

7 CONSEIL SCOLAIRE ACADIEN PROVINCIAL

BACKGROUND

- 7.1 The Conseil scolaire acadien provincial (CSAP) was created in 1996 to meet the needs of the Acadian and francophone population of Nova Scotia. Prior to its creation, students had attended schools that were governed by a conseil d'école or District School Boards. CSAP has responsibility to provide French first-language programming in Nova Scotia which is guaranteed under Section 23 Minority Language Educational Rights of the Canadian Charter of Rights and Freedoms (Charter).
- 7.2 CSAP was created under the Education Act which uses language consistent with the Charter when describing minority language rights and entitlement. Sections 11 to 16 of the Act apply directly to CSAP and discuss areas such as governance. Section 3 of the Act defines a school board as a district school board, a regional school board or the Conseil scolaire acadien. A major difference between the Conseil scolaire acadien and the other school boards is the scope of its operations. CSAP offers programs throughout the Province rather than just in one region. Section 16 of the Education Act also confers the following additional responsibilities to CSAP which the Regional School Boards do not have:
- “The Conseil acadien shall*
- (a) *promote and distribute information about the French-first-language program;*
- (b) *include in its learning materials information about the Acadian culture; and*
- (c) *in providing its educational programs, engage in activities that promote Acadian culture and the French language.”*
- 7.3 The Education Act establishes the accountability relationship between the Department of Education (DOE) and the school boards. A school board is “accountable to the Minister and responsible for the control and management of public schools within its jurisdiction.”
- 7.4 The CSAP governing body (Conseil) consists of 17 elected members who represent nine geographical districts. The Conseil has six standing committees. The current Conseil was elected in October 2004 for a term of four years.
- 7.5 The Conseil is responsible for nineteen schools throughout the Province which are organized into three administrative regions (see Exhibit 7.1). The Act provided for the Executive Council to designate schools, previously administered by other governing bodies, to CSAP. The administrative staff is located in three regional offices; south west (Meteghan River), central (Dartmouth) and north east (Petit-de-Grat). The Conseil’s head office is also located in Meteghan River.

- 7.6** The Superintendent is accountable to the Conseil and is given responsibility for enforcing policies approved by the Conseil. The Superintendent is supported by seven senior management positions. In addition to the three Directors of Finance, Operations, and Human Resources, there are three Regional Directors (see Exhibit 7.2) with responsibilities for geographic regions, providing support to principals, and providing support for specific programs to all CSAP schools. A Director of Programs and Student Services position is approved for the period while CSAP implements a pilot project on curriculum development.
- 7.7** For the 2005-06 school year, CSAP recorded an increase of .6% in school enrolments over 2004-05 to 4,158 students. At CSAP's creation in 1996, enrolments were reported at 3,907. This growth rate (6.5%) is not typical of the overall public school system in Nova Scotia, which has experienced a decrease of 13,421 students (or 8.2%) in its enrolments between 1995-96 and 2002-03.
- 7.8** CSAP's operating budget for 2005-2006 was \$34.9 million. It was based on operating 19 schools and employing 309 teachers (full-time equivalents). DOE provided \$32.8 million (94%) of its total funding and the Government of Canada and municipalities provided \$1.3 million (4%).
- 7.9** CSAP incurred an operating deficit of \$93,000 during the 2004-05 fiscal year and had an accumulated deficit of \$515,000 at March 31, 2005. On March 28, 2006, the Department of Education provided funding of \$502,000 which should essentially eliminate the accumulated deficit.
- 7.10** The Department of Education engaged a consultant, William D. Hogg, CA, for two separate engagements related to school board funding. His first report, *Nova Scotia Regional School Boards Funding Formula Framework*, was released in December 2004. He was later engaged to specifically examine CSAP's mandated responsibilities and cost implications. He reported to the Department of Education in December 2005.
- 7.11** We have not conducted any previous audits of CSAP. Chapter 8 of this Report describes our recent audit of the Strait Regional School Board which had similar objectives.

RESULTS IN BRIEF

- 7.12** The following are our principal observations from this audit.
- Our audit indicated that CSAP is well governed. We have made a few recommendations to strengthen certain aspects of operations and governance.
 - CSAP complies with applicable reporting requirements of the Education Act and Regulations.
 - CSAP's financial statement auditors issued a qualified audit opinion on the March 2005 financial statements due to their inability to audit school-based

funds which were reported to total \$757,238. This situation was similar to most other school boards in the Province. CSAP's audit opinion for 2005-06 will likely be qualified again since there has been no improvement in the controls over these funds. Our review of controls over school-based funds at two schools indicated that there are weaknesses. Each CSAP school has its own policies for control of school-based funds; there is no common policy. Management indicated that the inconsistency arose because the policies originated with predecessor school boards. The Conseil should establish a consistent policy for its schools and ensure that it is enforced.

- In 2003-04, school-based funds were reported missing at one CSAP school. CSAP took appropriate action and reported the matter to the RCMP. The missing amount was estimated to be approximately \$12,000. This incident illustrates the risk associated with weaknesses in controls over school-based funds.
- CSAP incurred deficits in the past. The accumulated deficit was \$515,000 as at March 31, 2005. The Department of Education provided funding of \$502,000 in March 2006 to eliminate the accumulated deficit.
- CSAP's mandate is different from other school boards because it serves a minority and has legislated responsibilities related to the Acadian and francophone culture. Section 16 of the Education Act gives CSAP additional responsibilities including promotion of the Acadian culture and French language. The Province has not explicitly provided additional funding, as a separate budget line item, for this aspect of the mandate.
- There are currently two separate student transportation systems, one for CSAP and one for the Regional School Board, in each region of the Province. There is generally no sharing of transportation arrangements among boards, although there are three separate arrangements affecting a total of approximately 550 students where CSAP students are transported by Regional School Boards or vice versa. The Department of Education has not formally analyzed the cost impact of two separate systems.

