / Disaster Recovery (BC/DR) Infrastructure	\$50,000	N	\$100,000	N	Not Started	Med	Med	O	Implement a Disaster Recovery / Business Continuity Strategy	O1	
2020+	6		P7	(LAN) Local Area Network Infrastructure Refresh	\$3,000,000	N	\$300,000	N	Not Started	Med	Med	P	Implement a software and hardware currency plan		
2020+	7		P4	SAP Migration (HANA)	\$250,000	N	\$225,000	N	Not Started	High	High	P	Implement a software and hardware currency plan	P3	

Estimated Project Costs

Already Funded Costs per Budget Year							
2017-2018		2018-2019		2019-2020		2020+	
One Time Costs	Base Budget	One Time Costs	Base Budget	One Time Costs	Base Budget	One Time Costs	Base Budget
\$40,000	\$4,475,000						
		\$65,000					
				\$30,000			

Additional Costs per Budget Year									
2017-2018		2018-2019		2019-2020		2020+		TOTAL	TOTAL
Additional One Time Costs	Base Budget Increase	Additional One Time Costs	Base Budget Increase	Additional One Time Costs	Base Budget Increase	Additional One Time Costs	Base Budget Increase	Additional One Time Costs	Base Budget Increase
\$1,980,000	\$750,000							\$1,980,000	\$750,000
		\$2,115,000	\$6,550,000					\$2,115,000	\$6,550,000
				\$1,730,000	\$600,000			\$1,730,000	\$600,000
						\$11,300,000	\$1,445,000	\$11,300,000	\$1,445,000
								\$17,125,000	\$9,345,000



Toronto Catholic District School Board (TCDSB)

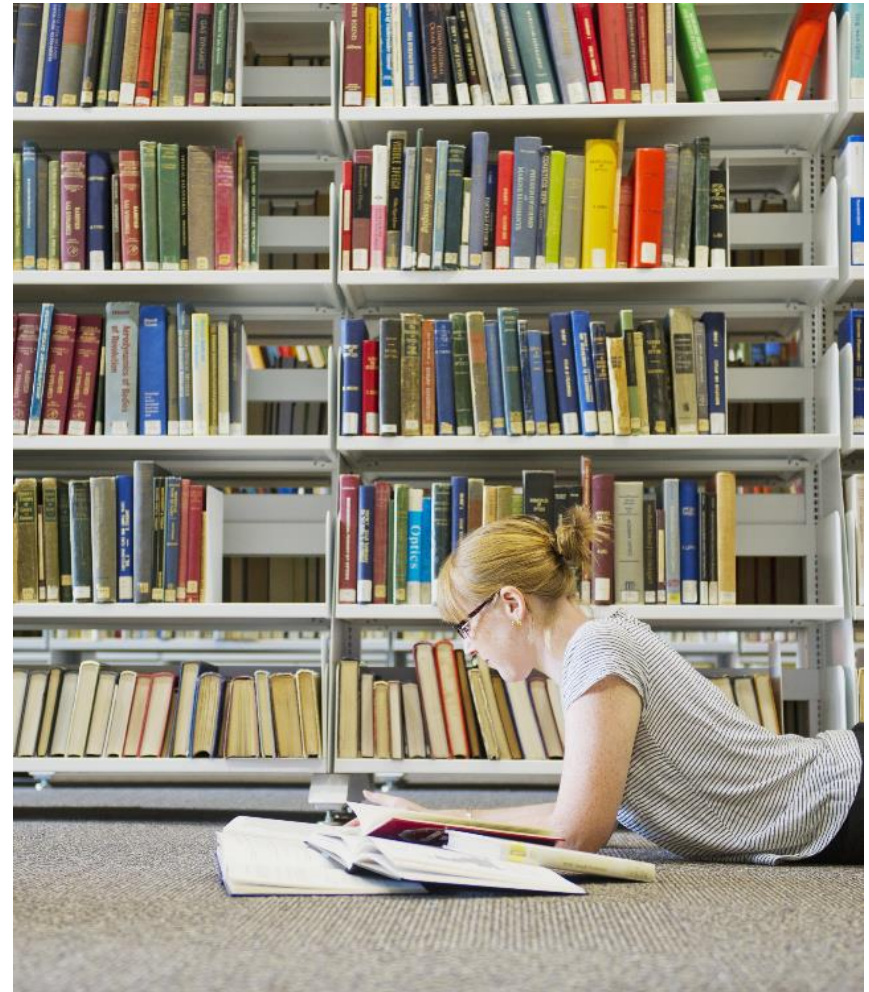
IT Strategy Review

Exec Summary

Final

Contents

Background & Context	3
Project Overview	4
IT Strategy	5
Projects & Timelines	10
Quick Wins	16
Next Steps	17



Background & Context

TCDSB is refreshing its existing IT Strategy and Roadmap for the next 3-5 years based on the updated Multi-Year Strategic Plan

Role of IT at TCDSB

**Learning
within
Schools**

**Core Business
Functions**

TCDSB's IT services acts as a pillar to its academic and business functions. IT is used to enable learning within the schools as well as an enabler for the delivery of core business services such as Finance and Human Resources for the organization.

TCDSB Information Technology

Project Objectives for TCDSB

**Refreshed Multi Year
Strategic Plan**

**Existing IT Strategy and
Customer Inputs**

**Budget, Legal and other
constraints**



Refreshed IT Strategy & Roadmap

**'Quick Wins' to obtain immediate
benefits and business value**

Project Overview

Deloitte undertook a multi-step approach to gather data, and identify relevant risks which forms the basis of the overall recommendations towards TCDSB's strategic plan.

Data Gathering

**Workshops with
key individuals
from identified
functional
groups**

**Identified
Document
Review**

Deloitte took a multi-step approach to gather data with regards to the current state of IT Services and Support at the Board, consisting of workshops and meetings with the key functional groups, and a review of the current state documentation.

ICT Strategy

The gathered data was then used to identify some key findings and key risks which the Board needs to consider based on their current state. The analysis also reviewed the status of projects from the previous ICT strategy. This information along with some key trends in the education sector, were then used to identify some key recommendations for the Board to consider.

Key Findings

Key Risks

**Current status of previous
plan**

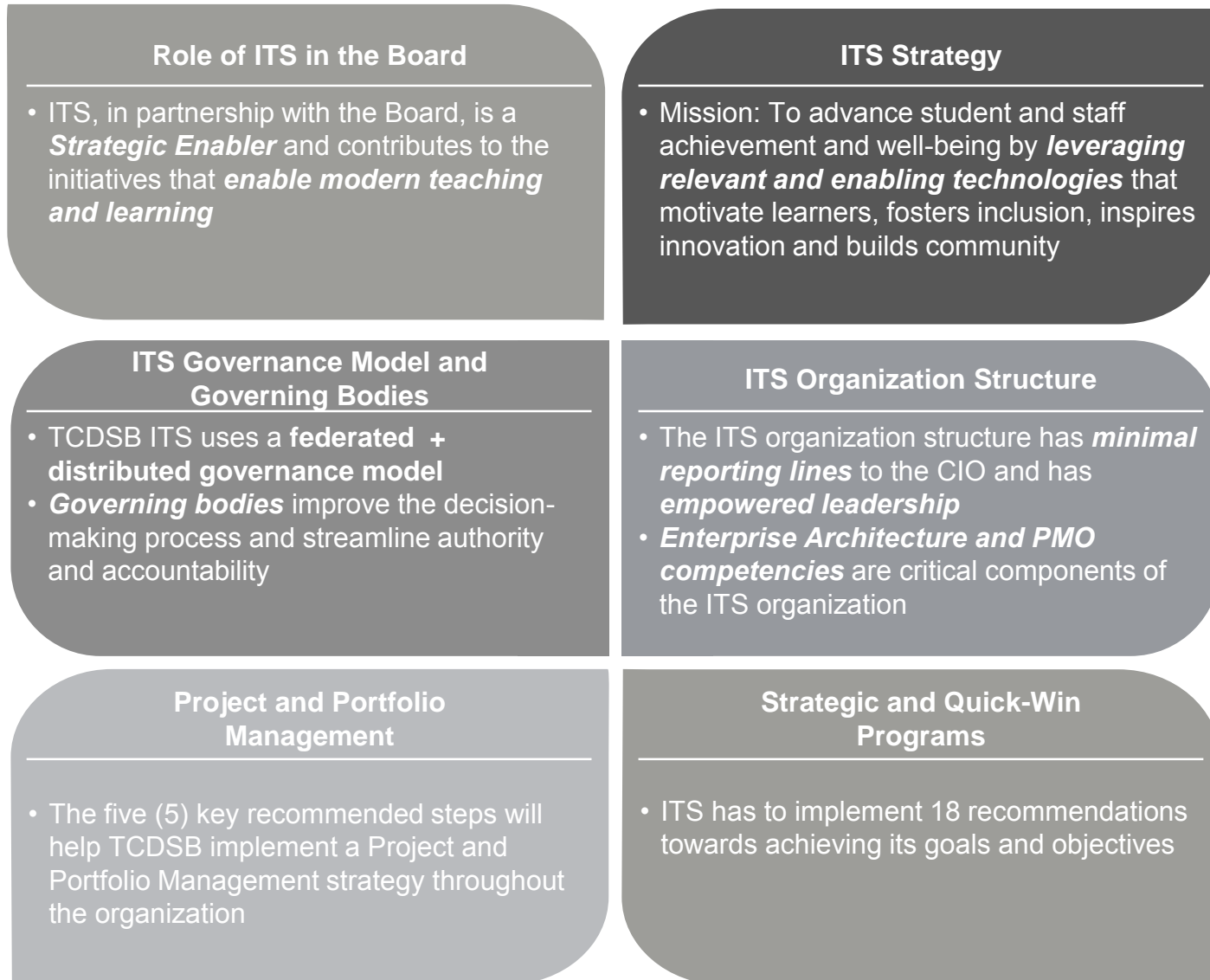
Key Education Trends

Key Recommendations in ICT Strategy

**'Quick Wins' to obtain immediate
benefits and business value &
Implementation Roadmap**

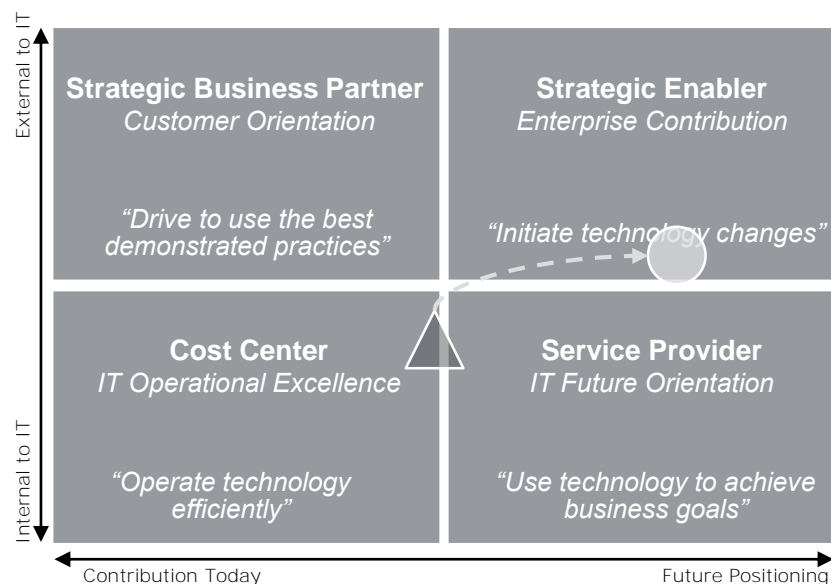
Board's IT Strategy

The IT Strategy is structured into six (6) main sections





ITS, in partnership with the Board, is a Strategic Enabler / Service Provider and contributes to initiatives that enable modern work and learning



TCDSB ICT:

- Initiates the changes and ensures technology is used in an effective manner
- Has a transparent culture
- Is integrated with the business, teaching and learning functions