AUDIT SCOPE

7.13 The major objectives of our audit were to:

- review and assess CSAP's compliance with its policies and certain aspects of the Education Act and Regulations focusing on general responsibilities of School Boards and accountability to the Department of Education;
- review and assess appropriateness of information provided to the Conseil by management and the external auditor to fulfill its stewardship responsibilities;
- review and assess CSAP's process for acquiring contracted transportation,

achieving due regard for economy and efficiency, and monitoring compliance with contracts and legislation;

- review and assess financial transactions for 2004-05 to obtain explanations for any identified anomalies, and to test a sample of transactions for compliance with CSAP policies; and
- to gain an understanding of the services which CSAP shares with other RSBs and organizations.

7.14 Our audit criteria were obtained from recognized sources and have been accepted by the Conseil as being appropriate.

7.15 Our audit field work was conducted at CSAP during the winter of 2006. Our audit procedures included interviews with management, review of relevant documentation, and testing of expenditures. We visited two schools to review controls over school-based funds.

7.16 Our audit included only certain aspects of student transportation. CSAP's student transportation throughout most of the Province is provided by a contracted third-party service provider. The exception is the south west region where transportation services are provided by CSAP employees. Approximately 60% of CSAP's transportation costs relate to contracted transportation. We included only contracted transportation in our audit. We did not examine the delivery of transportation services in the south west region or compare the costs of transportation provided in that region with services acquired under the contract in other regions.

PRINCIPAL FINDINGS

Background

7.17 **Cultural mandate** - The Education Act includes a cultural mandate for CSAP which is in addition to the mandate provided to all school boards in the Province. Section 16 indicates that

“The Conseil acadien shall:

- (a) promote and distribute information about the French-first-language program;*
- (b) include in its learning materials information about the Acadian culture; and*
- (c) in providing its educational programs, engage in activities that promote Acadian culture and the French language.”*

7.18 Students eligible for services from CSAP are children of entitled parents. As per the Act, entitled parent means

“a parent who is a citizen of Canada and

- i) whose first language learned and still understood is French,
- ii) who received his or her primary school instruction in Canada in a French- first- language program, or
- iii) of whom any child has received or is receiving primary or secondary school instruction in Canada in a French-first language program”

7.19 CSAP incurs costs related to its cultural mandate but they are not separately tracked. William D. Hogg, in his *Nova Scotia Regional School Boards Funding Formula Framework* report issued to the Minister of Education in December 2004 (see paragraph 7.10 above), stated “There are a number of factors that are unique to CSAP. However, the two primary factors are their province wide responsibilities and the cultural aspect of their programming. . . . While these factors are unique, the associated additional cost factors are difficult to quantify.” (page 93)

7.20 **Federal funding** - CSAP receives federal funding for certain programs. For 2003-04, the audited financial statements show that 4.1% (\$1.26 million of \$31.4 million) of CSAP’s funding was from the Federal government. This compares with 1.3% (\$11.21 million of \$901.7 million) for all Regional School Boards. This funding is targeted for specific programs and initiatives and not for general operations.

7.21 **Accumulated deficit** - CSAP incurred an operating deficit of \$92,000 during the 2004-05 fiscal year and had an accumulated deficit of \$515,000 at March 31, 2005. On March 28, 2006, the Department of Education provided funding of \$502,000 which should essentially eliminate the accumulated deficit.

7.22 During 2005, as noted in paragraph 7.10 above, the Department of Education engaged a consultant to examine the cost implications of CSAP’s French first- language programs and the impact on CSAP of proposed changes to the funding formula for school boards. William D. Hogg reported to the Department of Education in December 2005, prior to the Department’s decision to fund the accumulated deficit.

Board Governance

7.23 **Conseil meetings** - The Conseil had eleven meetings in 2005 and nine meetings in 2004. More than half of those were two-day meetings over the weekend. Because the members live in a wide geographic area, the meetings are held at various locations around the Province.

7.24 Conseil meeting minutes indicated that meetings are well attended and the vast majority of motions are passed unanimously. Absences are infrequent and reasons are documented when absences occur.

7.25 The Conseil meets regularly “in camera” as permitted in Section 59(3) of the Education Act. These meetings are held to discuss personnel issues, individual

students and other confidential matters. Minutes are taken for in camera meetings and any decisions recommended are brought to the regular Conseil meeting for approval.

- 7.26** **Annual evaluation of the Superintendent** - The draft personal services contract for the new Superintendent includes a section relating to annual evaluation of performance. The evaluation is to consider achievement of the goals and objectives established by the Conseil and directives of the Minister of Education.
- 7.27** CSAP is participating on a committee that will change the process for evaluation of all school board superintendents in the Province. Through the Nova Scotia School Boards Association (NSSBA), the Conseil, all the Regional School Boards and the DOE are working on a standardized process for the evaluation of superintendents. This is especially important now that the superintendents are paid according to a uniform grid. A request for proposals was issued to find consulting firms to assist the NSSBA. Responses have been evaluated and a firm was recommended. The consultants were to meet with the superintendents and Board chairs in May 2006 to discuss the process. Documents show that the evaluation process will focus on performance against identified outcomes.
- 7.28** **Annual evaluation of Conseil performance** - The Conseil has a policy which requires review of its own performance. The Chairperson indicated this is done informally at most meetings but the discussions are not documented in the minutes.

Recommendation 7.1

We recommend the Conseil implement a formal, documented process for self evaluation.

- 7.29** **Payments to Conseil members** - The amounts to be paid to Conseil members as stipends are set by Regulation. Expense claims by Conseil members are to comply with CSAP policies. We examined the audited annual report of school board salaries and expenses submitted by CSAP to DOE and tested both types of payments to members. We found no unusual or unsupported payments.

Business Planning and Performance Reporting

- 7.30** **Strategic plan** - CSAP's strategic plan covered the period to 2003 and a new one is not yet in place. The Conseil has started work on a new strategic plan. The new plan is being developed in-house and is expected to be completed later in 2006. It will be for the period from 2006 to 2010.
- 7.31** **Business plan** - The Department of Education requires all school boards to file annual business plans. CSAP prepares an annual business plan using a template provided by the Department of Education. The plan identifies the goals and priorities for the upcoming year and reports achievements against the goals of the previous year.

- 7.32** [Reporting to the Conseil](#) - The Conseil receives many different reports and presentations relating to its operations. These reports are submitted on a regular basis through the Superintendent and committees. Although there are no regular progress reports which deal specifically with the status of business plan initiatives, we identified links to the business plan priorities during our review of a sample of reports.

Approval and Monitoring of Annual Budget

- 7.33** [Budget approval](#) - The Conseil plays an active role in approval and challenge of the budget. The Conseil sets aside special meetings to deal with the budget and is provided with any information it requests. The Conseil is informed of the budget assumptions, challenges the contents of draft documents, and requests changes where appropriate.
- 7.34** The 2005-06 budget was officially approved by the Conseil on July 13, 2005 and submitted to DOE according to legislated timelines.
- 7.35** [Financial monitoring](#) - The Director of Finance reports CSAP's financial results for the year to each Conseil meeting. A comparison of actual results to the budget is presented and members have the opportunity to ask questions. When the school year starts, financial forecasts to year end are prepared and submitted to the Conseil on a regular basis. The Conseil has an active Finance Committee that reviews financial information and recommends it to the Conseil for approval and submission to DOE where required.
- 7.36** Through review of Conseil and Committee minutes and discussions with senior management we concluded that, except for the school-based funds information referred to in paragraph 7.45 below, there is appropriate financial reporting to the Conseil.

Compliance with Education Act and Regulations

- 7.37** [Reporting to the Department of Education](#) - Overall, we found that CSAP submitted required reports to DOE as per legislation with one exception; the 2005-06 Business Plan was submitted after the deadline.
- 7.38** [Board management pay scales and contracts](#) - As per Section 64 (3C) of the Education Act
- “A school board shall establish a compensation framework for senior staff, as defined in the regulations, of the school board in accordance with the compensation framework established by the Minister in the regulations.”*
- 7.39** Of the three senior staff required to have personal services contracts, two are working without final, approved contracts. One of the contracts is waiting for DOE approval and the staff member has been without a contract for ten months. The second management employee is working under a draft contract. There has

not been approval from the employee, CSAP or DOE. The employee has been in this position for eight months. CSAP and the Department of Education indicated that this is only an issue for new employees when negotiation and approval of final contract details may require significant time. When CSAP employees are promoted, they are not paid the new salary until the contract has been finalized and approved.

Recommendation 7.2

We recommend that CSAP and DOE ensure signed, approved personal services contracts are in place before the employee begins work in the position.

7.40 We compared the salaries being paid to senior management against the approved DOE salary grids. We found CSAP to be in compliance.

7.41 *Commercial activity* - The Education Act indicates that a school board is not to engage in commercial activity without the approval of Executive Council. The Department of Education wrote to all school boards in 2002 indicating that commercial activity included “all activities being (or anticipated to be) conducted in the present fiscal year for which gross revenue is generated for the board, including community use of schools activities” and asking for a report of relevant activities. CSAP did not respond to the request. The Department of Education accumulated a list of commercial activities at the other school boards in 2002 but did not request Executive Council approval. We found that CSAP is involved in community center rentals and small initiatives such as rental of day care space.

Recommendation 7.3 (same as Recommendation 8.4)

We recommend that the Department of Education seek Executive Council approval for school board commercial activities as required under Section 64 (A) of the Education Act.

7.42 *Audit Committee* - CSAP has an active, functioning Audit Committee that meets the requirements of the Education Act. The committee meets as required and membership is appropriate. The committee’s mandate had included both audit and finance but DOE recently instructed the Conseil to separate the two roles and a separate Finance Committee was established. The terms of reference need to be updated to reflect the committee’s current mandate since they include both finance and audit. The chairperson of the Conseil is also the chair of both the Finance and Audit Committees. This is not a common practice; in most organizations, such significant responsibilities are spread among various board members. There were a few meetings where minutes had not been prepared, but there was a formal report presented to the Conseil meeting which provided evidence that the committee had met and information on topics discussed. Minutes were prepared for the most recent meeting.

School-Based Funds

- 7.43** School-based funds are received through student fundraising and school-related events. These funds are managed by the individual schools where they are collected and are the responsibility of the schools' principals. Total value at CSAP schools as at March 31, 2005 was reported to be \$757, 238. The majority of the schools had balances between \$20,000 and \$40,000. Three schools of the 19 had balances over \$100,000. Four schools were under \$10,000.
- 7.44** The Department of Education and generally accepted accounting principles require that school boards' audited financial statements include the ending balances for school-based funds and activity in those accounts during the year. The Department of Education's requirement became effective for the 2004-05 fiscal year. CSAP's financial statement auditors issued a qualified audit opinion for the March 2005 financial statements due to their inability to audit the activity in the funds because detailed records were not available to the auditors. This situation was similar to other school boards. CSAP's audit opinion for 2005-06 will likely be qualified again since there has been no improvement in the controls over these funds.
- 7.45** The schools are currently following the policies and procedures that were in place when they were part of the District School Boards before the creation of CSAP. Each school has a different policy which leads to a lack of consistency in administration and reporting of school-based funds. There is no monitoring of this area by central office except for the requirement for schools to submit a list of bank balances at year end. CSAP is planning to acquire computer software for its schools but it will need to be available in French and user-friendly. CSAP indicated that it will establish a policy for all its schools.
- 7.46** We visited two schools to review policies and procedures followed. We found some internal controls at both schools but there were many weakness identified; for example,
- Cash receipts are not regularly issued at one school.
 - Bank reconciliations were not properly prepared at one school.
 - Blank cheques had been pre-signed at one school.
 - Total control of the bank account and accounting records was vested in a single person at one school.
- 7.47** We concluded that the Conseil should develop standard policies and implement a monitoring system to reduce risk associated with the custody of school-based funds.
- 7.48** In 2003-04, CSAP identified a suspected fraud by an employee at one of its schools involving school-based funds. CSAP took appropriate action and reported the

matter to the RCMP. The suspect is no longer employed by CSAP. An estimated \$12,000 went missing over four years. This incident illustrates the risk associated with weaknesses in controls over school-based funds.