- Works closely with the academic, and business functions to identify pain points and challenges; helps innovate to solve these challenges by using technology in a creative manner
- Defines potential of new IT solutions
- Tolerates some risk taking to encourage creative ideas
- Extends results through new approaches
- Applies research with assured quality
- Is focused on setting standards and processes
- Has a combination of visionary leaders and IT experts
- Manages and delivers on the IT service and solution life cycles



Delivering the strategy requires strict adherence to the guiding principles



Become a Trusted Strategic Business and Learning Partner



Champion the adoption of processes and technologies that enable modern work and learning



Establish effective communication strategies to help customers understand offerings and services



Develop employee resource strategy that focuses on IT professional and technical competencies

Guiding Principles / Enablers (who we are, how we work)



People

- Foster a culture of **collaboration, innovation, service excellence and continuous improvement**
- Efficiently utilize our **employees skills, talents and interests**
- **Build technical competencies** on current and emerging technologies
- **Facilitate leadership development** that support capacity building and succession planning
- **Develop and promote technical, soft and project management skills** to facilitate employee growth



Process

- Follow and communicate **governance and operating model that fosters delivery excellence**
- **Transparently engage, collaborate and communicate** with stakeholders
- **Actively manage the technology portfolio** by having stringent and measurable controls to ensure the identified projects are delivered with quality and within scope, timelines and budget
- **Apply project management principles** to the development and management of current and future projects
- **Achieve operational excellence across the Board** by optimizing efficiencies and actively managing technology products, services and operating processes