Recommendation 7.4

We recommend that CSAP establish a policy for school-based funds which applies to all schools. This policy should include requirements for appropriate internal controls and monitoring by CSAP's central office.

Student Transportation System

- 7.49** **Background** - There are 4,158 students attending CSAP schools, of which approximately 97% are transported to school by CSAP. Transportation expenditures in 2004-05 totaled \$3.7 million. Of this amount, 60% was paid to contracted transportation providers. Students in the south west region of Nova Scotia are not transported by contractors; CSAP has its own school bus fleet in that region. CSAP is bound by a collective agreement that does not allow transportation in the south west region to be contracted out. For this audit, we focused on contracted transportation services. The majority of students are transported on buses provided under contract from an external service provider which accounts for 46% of the \$3.7 million in transportation expenditures. Contracts with taxi companies for transportation of some of the remaining students account for 14%. The remaining transportation costs relate to transportation by CSAP's fleet of school buses. See Exhibit 7.3.
- 7.50** CSAP has a student transportation policy. It includes a maximum duration for student transportation of one hour and provision for bussing of all students who reside more than 1.6 kilometers from school. It also includes provision for courtesy bussing of students within the 1.6 kilometer limit. Section 6.1 of the Governor in Council Regulations under the Education Act requires that all students over 3.6 kilometers from school be transported. Department of Education officials informed us that this is the minimum distance and that school boards can develop their own transportation policy based on circumstances. The school boards do not have consistent standards for when transportation is provided.
- 7.51** **Separate transportation system** - Transportation of CSAP students in areas other than Halifax Regional Municipality and Clare-Argyle had been the responsibility of other school boards. Over time, CSAP was able to contract a third party to deliver transportation services in some areas. In 2004, CSAP formally asked for control of its transportation in the north east region and DOE transferred the related funding from a Regional School Board to CSAP. CSAP engaged a consultant to review its transportation issues and the report was provided to DOE. The consultant issued a report in November 2003 which included the following recommendations:

“It is recommended that:

- CSAP assume exclusive responsibility for the provision of pupil transportation of all

Acadien and francophone students enrolled in all its schools.

- The Department of Education initiate and carry out a process to assign the appropriate number of school buses to the appropriate boards. (A staff transition plan would be required).
- If additional school buses are required, the Department of Education provides the additional funding.
- The Department of Education revise the baseline funding for CSAP to reflect the number of buses operated by the board.” (Report on Pupil Transportation Services - Conseil scolaire acadien provincial, Douglas E. Nauss, November 2003)

7.52 There are now two separate transportation systems in each region of the Province, one for CSAP and one for the Regional School Board, with minor exceptions in three areas. There are arrangements between CSAP and three Regional School Boards (Chignecto-Central, Annapolis Valley and Tri-County) which involve a total of approximately 550 students. In one area, CSAP transports 459 students of another RSB and, in two others, a total of 91 CSAP students are transported by other RSBs.

7.53 A separate transportation system is important to CSAP and parents of CSAP students. The Conseil gave us the following reasons for its position.

- The Conseil believes that students have the right to a French environment from the moment they are on the bus.
- It is safer for French speaking students to have a French bus driver.
- When CSAP transportation was the responsibility of other school boards, the priority of the other board was its own students which led to long bus rides for CSAP students.

7.54 We understand that CSAP management received information from the contracted transportation provider indicating that only 60% of the contracted drivers are able to speak French. Therefore, it appears CSAP’s language needs in this area are not being fully met.

7.55 [Contract with the service provider](#) - CSAP tendered its requirement for transportation services. Each Regional School Board was given the opportunity to bid for its region, though none did. We examined the process to choose the contracted service provider and found that it was in compliance with the Nova Scotia Government Procurement Policy.

7.56 The contract states that the contractor must comply with the applicable legislation and regulations. Specifically, it must operate within CSAP’s transportation policy and regulations, the N.S. Motor Carrier Act, the N.S. Education Act, and relevant regulations with regard to the conveyance of pupils. This contract has been approved by both parties as well as DOE.

7.57 The contractor is responsible for all aspects of transportation in the specified regions. Responsibility for ownership of the buses, maintenance, fuel, drivers, and

insurance rests with the contractor. The price is a fixed daily rate per bus regardless of the distance driven. The contracted service provider also subcontracts CSAP's taxi requirements in those cases where it is not feasible to provide bus service. The contract does not discuss the criteria or the option of subcontracting with taxi companies.