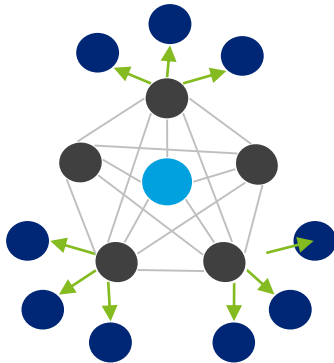


Technology

- Develop and deliver **quality products and services** that are architected to support cross organization integration
- Optimize technology investments to ensure **continued stewardship of the Board resources**
- Promote and deliver **environmentally responsible technology** and practices
- Develop and identify **quality solutions and products to fulfill business and academic needs**
- Review and **enhance current out of the box solutions** for Board needs, **obtain additional solutions** as needed, **retire solutions** which no longer fit Board's technology landscape
- Follow a **cloud first architecture**
- Develop an **enterprise architecture mindset**



TCDSB ICT should continue to use their federated + distributed governance model to improve decision-making and streamline authority and accountability



Federated + Distributed Governance Model

The ICT organization should follow a **federated + distributed governance model** and recognize that appropriate processes, people and relationships must be in place for effective governance

In doing this, ICT will be positioned to:

- **Enable** the development and delivery of an **unified ITS strategy and roadmap**
- **Drive standardization and consistency** of its technology processes
- Offer greater potential for **skills growth and specialization** among IT staff

The distributed + federated model **partially aligns with the current ICT environment** and does not warrant a radical shift in operations

Rationale

The characteristics of the Federated + Distributed ICT governance model has various advantages:

- **Drives common standards** – The model facilitates the implementation of **common standards, policies and processes** across all ICT operations
- **Supportive of culture** – The model encourages **engagement and coordination** between technology personnel across all functions and continues to **support and strengthen the collaborative culture** that exists within the organization
- **Supportive of effective governance** – The model supports an effective governance regime as there is a **closer and at the same time distributed point of accountability for the ICT**



Programs to “Enable ITS” to achieve the identified goals

	Program	Brief Description	Estimated Duration
A	Establish the Governance Structure	<ul style="list-style-type: none"> Establish a federated + distributed governance structure that is best suited to TCDSB ITS given its size, products and services provided, and Future Role of ITS 	3 months
B	Introduce a Tech Representative at the Director’s council	<ul style="list-style-type: none"> The Tech Representative role will be a part of the executive Board for the TCDSB and will be responsible for bringing strategic guidance for all IT planning and decision making purposes 	6 months
C	Develop the Project Portfolio Strategy	<ul style="list-style-type: none"> Develop the project portfolio strategy based on the ITS strategy and have specific objectives and quantifiable targets for the project portfolio Develop the value and risk criteria used in the project prioritization process and establish thresholds and constraints 	2 months
D	Develop a Cloud First Strategy	<ul style="list-style-type: none"> Develop the tools and methodologies to support the development of a cloud first strategy for new and current solutions, while becoming the single stop shop for all Cloud solutions 	6 months
E	Develop an Employee Resourcing Strategy and Plan	<ul style="list-style-type: none"> Develop an employee resourcing strategy and plan that highlights current and future resource / succession needs to best achieve the Board and ITS goals 	6 months
F	Establish an IT Project Management Office (PMO)	<ul style="list-style-type: none"> Establish an IT Project Management Office (PMO) that initiate projects, monitor progress, measure performance, and facilitate decision making 	3 months
G	Establish an Enterprise Architecture Function	<ul style="list-style-type: none"> Establish an Enterprise Architecture function that will provide the foundational framework to logically organize applications, infrastructure, and data into a standardized set of directives and process which enables ITS service delivery 	6 months
H	Establish an ITS Support Model	<ul style="list-style-type: none"> Establish an ITS support model that ensures support is provided efficiently and as per expectations 	3 months