- 7.58** In 2005-06, the average cost of transporting students under the service provider contract was \$1,061 per student (weighted average of bus and taxi students). Exhibit 7.4 shows that the contracted transportation cost for each region ranges between \$117,000 and \$ 1,253,000. CSAP schools within the Halifax Regional Municipality (HRM) account for approximately 50% of the contracted expenses and 30% of total transportation costs. See Exhibit 7.5 for the average annual cost per student in each region. The annual per student cost ranges from approximately \$668 to \$ 6,238. Transportation by taxi is more expensive than bussing on a per student basis, but may be the most economic option for certain students as discussed in paragraph 7.61.
- 7.59** In 2005-06 there were approximately 160 students transported using taxis. This is 4% of total students transported. The total cost of taxis used by CSAP was \$454,866.
- 7.60** The contract includes a provision for CSAP to request removal of any driver convicted of a criminal offense and indicates that the drivers are to be of "good moral character". The contract does not include a specific requirement for all drivers to undergo a criminal record/child abuse registry check prior to hiring. CSAP is entitled under the contract to examine drivers' record abstracts but this is not done. We understand from our audit of Strait Regional School Board (see Chapter 8) that DOE and school boards discussed requirements for child abuse and criminal record checks. DOE and school boards decided that all new school board employees were to have criminal record/child abuse registry checks; existing employees were exempt. The rationale for this decision was primarily the administrative burden on the agencies which would need to perform the checks for all existing school board employees across the Province. For safety reasons, we believe that it is important for CSAP to ensure that all drivers have been appropriately screened prior to hiring regardless of whether they are employees of the Conseil or the contractor.

Recommendation 7.5

We recommend that CSAP require the contractor to provide proof that all contracted drivers have undergone criminal record and child abuse record checks prior to driving. CSAP should also review driver record abstracts for all drivers of contracted buses prior to driving.

- 7.61** **Establishing school bus routes** –The contracted service provider plans routes. Routes are created to adhere to regulations and there are no set standards for the number of buses or utilization rates. Board management is involved in the

ongoing review of bus routes including detailed reviews in certain geographical areas each year. The proposed routes are reviewed by CSAP management. The service provider provides CSAP options for the routes with different bus/taxi combinations and related costs. Because CSAP serves the entire Province and its students are widely dispersed, route planning is a challenge. CSAP indicated that it chooses the most economical option that fits within regulations. This most often is the option that has more taxis than buses. Routes are re-examined each fall by CSAP management.

- 7.62** The cost of the contract with the service provider is based on two components; the cost of using school buses and the cost of using taxis. In the contract, the daily rate to be charged per bus is outlined as well as the payment terms. There is no discussion of the method used to determine the cost of taxis. Management has indicated that the service provider subcontracts the taxi service and negotiates the cost with the taxi companies directly. CSAP has not stipulated any criteria for the subcontractors in the contract. Management indicated that the service provider does not include a surcharge when invoicing CSAP for taxi charges and that taxi charges are approved by CSAP when the routes are established.

Recommendation 7.6

We recommend that CSAP include the details for acquisition of taxi services in its future contracts for student transportation.

- 7.63** **Reporting** - As stated in the contract, CSAP is to annually receive a listing of drivers and routes, driving abstracts and the expiry of driver first aid qualifications. Management indicated that they requested the service provider to keep this information. CSAP has not requested to see this documentation.
- 7.64** CSAP also does not receive information concerning the operational performance or legislative and contract compliance of its service provider. CSAP places reliance for the monitoring of compliance on the Nova Scotia Utility and Review Board (NSURB). Part of the responsibility of the NSURB is to ensure that transportation service providers for students (including the school boards and contractors) comply with the Motor Carrier Act. Management believes that since the CSAP service provider is subject to the same regulations as the school boards for maintenance, safety, and training, CSAP can rely on the NSURB monitoring process.
- 7.65** CSAP also relies on the Nova Scotia Pupil Transportation Advisory Committee. CSAP is a member of this committee. The objectives of the committee are to promote safety in pupil transportation, develop and share knowledge, and administer the Nova Scotia Pupil Transportation Achievement Awards process. This process is administered by a three-person sub-committee. The purpose of the Pupil Transportation Awards is to evaluate all school bus carriers annually.
- 7.66** The process includes an evaluation of several aspects of pupil transportation operations. The provider of CSAP transportation has been awarded a gold rating

each year of its contract, except for 2004 (the most recent year) when it was awarded a silver award. Two buses did not have evacuation procedures and the first aid qualifications of four drivers had expired which led to the reduced award.

- 7.67** CSAP does not request or receive the details of the evaluation. It is in regular contact with the service provider and believes it is receiving the level of detail needed. We believe this evaluation report would be useful to CSAP in identifying any deficiencies and areas of non-compliance not readily apparent from the final rating.

Recommendation 7.7

We recommend that CSAP require the contracted transportation service provider to provide an annual report on operations and copies of all safety-related reports relating to the contracted operations. CSAP should review this information for evidence of compliance with the contract, CSAP policies and legislation.

Testing of Transactions

- 7.68** We tested a sample of 2004-05 expense transactions in selected areas for compliance to policies. All items tested complied with the applicable policies. We also accessed CSAP's financial records electronically and analyzed certain accounts such as senior management and Conseil stipends for compliance with CSAP and Department of Education policies. We found no exceptions.

Due Regard for Economy and Efficiency

- 7.69** *Service delivery* - CSAP has the smallest number of students when compared to the other school boards but it covers the largest geographic area. This presents challenges when attempting to balance due regard for economy and efficiency with a legislated Province-wide mandate. One of these challenges is student transportation as discussed above.
- 7.70** Section 12 of the Education Act includes a reference to value-for-money. It specifically says CSAP can provide the education service "if the numbers warrant the provision of the program out of public funds". However, the Act does not define when numbers would warrant provision of the program. The language in this section of the Act is the same as that in the Canadian Charter of Rights and Freedoms. Review of enrollments for 2005-06 shows that average enrollment at CSAP schools is 219 students. However, there are two schools that have less than 100 students. One of those schools provides services for grades primary to 7 and the other is from pre-primary to grade 12.
- 7.71** One of our objectives was to gain an understanding of the services CSAP shares with other school boards and organizations. CSAP's business plan for 2005-06 includes objectives related to partnerships with Provincial and federal government

agencies. The Conseil uses communication technology extensively to reduce travel costs. All of the high schools have video conferencing capabilities and the Conseil's committees use internet-based communication software to reduce the need for face-to-face meetings.