Programs to “Enable ITS” to achieve the identified goals

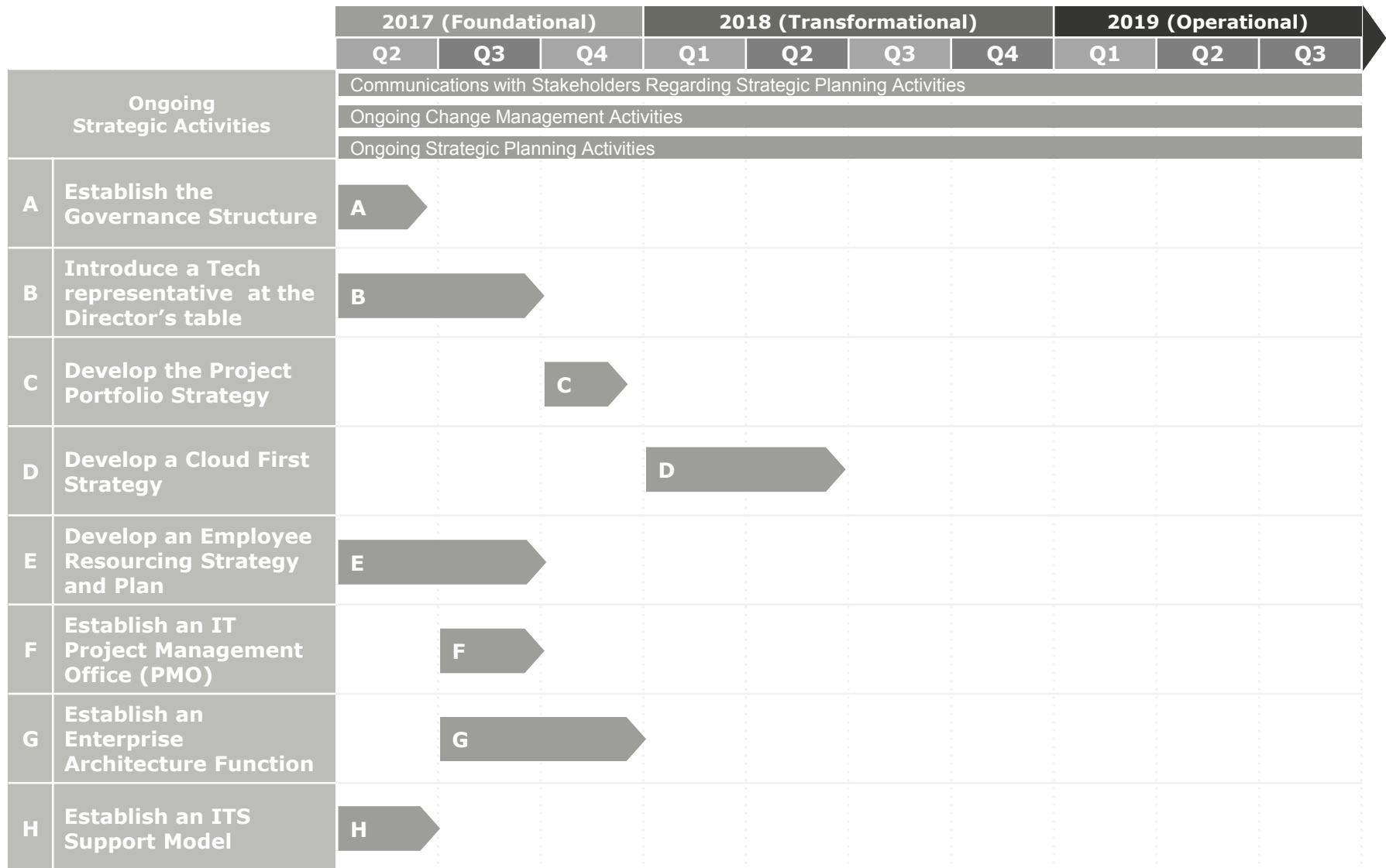
	Program	Brief Description	Estimated Duration
I	Review the current software strategy	<ul style="list-style-type: none"> Review the current applications for rationalization and enhancement to newer versions of the same solution or different solutions to add additional functionality and capabilities Review should include SAP, eScribe, Web Portal, HCM, Trillium 	12 months
J	Develop a Document & Record Management Strategy	<ul style="list-style-type: none"> Establish a document storage and governance process, identify relevant tools to be used for document storage and retrieval 	24 months
K	Enable a Digital mobility/access anywhere strategy	<ul style="list-style-type: none"> Enhance the current mobility capabilities to beyond mobile phone and Wi-Fi delivery by enhancing applications to work on the multiple platforms and browsers (Digital workplace), and look at enhancing network access, VOIP 	12 months
L	Develop an enterprise data analytics culture	<ul style="list-style-type: none"> Increase the data collection from the different board applications, to be used as an input towards the implementation of a Business Intelligence solution for analytics and predictive modeling 	36 months
M	Introduce an Enterprise service management system	<ul style="list-style-type: none"> Introduce a Board wide system to log and track cases for the delivery of different services to the Board’s various stakeholders 	36 months
N	Implement a hardware lifecycle management policy	<ul style="list-style-type: none"> Implement a policy for the renewal of hardware assets owned by the board and deployed with the various schools, teachers and staff 	12 months
O	Implement a Disaster Recovery / Business Continuity Strategy	<ul style="list-style-type: none"> Disaster Recovery plans provide a step-by-step process for responding to disruptive events. Procedures should be easy-to-use in an effort to recover damaged IT assets. 	24 months



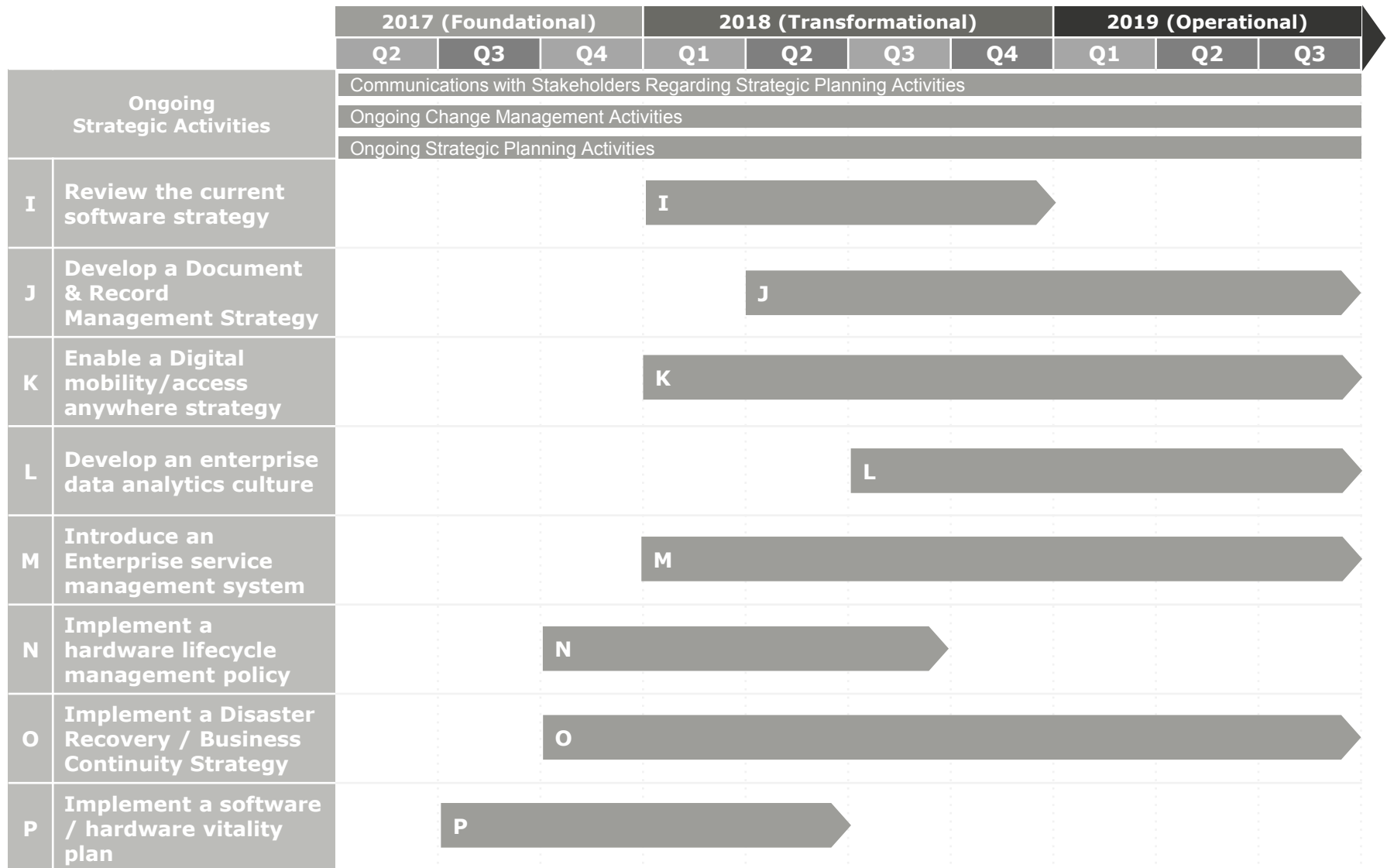
Programs to “Enable ITS” to achieve the identified goals