- 7.72** There are currently no shared service arrangements between CSAP and the regional school boards other than in the student transportation area (see paragraph 7.52). CSAP believes that the language of operation creates an impediment to sharing services with other boards. CSAP participates in the Nova Scotia School Boards Association and suggested to our Office that the NSSBA should take an enhanced role in sharing policy development, procurement and other areas.
- 7.73** CSAP participates in French curriculum development initiatives with other Atlantic provinces. It also shares available community center space in its schools with French community groups. The schools' video conferencing capabilities are used to share a number of high school courses which are offered on-site at one school and via technology to small groups of students at other schools. This enables the high schools to provide a wider variety of course offerings.
- 7.74** We acknowledge that sharing services is a challenge for CSAP because, unlike other school boards in Nova Scotia, its language of operation is French and it has a mandate to promote French culture. These factors create an impediment to sharing of services. CSAP indicated that the language of operation has preempted many sharing initiatives. However, we believe that CSAP, DOE and other school boards should explicitly consider both due regard for economy and efficiency and cultural factors when decisions are made on whether certain services should be shared. We believe that costs have not always been considered appropriately. For example, the decision to operate a separate student transportation system, discussed in paragraphs 7.51 to 7.54 above, was not supported by a formal analysis of costs and benefits.

Recommendation 7.8

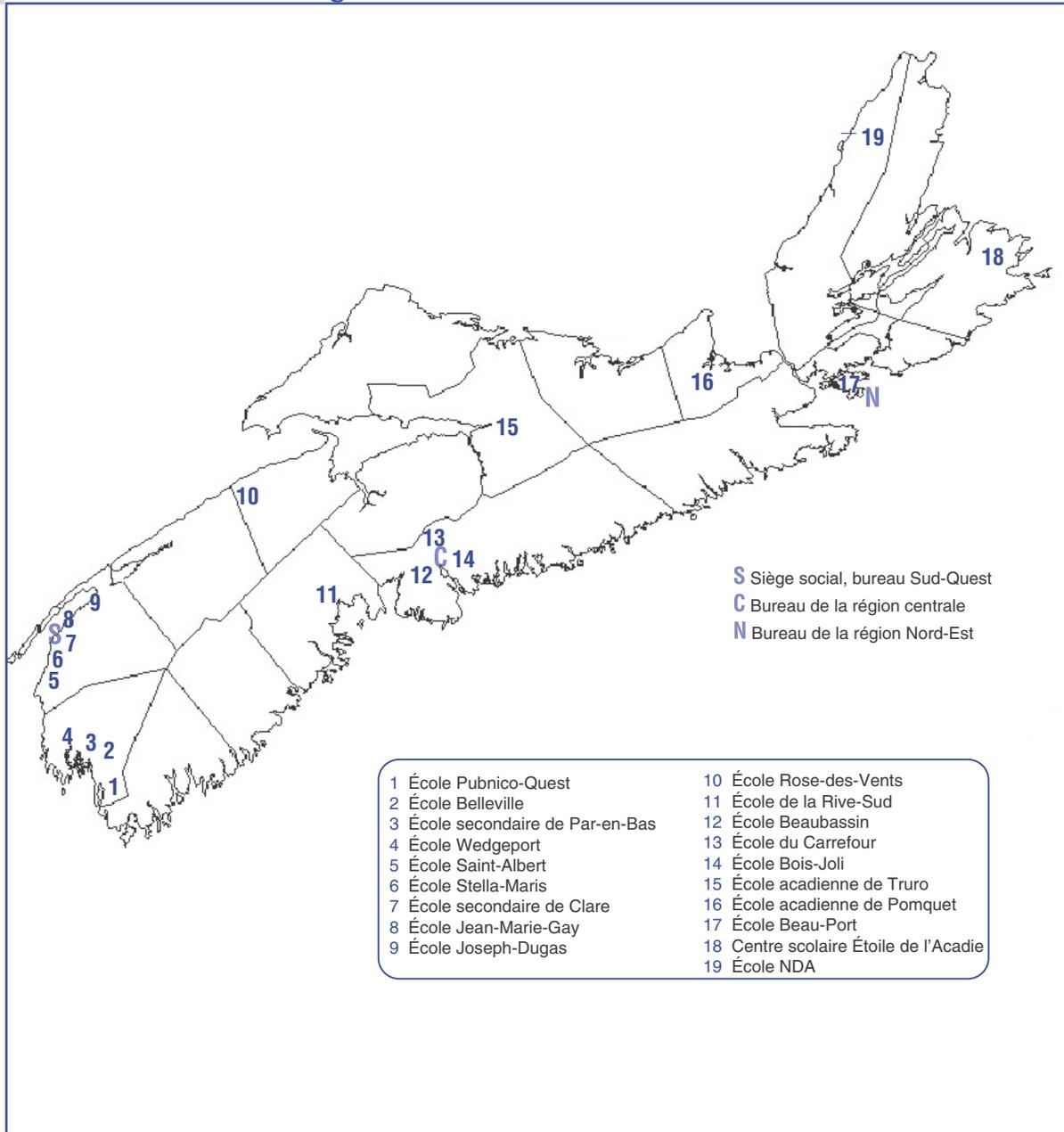
We recommend that the DOE, CSAP and RSBs make a concerted effort to consider shared services in order to achieve due regard for economy and efficiency while maintaining the importance of the cultural mandate. CSAP should formally analyze both the cultural factors and costs of sharing versus stand-alone options and attempt to minimize costs when making decisions.