	Program	Brief Description	Estimated Duration
P	Implement a software and hardware vitality plan	<ul style="list-style-type: none"> Hardware and software vitality is an important part of the regular maintenance of the Board's infrastructure and software Maintaining vitality helps ensure the latest versions of software and firmware are deployed, and helps reduce the Board's overall risk and increase security Review the hardware and software vitality to ensure the Board is either at the latest or latest – 1 version of the software and firmware 	12 months
Q	Implement an IT Asset Management Solution	<ul style="list-style-type: none"> The Board has a number of physical and software assets which are used to complete all its day to day activities Currently there is no software solution used to manage the assets in the lifecycles as well as track their usage across the organization Investigate and implement an IT Asset Management solution to manage the Board's assets 	36 months
R	Implement a communication policy	<ul style="list-style-type: none"> Communicate the policies, its impact and processes to the different stakeholders 	6 months

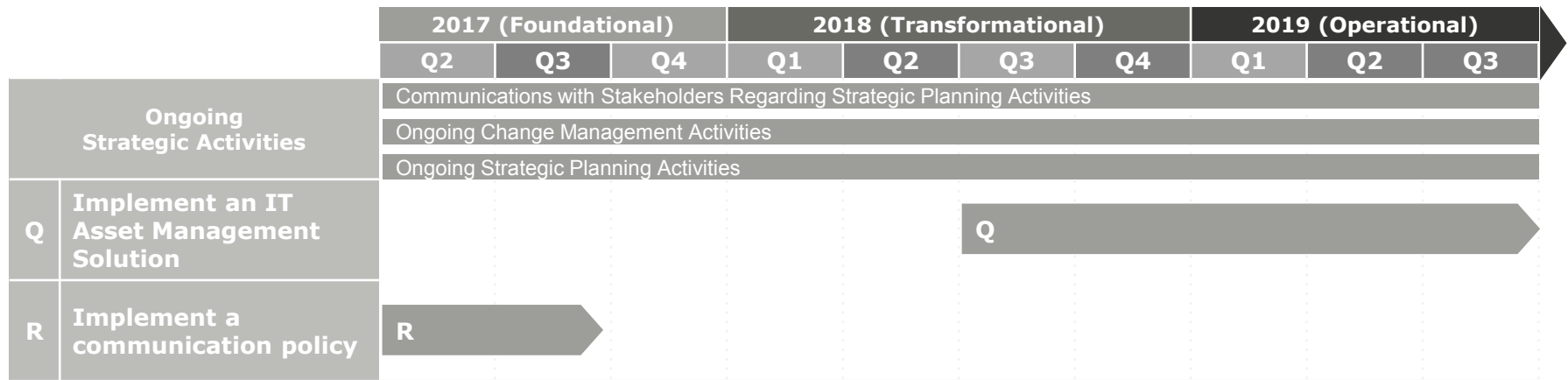
ITS Strategic Roadmap



ITS Strategic Roadmap



ITS Strategic Roadmap



Based on the roadmap and prioritization, the following initiatives were identified as the high-value “quick-wins” for the Board

Initiative	Initiative Name	Value	Effort
A	Establish the Governance Structure	H	M
B	Introduce a Tech representative at the Director's table	H	M
C	Develop the Project Portfolio Strategy	M	M
D	Develop a Cloud First Strategy	H	M
E	Develop an Employee Resourcing Strategy and Plan	H	M
F	Establish an IT Project Management Office (PMO)	H	H
G	Establish an Enterprise Architecture Function	H	M
H	Establish an ITS Support Model	H	M
I	Review the current software strategy	H	H
J	Develop a Document & Record Management Strategy	H	H
K	Enable a Digital mobility/access anywhere strategy	H	H
L	Develop an enterprise data analytics culture	H	H
M	Introduce an Enterprise service management system	H	H
N	Implement a hardware lifecycle management policy	M	M
O	Implement a Disaster Recovery / Business Continuity Strategy	M	M
P	Implement a software / hardware vitality plan	M	M
Q	Implement an IT Asset Management Solution	M	H
R	Implement a communication policy	M	L



H = High; M = Medium; L = Low

Next Steps

1. Meet with the Board leadership on the future direction of ITS
2. Seek approval from the Board leadership and work with Human Resources on the changes required to the ITS organization structure
3. Communicate the future direction of ITS and the defined strategy within and outside of ITS
4. Define the governing body member roles and responsibilities and establish a federated + distributed governance structure
5. Communicate the ITS governance structure to the key stakeholders in the Board and schools (about the change and how the change will impact them)
6. Define responsibilities of new / updated roles required to deliver on the ITS strategy