CONCLUDING REMARKS

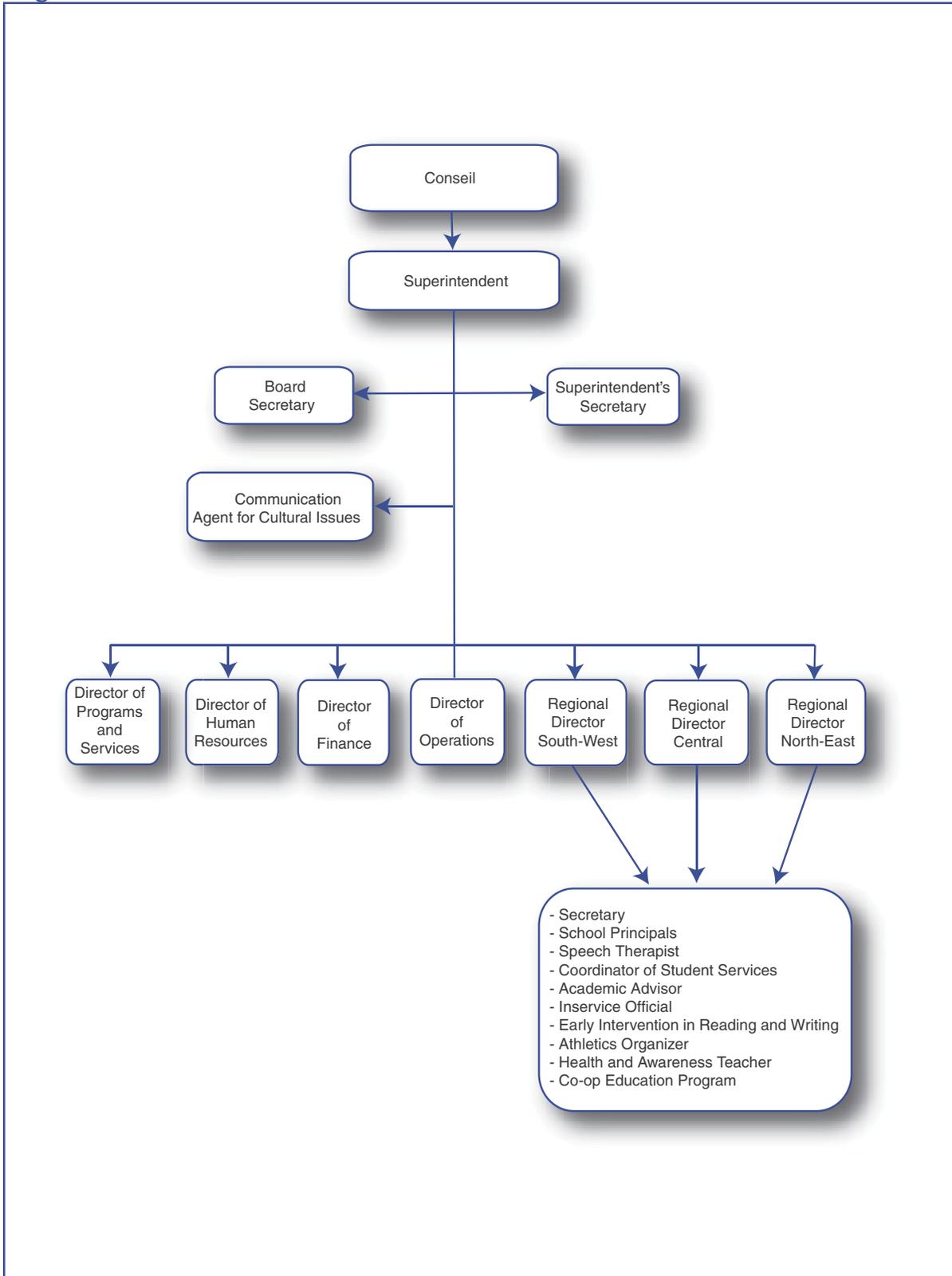
- 7.75** We concluded that CSAP is well governed. We have made a few recommendations to strengthen certain aspects of operations and governance particularly in the area of improved controls over school-based funds.

7.76 CSAP faces significant challenges in providing Province-wide services to a very dispersed student population. We believe that it is very important for CSAP to be accountable for achievement of due regard for economy and efficiency in the expenditure of public funds even though it uses a different language of operation, has a legislated mandate which differs from other school boards, and separate governance. Achieving both the distinct mandate of providing services to a minority and economical administration is a challenge. Options for sharing services with other school boards should be formally considered and both cultural issues and related costs and benefits for the education system as a whole should be analyzed when decisions are made.

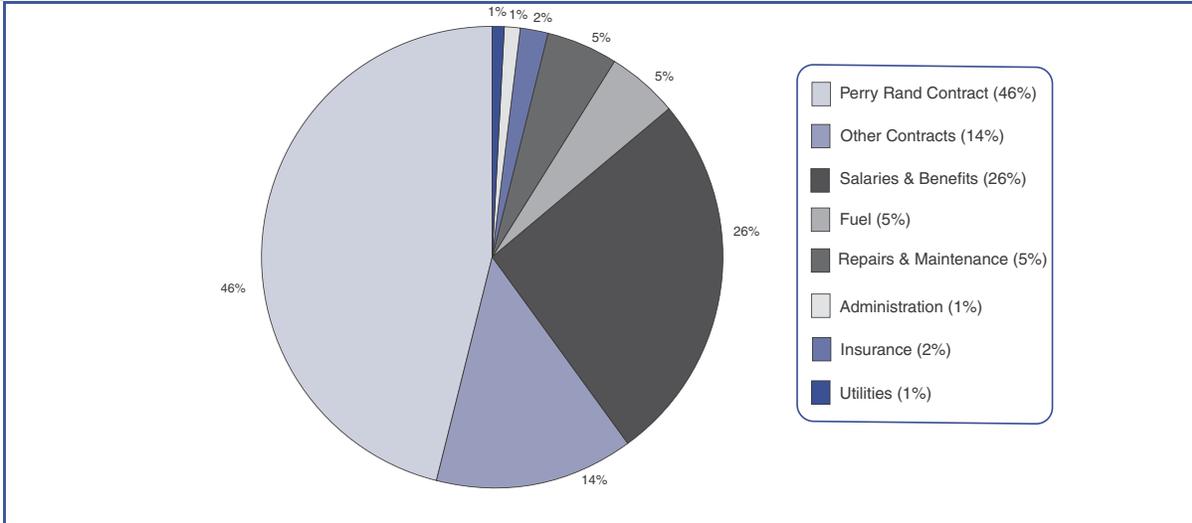
Conseil scolaire acadien provincial Administrative Regions and Schools