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2017-18 STRATEGIC INVESTMENTS

1. The budget challenges that TCDSB has faced over the past few years has not allowed the board to make required investments back into the system to facilitate future growth and sustainability. Although TCDSB will continue to be prudent in its spending and will continue to seek efficiencies, the following investments will strengthen the system to ensure the Board will be able to meet its current and future demands.
2. The Audit committee at its board meeting of September 20, 2017, passed a motion requesting “That staff examine putting some of the surplus expected at the end of the year back into the classrooms that would give us our best educational outcomes with our students and bring a report to the Corporate Services Committee meeting to let parents know at that time of what reinvestments this Board is making within the system.”
3. In addition to the proposed investments appearing in the table below, the recent provincial extension agreements provided funding to mitigate planned staffing reductions. This funding offset planned reductions to Special Education services, Educational Assistants, Child and Youth workers, 5th Block teachers etc. The balance of the funding of \$2.6M was invested into additional local system priorities, i.e. 21 new staff of which 14 will be new teaching positions for the 5th Block Literacy Program.
4. The following strategic investments are proposed in this year’s budget:

	<u>Program</u>	<u>One Time Costs</u>	<u>Increase to Base Budget</u>	<u>Description</u>
1)	Contract Support Workers	\$1.0	\$0.0	Addressing critical Special Education needs for the safety of students and staff
2)	Pastoral Plan Launch	\$0.1	\$0.0	Spotlight on Your School
3)	4 FTE for additional Vice-Principals	\$0.3	\$0.5	Additional In-School Support for student safety requirements for eight months in fiscal 2017-18 and a base budget increase in future years
4)	School Block Budget	\$1.5		Increase in the school block budget to provide equitable funding to elementary schools in priority neighbourhoods

5)	Assessment of Telephony System. (Last updated in 1992)	\$0.5	\$0.0	<p>Review and plan to replace existing telephone systems in schools and across TCDSB to enhance school safety.</p> <ol style="list-style-type: none"> 1. Current state and analysis of business processes to define the requirements for a replacement system 2. Create the specifications and then create the RFP to procure a suitable solution. 3. Based on the RFP evaluation and selected solution, design the architecture of the communications Infrastructure. 4. This will provide us with a costing and a solution for the replacement of the existing system.
	Sub Total	\$3.4M	\$0.5	
6)	<p>Student Information System (SIS): One-time investment in each of the next four years: The SIS is TCDSB's GSN revenue generator. It is used by all TCDSB schools & Cont. Ed. to collect \$1 Billion in Grants by recording enrolment, which is submitted, to OnSIS (Ministry) for funding purposes.</p>			<p>SIS collects funding Information:</p> <ol style="list-style-type: none"> 1. Oct. & March enrolments 2. ESL students arriving from foreign countries for grants 3. French Core & Immersion enrolment for grant funding. 4. Includes Special Education Case Management software as recommended by past audit engagements. <p>Requires a \$1.9M base Budget increase over a period of 5 years</p>
	2017-18	\$0.5	\$0.1	One-time costs and Base budget Inc.
	2018-19	\$1.6	\$1.6	One-time costs and Base budget Inc.
	2019-20	\$2.1	\$0.0	One-time costs and Base budget Inc.
	2020-21	\$0.8	\$0.1	One-time costs and Base budget Inc.
	2021-22	\$0.0	\$0.1	One-time costs and Base budget Inc.
	Total Investment SIS	\$5.0M	\$1.9M	
	Total Investments	\$8.4M	\$2.4M	

Audit Committee Meeting 2018 Annual Agenda / Check List

	Jan	Mar	Jun	Sep	Nov
Risk Management					
Resourcing (Mix, Skillset, Quantity)	D				
Reputational Risk	D				
Management Structure Issues					
CFO Role					
Budget (2018/2019)					
Financial Reporting Process					
MOE Financial Reports					
Consolidated Financial Statements					
Internal Audit					
Open Audit Status (% complete, support received)	D				
Risk Review Summary on Audit Completion	D				
Future Audit Plan (2 years)					
Internal Controls					
Ministry Operational Review					
Internal Audit recommendations	D				
Compliance Matters					
Legal					
MOE					
Union					
Board Policy Compliance					
External Audit					
Review External Auditors					
Scope					
Cost					

D - Discussed

R - Review requested

P - Pending

Audit Committee is required to meet a minimum of 3 times annually.