Conseil scolaire acadien provincial Organization Chart

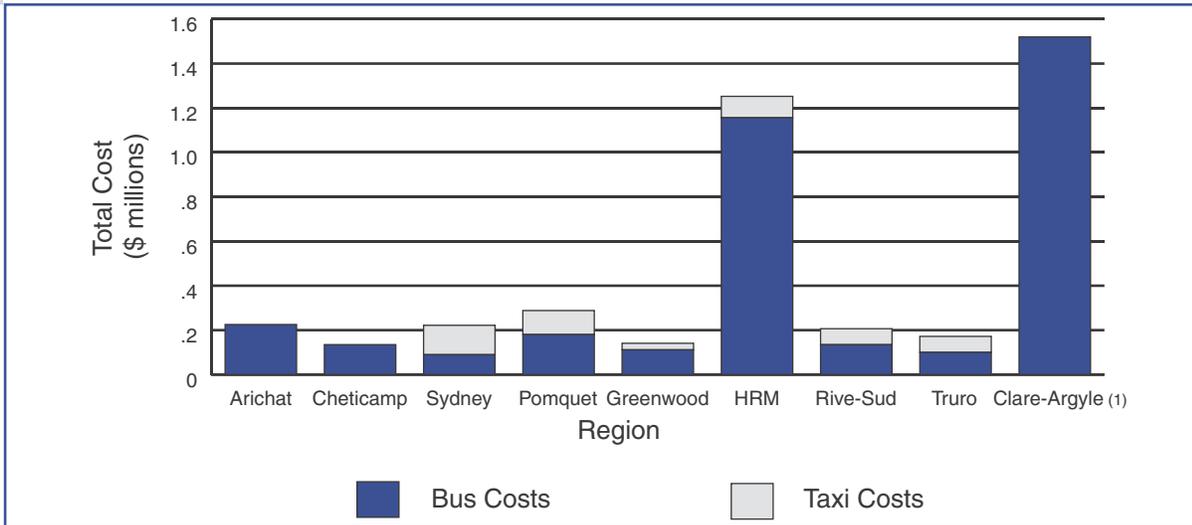


Pupil Conveyance Expenditures 2004-05



Source: CSAP financial system

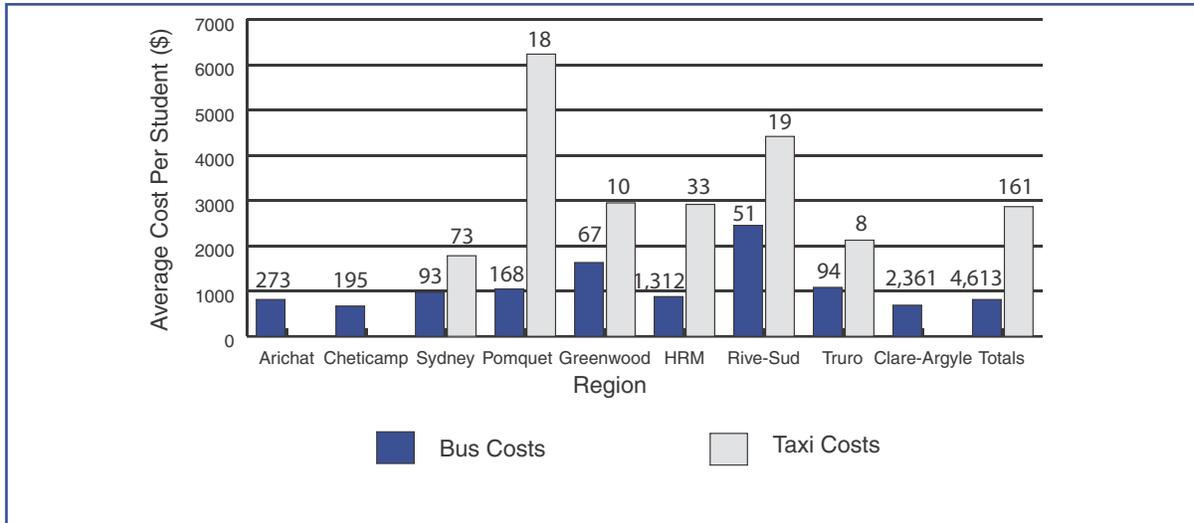
Transportation Costs by Region 2005-06



Source: CSAP financial system. Figures have not been audited.

(1) Not included in transportation contract

Average Cost per Student for Bus and Taxi Transportation by Region 2005-06



Note: Number of students transported at average cost indicated is shown at top of column. For example, in HRM 1,312 students are transported by bus at an average annual cost of \$877 per student and 33 students are transported by taxi at an average annual cost of \$2,916 per student.

Source: Data provided by CSAP. Figures have not been audited.

LA RÉPONSE DU CONSEIL SCOLAIRE ACADIEN PROVINCIAL

Conseil scolaire acadien provincial a grandement apprécié cette expérience et tient à remercier le personnel du bureau du vérificateur général pour ses compétences et son efficacité. Ce regard professionnel et indépendant posé sur nos pratiques a permis et généré des remises en question qui sont synonymes d'évolution dans toute organisation.

C'est avec enthousiasme que nous mettrons en oeuvre les recommandations du rapport. Nous serons heureux d'accueillir à nouveau les membres de l'équipe de vérification générale d'ici trois ans pour constater les améliorations découlant de leurs recommandations qui nous permettent de mieux accomplir notre mandat.